



ANNUAL REPORT 2025



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Notice of Meeting

Notice is hereby given that the One Hundred and Forty Fourth Annual General Meeting of Members will be held at the offices of The National Horseracing Authority, Turf Club Street, Turffontein, on Wednesday, 14 January 2026 at 12:00 to transact the following business:

1. To consider and confirm the Minutes of the Annual General Meeting of Members held on Wednesday, 15 January 2025.
2. To consider the Report of the Chairperson of the National Board of Directors for the year ended 31 July 2025.
3. To receive and consider the audited Financial Statements of The National Horseracing Authority of Southern Africa for the period ended 31 July 2025.
4. To consider the appointment or re-appointment of the Auditors for the NHA.
5. To transact any business which may be transacted at an Annual General Meeting.



Chief Executive

The National Horseracing
Authority of Southern Africa

Turf Club Street

Turffontein 2190

December 2025



Vision

To create an environment in which the sport of horseracing, the horses and the people can thrive.



Mission

To regulate, govern, serve and promote the sport of horseracing in Southern Africa.



SERVICE

We are empowered to serve

INTEGRITY

We do the right thing

RESPONSIVENESS

We act with urgency

EXCELLENCE

We exceed and excel

DEDICATION

We love what we do



Objectives

The objectives of The National Horseracing Authority of Southern Africa in its identified territories are:

1. To **regulate** the sport of horseracing.
2. To **govern** the sport with integrity.
3. To **serve** the industry through excellent, efficient and effective administration of amongst others, the Stud Book, registrations, licensing, race day services and laboratory services.
4. To **promote** and/or encourage the promotion of the sport of horseracing, the quality of the thoroughbred, industry training and skills development.
5. To **promote** and foster co-operation and goodwill with recognised authorities, governments and other relevant stakeholders.



Committees

(Up to 30 September 2025)



AUDIT, RISK AND FINANCE COMMITTEE

Mr D Rosevear	(Chairperson)
Mr G Ahmed	
Mr J Kinsley	
Mr V J Moodley	(By Invitation)
Mr B Sibanyoni	(By Invitation)

The mandate of this Committee is set out in Clause 16.6.2 of the Constitution as follows:

16.6.2 An Audit Committee is appointed to advise the NATIONAL BOARD on matters relating to the audited accounts, the financial controls, the risks facing the NATIONAL HORSERACING AUTHORITY, the NATIONAL HORSERACING AUTHORITY'S budget and such other matters as may be delegated and/or referred to it by the NATIONAL BOARD;

GRADED RACES COMMITTEE

Mr V J Moodley	(Chairperson)
Dr A H Parker	
Mr L Maharaj	
Mr R Sewgoolam	
Mr G Soma	(By Invitation)
Mr G Hawkins	(By Invitation)
Mr L Scribante	(By Invitation)
Mr A Sewpersad	(By Invitation)
Mr R Sheik	(By Invitation)
Mr J Vermaak	(By Invitation)

This Committee, working within criteria and principles based on internationally accepted standards, evaluates all races run in South Africa and Zimbabwe to produce a list of Graded and Listed Races to be approved by the National Board. The purpose of this list is to recognise racing class and to ensure compliance with the International Cataloguing Standards Committee which Committee is tasked with ensuring that the standard of racing in South Africa adheres to the standards required for inclusion into Part I. South Africa is part of the regional Asian Pattern Committee.

INQUIRY REVIEW BOARD

Mr J M Witts-Hewinson	(Chairperson)
Mr A D Hyde	
Mr J Kinsley	
Mr V J Moodley	
Mrs S Rowett	

This Committee monitors the procedures of Inquiry Boards to ensure procedural fairness and the appropriateness and consistencies of penalties imposed.

LABORATORY COMMITTEE

Mrs S Rowett	(Chairperson)
Dr A H Parker	
Mr V J Moodley	
Dr S S de Kock	(By Invitation)

This Committee monitors the standards and efficiencies of the laboratory and evaluates the needs of new equipment before recommending such capital expenditure. It also ensures that the laboratory keeps up with international trends in drug detection.

LICENSING COMMITTEE

Mr V J Moodley	(Chairperson)
Mr A D Hyde	
Mr K Nkoane	
Miss S Mfusi	(Secretary)

The mandate of the Licensing Committee is set out in Clause 20.1 of the Constitution as follows:

20.1 The LICENSING BOARD shall have the power to, and may, in its absolute discretion, grant, refuse to grant, renew, or refuse to renew, any PRIVILEGE provided for in this Constitution or the RULES, excluding the PRIVILEGES referred to in clauses 16.2.6 and 16.2.7.



NOMINATIONS COMMITTEE

Mr M Currie (Chairperson)
Mr G Bortz
Mr N Nalliah
Mr A Rivalland
Mr R Sewgoolam

The mandate of the Nominations Committee is set out in Clause 14.1 of the Constitution as follows:

14.1 A NOMINATIONS COMMITTEE, consisting of 5 members, will be established to nominate and appoint NATIONAL BOARD DIRECTORS. All potential nominations shall be discussed and considered by all 5 members, but decisions shall be taken by a simple majority vote of the members of the NOMINATIONS COMMITTEE.

PENSION FUND MANAGEMENT COMMITTEE

Mr V J Moodley (Employer Representative)
Mr A D Hyde (Employer Representative)
Mr L Maharaj (Employee Representative)
Dr S S de Kock (Employee Representative)

The Management Committee have a fiduciary responsibility in ensuring that the interests of the employer and employees are looked after through liaising with the administrators of the Alexander Forbes Retirement Fund (Pension Section) to ensure that the fund is efficiently administered and that the best possible returns on the fund's investments are achieved.

REMUNERATION COMMITTEE

Mr R Sewgoolam (Chairperson)
Mr G Ahmed
Mr J Kinsley
Mr S Mathen
Mr V J Moodley (By Invitation)

The mandate of this Committee is set out in Clause 16.6.3 of the Constitution as follows:

16.6.3 A Remuneration Committee is appointed on such terms and conditions as may be prescribed by the NATIONAL BOARD to determine, on at least an annual basis, the type and amount of the remuneration to be provided to NATIONAL HORSERACING AUTHORITY employees and, subject to the provisions of this Constitution, to be provided to NATIONAL BOARD DIRECTORS.

RULES COMMITTEE

Mrs S Rowett (Chairperson)
Mr A D Hyde
Mr V J Moodley
Dr A H Parker
Mr M Shackleton (By Invitation)
Operator Representative (By Invitation)
Owner Representative (By Invitation)
Jockey Representative (By Invitation)
Legal Representative (By Invitation)

This Committee receives and considers amendments to the Rules as proposed by Management and/or other affected persons and stakeholders and makes recommendations on such amendments to the National Board.

All clauses referred to are prior to the adoption of the new Constitution.

Committees

(Up to 30 September 2025)



SOCIAL AND ETHICS COMMITTEE

Mr G Ahmed	(Chairperson)	<p>The role of the Committee is to assist the National Board to ensure that there are appropriate strategies, policies and processes in place in order to:</p> <ul style="list-style-type: none">• Drive transformation within the NHA; and• Direct the building and sustainability of an ethical culture within the NHA.
Mr S Mathen		
Mr K Nkoane		
Mr D Rosevear		
Mr M Shackleton		
Mr B Sibanyoni		

STUD BOOK COMMITTEE

Mrs S Rowett	(Chairperson)	<p>The purpose of the Stud Book Committee is to provide oversight over the Stud Book Department operations, systems of internal controls and compliance with the Breeding Articles contained as per the International Agreement on Breeding, Racing and Wagering, as well as the International Stud Book Committee's best practices.</p>
Mr V J Moodley		
Mr K Nkoane		
Dr A H Parker		
Mrs H Morkel	(By Invitation)	

TBA AND VETERINARY LIAISON COMMITTEE

Dr A H Parker	(Chairperson)	<p>This Committee meet on an annual basis with representatives of the TBA and the Equine Practitioners Group to discuss matters of mutual concern and interest.</p>
Dr M Bawden		
Mr A D Hyde		
Mr K Nkoane		
Mrs S Rowett		
TBA and SAEVA Representatives	(By Invitation)	

The National Board wishes to express its thanks to the Members of the abovementioned Committees for the generous time and effort which they put into carrying out their responsibilities.

Mr V J Moodley also serves as a Director on the Board of the Racing and Equestrian Academy.

International Members and Committees

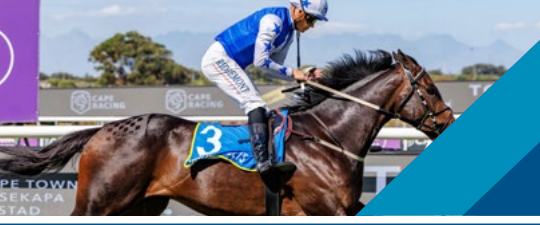


Asian Racing Federation (ARF) Executive Council	Mr Vee Moodley
Asian Pattern Committee of the ARF	Mr Vee Moodley
Technical Advisory Committee of the IFHA	Mr Vee Moodley
Harmonisation Of Raceday Rules of the IFHA	Mr Arnold Hyde
International Conference for The Health, Safety and Welfare of Jockeys	Mr Arnold Hyde
Horse Welfare Committee of the IFHA	Mr Arnold Hyde
International Forum for the Aftercare of Racehorses	Mr Arnold Hyde
Asian Racing Federation Drug Control Committee	(Analyst) Dr Schalk de Kock (Veterinarian) Dr Matthew Bawden
International Conference of Racing Analysts and Veterinarians	Dr Schalk de Kock Dr Matthew Bawden
Association of Official Racing Chemists	Dr Schalk de Kock
International Group of Specialist Racing Veterinarians	Dr Matthew Bawden
International Stud Book Committee	Mr Vee Moodley
European and African Stud Book Committee	Mr Kabelo Nkoane
The Hong Kong Jockey Club (HKJC) Funding of South African Equine Health and Protocols (SAEHP) Oversight Committee	Mr Vee Moodley
World's Best Racehorse Rankings Committee	Mr Lennon Maharaj

The National Horseracing Authority of Southern Africa is a full member of the Asian Racing Federation (ARF).

The National Horseracing Authority of Southern Africa is a full member of the International Federation of Horseracing Authorities (IFHA) and a signatory of the International Agreement on Breeding, Racing and Wagering.





National Board Directors

Mr Currie is a qualified Chartered Accountant and holds the position of Group Chief Risk Officer of the Investec Group having been employed in various roles for 32 years at Investec. Mr Currie is the former Chairman of the Thoroughbred Horseracing Trust, the former co-chair of Kenilworth Racing and a former Director of the Racing Association (now known as the Racehorse Owners Association).

Mr Currie has been actively involved in the Horseracing Industry in South Africa and has held colours since 1994.



**Mr M A Currie
(Chairperson)**

Mr Ahmed holds an Honours degree in Bachelor of Accounting Science (BCompt) and is a registered member of The South African Institute of Chartered Accountants. Mr Ahmed has held various senior positions, both in operational and traditional financial management roles having worked in large and medium sized businesses across different sectors in both listed and unlisted organisations.



Mr G Ahmed

Mr Fegen is a self-employed businessman in transport and contracting business, working with Citrus Farmers, Dairy and Apple Farmers having started the business in 2013.

Mr Fegen is a keen racing enthusiast and holds individual and partnership colours since 18 February 2021.



Mr B J Fegen

National Board Directors



Mr J Kinsley

Mr Kinsley is a registered Breeder and Owner of Ay-Jay Farm and is also a registered Colour Holder since 1999. Mr Kinsley holds a Bachelor of Commerce degree and a LLB degree with the University of Natal and holds a Certificate of Financial Planning with University of the Orange Free State.

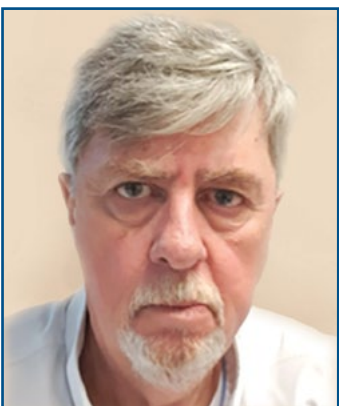
Mr Kinsley is a retired executive with 30 years of experience in the financial services industry in South Africa. He has previously served in an executive capacity on a number of Boards in both South Africa and Namibia. He remains a non-executive director of two businesses in the financial services sector and looks to take on one or two other fiduciary roles in businesses or industries where he will be able to add value.



**Mr V J Moodley
(Chief Executive)**

Mr Vee Moodley studied for a B. Com Accounting degree and is a Professional Member Certified Director of the Institute of Directors in South Africa (IODSA) and was recently successful in passing the Chartered Director CD(SA) examinations.

He worked as a Group Accountant before opting for a career change in 2003 when he joined The Jockey Club of S A, as it was then known. His thorough knowledge, understanding and passion for horseracing stood him in good stead and in 2007 he was promoted to Racing Control Manager and Chief Executive designate of The National Horseracing Authority of Southern Africa (NHA). He has a strong financial background, and he was then head hunted to ply his skills at PGL as the Executive Director: Sports Betting and CEO of one of the largest fixed odds operators at that time. Mr Moodley has held numerous positions within the horseracing industry in South Africa and internationally and is a director on multiple Boards and serves on and chairs various Committees. He has a total of just under four decades of experience in both the commercial and regulatory aspects of the horse racing industry.



Mr B Reardon

Mr Reardon is a practicing Attorney at Millar and Reardon Attorneys since 1982. He was appointed as Commissioner of Small Claims Court in 2015 and currently serves as a trustee on various testamentary, inter vivos and charitable trusts.

Mr Reardon has been a colour holder since 1 August 1989 and up until 2021, he was also a registered breeder.



Mr R Sewgoolam

Mr Sewgoolam holds a Bachelor of Business Accounting (Australia) degree, completed the Certified Practising Accountant's Programme (Australia) and holds a Bachelor of Law (LLB) from the University of KwaZulu-Natal. He is the sole Director of a legal practice in Pietermaritzburg and a Director of a legal practice in Johannesburg specialising in litigation, conveyancing, administration of deceased estates, insolvency law and mergers and turnarounds (business rescues).

Mr Sewgoolam currently serves on the Master of the High Court's panel of liquidators and trustees.



Mrs J Sparke

Mrs Sparke is a qualified Chartered Accountant and a self-employed finance and tax consultant having retired from MODO (Mary Oppenheimer Daughters) after working for nearly 20 years for the Oppenheimer Group in various roles including Chief Financial Officer for MODO.

Mrs Sparke's previous employment included Financial Director of Primeserv Group Limited as well as Financial Manager for Vodacom, Teljoy, Colgate Palmolive and British American Tobacco.

Mrs Sparke currently serves on the Board of the Racehorse Owners Association and is a member of Magical Lady Syndicate.



Mr LMF Wernars

Mr Wernars is the Chairman of the Studio 88 Group of Companies.

Mr Wernars is also heavily invested in the sport of horseracing for over 30 years and is the owner of over 100 horses in training and owns over 100 broodmares and yearlings. He has served on the board of the Racing Association (now known as the Racehorse Owners Association).

Mr Wernars has previously served as a National Board Director from 10 December 2019 to 13 October 2020.

The National Board Directors are appointed in terms of Clause 16 of the Constitution of The National Horseracing Authority of Southern Africa.

The previous Board met on several occasions between 1 August 2024 and 31 July 2025.



MR M A CURRIE

Chairperson



NAVIGATING WELFARE PRESSURES AND PROTECTING RACING'S SOCIAL LICENCE

In recent years, the National Horseracing Authority (NHA) has faced growing scrutiny from animal welfare advocates, particularly the National Council of Societies for the Prevention of Cruelty to Animals (NSPCA). While constructive dialogue has begun to replace confrontation, the intensity of the NSPCA's campaign reflects a broader global trend: society's evolving expectations around animal use in sport.

The NSPCA's stated position, to ultimately end all forms of animal racing in South Africa, places the industry under sustained public pressure. Their recent communications have questioned practices such as racing two-year-olds, the use of tongue-ties, the application of the crop, and the regulation of medications. These topics are complex, often misinterpreted outside the context of veterinary science and international regulatory standards.

From a regulatory perspective, the NHA has welcomed engagement with the NSPCA. The meeting held on 10 September 2025 marked an important step toward open, fact-based discussion. The NHA used the opportunity to present the extensive framework already in place to safeguard racehorses: continuous veterinary oversight at training centres and race meetings, robust medication control, and internationally aligned rules governing the use of equipment.

The NHA's welfare mandate is clear and independent. As a non-profit regulatory body, our decisions are made without financial bias. This independence allows us to act swiftly and decisively when welfare concerns arise, balancing animal safety, regulatory integrity, and the long-term sustainability of the sport.

However, the NSPCA's public messaging continues to challenge racing's "social licence to operate", the informal but essential trust granted by society to continue our activities. Public confidence is fragile, and perception often shapes reality. Even when scientific evidence supports the industry's practices, emotional narratives can dominate public debate, particularly through social media. For this reason, transparency, engagement, and consistent enforcement of welfare standards are vital.

The NHA has strengthened its communication and consultation processes to make welfare decisions more visible and better understood. Stakeholders, members of the public, including the NSPCA, have been invited to submit comments to the Rules Committee to ensure that differing views are heard and considered.

Globally, racing jurisdictions face similar scrutiny. South Africa's participation in international welfare bodies such as the International Federation of Horseracing Authorities (IFHA), the International Group of Specialist Regulatory Veterinarians (IGSRV), and the Asian Racing Federation (ARF) ensures that our standards are not only aligned with, but in some areas exceed, those applied elsewhere.

The welfare of the horse and the sustainability of the sport are inseparable. The continued existence of racing depends on public trust that horses are treated humanely and that regulation is fair, independent, and science



driven. Our response to welfare criticism, therefore, cannot be defensive, it must be proactive, evidence-based, and transparent.

The NHA remains committed to working constructively with all welfare organisations, including the NSPCA, to ensure South African horseracing continues to evolve in step with modern ethical expectations. Protecting horses protects the integrity and future of the sport itself.

GLOBAL THOROUGHBRED FOAL CROP STATISTICS

The foal crop is a vital statistic that highlights, inter alia, the growth and sustainability of the thoroughbred horseracing industry. South Africa has seen a steady decline in its foal crop over the past decade, of which the last 5 years was at the highest rate, and consequently the resulting reduction in racing fixtures. The table below underlines that the trend is NOT limited to South Africa and is in line with most leading breeding jurisdictions worldwide. In fact, South Africa is slightly above the curve at (32,2%) of the average reduction of the 69 stud books at (35%).



ISBC Statistics - Global Thoroughbred Foal Crop: 2005 – 2025

Stud Books Registering 1000+ Foals 2024	2005	2010	2015	2020	2025	Total Movement 2005-2024	% Movement 2005-2024
United States of America	34949	23045	21158	18118	16389	-18,560	-53.1%
Australia	18447	15543	13025	12850	11698	-6749	-36.6%
Ireland	12408	7986	8780	9182	8887	-3521	-28.8%
Japan	7456	6664	6701	7388	7718	+262	+3.5%
Argentina	6787	8437	7673	6416	5933	-854	-12.6%
France	4822	5052	5238	5691	5487	+665	+13.8%
Great Britain	5863	4699	4569	4470	4198	-1665	-28.4%
New Zealand	4518	3888	3373	3189	2681	-1873	-40.7%
Turkey	1526	1500	1768	1967	2584	+1058	+69.3%
South Africa	2730	3305	2947	2079	1850	-880	-32.2%
Brazil	3034	2971	2133	1626	1694	-1340	-44.2%
Uruguay	1670	1913	1698	1673	1473	-197	-11.8%
Chile	1731	1754	1630	1755	1334	-397	-22.9%
Saudi Arabia	791	1172	1748	1674	N/A	N/A	N/A
Republic of Korea	958	1363	1288	1312	1134	+176	+18.4%
Totals All Thoroughbred Stud Books (69)	123,467	109,474	93,594	87950	80,259	-43,208	-35.0%



The recent relaxation of the Export protocol to the EU, the exceptional performances of the handful of thoroughbreds that have contested on international territories have culminated in the recent increase in the average prices through the sales ring of late, has certainly signalled a renewed confidence in the quality of our bloodstock. We remain optimistic, that our foal crop, which is the nucleus of the industry, will reach the levels of 2015 within the next 7 years.

CONCLUDING REMARKS

On 5 October 2025, after lengthy consultation with the National Board, the Concerned Stakeholders Group (CSG) and members, requisitioned for a Special General Meeting (SGM) which took place on 19 November 2025. I am pleased to announce that, at the time of finalising this report, the "old" constitution, widely accepted as "not fit for purpose" as per Special Resolution 1, was replaced with the revised Constitution that was adopted by an overwhelming 97% majority. With the latter now effective, the National Board will work closely with the Racing Operators, to attempt to prevent further contraction of the industry and to assist in ensuring its growth and sustainability. This will be achieved by ensuring that the proper governance of the racing product is maintained for both local and international consumption.

The mass resignation of directors on 30 September was unfortunate as it caused much consternation with both local and international stakeholders. As much as I understand and respect their decision, I believe that a board has the fiduciary responsibility to ensure the organization can always function uninterrupted. I wish to accord special thanks to Mr John Kinsley and Mr Gayasuddin (Gas) Ahmed who together with the Chief Executive ensured the effective administration of the NHA over that tumultuous period. Their role in fulfilling their administrative functions and acting together with the Nominations committee to ensure the Board became quorate in a short space of time is highly commendable.

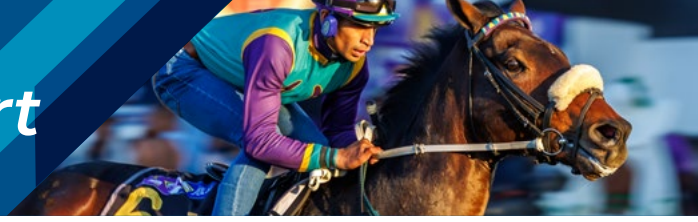
Finally, I take this opportunity to thank my interim Board Directors for stepping up and negotiating a constitution acceptable to them with CSG in a short space of time that ensured the independence of the NHA and its Board. I thank Mr John Kinsley and Mr Barry Reardon for their leadership and guidance as they step down from the board and welcome the new directors appointed after the SGM. The National Board of the NHA, together with its executive and staff, remain committed to serving the needs, interest, and expectation of the industry by adopting a stakeholder inclusive approach, and upholding the Integrity of the Rules and Constitution, in a fair, equitable and just manner.

MR M A CURRIE

Chairperson



Chief Executive's Report



MR V J MOODLEY

Chief Executive



ETHICAL LEADERSHIP

The National Horseracing Authority (NHA) is committed to upholding the integrity of horse racing in South Africa by ensuring fair competition, prioritising horse welfare, and supporting the sport's long-term sustainability. To achieve same, there is much spotlight on the leadership of the Authority and the application of its values and principles. In a dog-eat-dog world, where corruption is king and self-enrichment appears to be the chief goal at all levels of society, there is EVERY reason for practical use of INTEGRITY in South Africa. The Horseracing Industry should at every facet NOT be painted with the same brush that is rife in our Country's leadership strictures. It is extremely discouraging when ethical behaviours are sometimes crucified, and in some sectors of the market, corruption and fraudulent acts has become endemic. Real leaders resist such pressures, they know what is right and stand up for it. The NHA's leadership assures all stakeholders that we are an example to those for whom we are responsible. It is not about personality BUT about principles.

1. TCO₂ Analysis

A key component of this commitment is the regulation of Total Carbon Dioxide (TCO₂) levels, as increased blood alkalinity is internationally recognised to confer a potential unfair performance advantage.

Race Day Analysis

On 6 April 2024, the NHA introduced official race-day TCO₂ testing using the Abbott i-STAT handheld blood gas analyser. This instrument was originally identified in 2005 as a suitable tool for TCO₂ analysis, following a comprehensive South African study (2004 - 2008) in which 1 956 pre-race specimens were analysed with both the Abbott and Beckman analysers. That study demonstrated minimal variation between the two instruments, with repeated analyses producing consistent results across devices. Each i-STAT analysis uses a new cartridge, taking approximately four minutes to complete, which includes cartridge identification, calibration, and specimen analysis to ensure accuracy.

Carbon dioxide is classified as a Class 2 prohibited substance under the Rules of the NHA. A regulatory threshold of 36 mmol/L is applied, & formal prosecution of 37,2 mmol/L, in line with Article 6 of the International Agreement on Breeding, Racing and Wagering, published by the International Federation of Horseracing Authorities (IFHA). This threshold, developed primarily from large-scale Thoroughbred analyses in Australia, is internationally accepted as robust and reliable.

Factors influencing TCO₂ levels in horses include dehydration, supplements, medications (alkalinising agents), feed, electrolytes, salts, ambient environment, and individual clinical physiology. Locally and internationally, the effects of transport and race-day excitement remain insufficiently studied. As an IFHA member, the NHA adopts the international threshold, with testing methods designed to minimise the risk of false positives.



Results

Between 1 August 2024 and 31 July 2025, the NHA conducted 11 892 TCO₂ analyses on 11 203 horses. Of these:

- 644 horses (5.7%) were retested after a minimum interval of 10 minutes.
- 45 horses (0.4%) were withdrawn from competition due to TCO₂ concentrations exceeding the regulatory threshold. This is slightly higher (0.1%) with the International Standard of 99.7% of horses within a specified population.
- The remaining 11 158 runners presented TCO₂ values ranging from 26 to 38 mmol/L, with an overall mean of 33 mmol/L and a standard deviation of 1.9 mmol/L.

TCO₂ monitoring was also extended to out-of-competition specimens collected from training facilities and stable yards, based on intelligence-led data. This initiative supports the development of a biological passport for each horse, enabling longitudinal monitoring of TCO₂ levels over time.

2. Acquisition of Confirmatory Testing Capacity

In July 2024, the NHA significantly advanced its testing capabilities by acquiring a Gas Chromatography Mass Spectrometry (GC-MS) headspace analyser, the international gold standard for confirmatory TCO₂ analysis, which is utilized by reference laboratories internationally. This sophisticated instrumentation allows for highly sensitive and specific measurement of TCO₂, strengthening the evidentiary basis of regulatory actions and aligning South Africa with international best practice.

The GC-MS headspace system is currently undergoing validation and quality control assessments to ensure accuracy, reproducibility, and compliance with global analytical standards. Once fully operational, it will provide the NHA with in-house confirmatory capacity, reducing reliance on external laboratories, enhancing turnaround times, and further reinforcing the Authority's commitment to transparency, fairness, and scientific integrity in racing regulation.

3. Harnessing Technology to Strengthen Welfare and Regulation

The horseracing industry is entering a period of digital transformation, and the NHA is positioning itself at the forefront of that shift. Technology is not only reshaping veterinary regulation but redefining how the entire system functions, how we monitor, record, and respond to the life cycle of every racehorse under our jurisdiction.

Our focus is on building a connected, data-driven framework that enhances both efficiency and accountability. Efforts are already underway to modernise the reporting of horse movements, deaths, and retirements through digital platforms. This will improve the accuracy and timeliness of information shared between trainers, veterinarians, and regulators, creating a clearer picture of the population under NHA oversight and enabling earlier intervention where welfare concerns arise.

At the veterinary level, work continues to improve the standard and consistency of post-race examinations across all regions. The procurement of diagnostic equipment, such as endoscopes and stethoscopes, will support more detailed respiratory and cardiac assessments, particularly in cases of poor performance or abnormal recovery. Standardising this equipment nationally will allow for more uniform application of protocols and support more objective, evidence-based reporting.

Beyond race days the NHA is actively exploring the role of emerging technologies, including artificial intelligence (AI), in pre-race and training assessments. AI-based gait analysis tools show considerable promise in detecting subtle asymmetries that may not be visible to the human eye. These systems could become powerful aids in early lameness detection, helping veterinarians identify risk factors before they progress to injury.



While still in the pilot stage, such innovations represent the beginning of a broader digital infrastructure, one that integrates veterinary, regulatory, and performance data to support informed decision-making and improved welfare outcomes.

These initiatives align closely with the NHA's strategic objectives: to modernise regulatory oversight, enhance transparency, and ensure that the South African racing industry continues to operate to international best-practice standards. Technology, used thoughtfully, will enable the NHA to deliver on its mandate more effectively than ever before, protecting both the integrity of the sport and the welfare of the horse.

4. NHA contraventions of the Rules Snapshot – 7 years

Category	Province	2018/ 2019	2019/ 2020	2020/ 2021	2021/ 2022	2022/ 2023	2023/ 2024	2024/ 2025	TOTAL
AOGs	Central Province	363	250	210	260	201	235	179	
	Eastern Province	128	121	143	145	152	148	168	
	KwaZulu-Natal	245	273	423	393	160	127	125	
	Western Cape	112	121	124	106	124	124	212	
	Zimbabwe	17	17	24	14	16	4	2	
	TOTAL	865	782	924	918	653	638	686	5 466
Inquiries	Central Province	19	19	14	14	10	15	17	
	Eastern Province	21	17	13	4	9	5	21	
	KwaZulu-Natal	19	5	28	26	6	13	7	
	Western Cape	9	1	8	12	17	29	20	
	Zimbabwe	0	0	2	1	0	0	0	
	TOTAL	68	42	65	57	42	62	65	401
Appeals	Central Province	1	1	1	1	0	1	4	
	Eastern Province	0	0	0	0	2	2	1	
	KwaZulu-Natal	0	0	0	0	0	0	3	
	Western Cape	0	0	0	0	0	0	4	
	Zimbabwe	0	0	1	1	0	0	0	
	TOTAL	1	1	2	2	2	3	12	23
Total number of NHA contraventions of the rules									5 890



The NHA's legal costs continues to foster much debate. There is also a false narrative that is being touted in certain discussions on the performance of the NHA in these matters in relation to the spend and the outcomes. The table above, clearly refutes those comments. With the average spend of R3,471m per annum, all NHA contraventions of the Rules have been captured in the mentioned period. Of the 5 890 contraventions, the NHA were unsuccessful on 10 occasions, breakdown as follows:

- 2 Inquiries,
- 5 Inquiry Review board findings, and
- 3 Appeals.

This equates to a success rate of 99,83%.

Of the 4 High Court matters, the NHA were successful on 3 occasions with costs.

The NHA is currently making further changes to its Rules and Constitution to ensure that costs are controlled effectively whilst maintaining INTEGRITY, such that equine and human welfare are NOT compromised.

MR V J MOODLEY

Chief Executive



Chief
Executive's
Report



MR M SHACKLETON

Legal Executive



The 2024/2025 financial year has been one of both consolidation and renewal for The National Horseracing Authority (NHA). Having joined the organisation during this period, I have been privileged to witness, and contribute to, a culture of resilience, collaboration, and shared purpose that continues to define the Authority's legal and regulatory work.

The Legal Department managed more than twenty active inquiries and appeals during the year, addressing a diverse range of issues including riding conduct, prohibited substances, welfare compliance, and procedural fairness. These matters were handled with independence and consistency, reinforcing the NHA's commitment to a fair and transparent regulatory framework.

Several High Court proceedings were also under management, including a High Court review application, which is set down for hearing in early 2026. Two defamation-related matters remain before the courts, and given their ongoing nature, it would be inappropriate to pre-empt any outcomes. Each continues to be managed with discretion and care in the best interests of the Authority and the sport.

Beyond litigation, the Department has actively contributed to governance and compliance development, including reviews of constitutional provisions, employment settlements, and policy realignment. These efforts have ensured continued adherence to the Companies Act, King IV, and the Authority's Rules, strengthening the foundations on which the NHA's governance rests.

Going forward, the NHA will continue to explore ways to reduce legal costs where possible, without ever compromising the integrity or independence of its processes. Where appropriate, efforts are made to resolve matters through settlement or admissions of guilt; however, when these are declined, cases proceed to formal inquiries, where costs may escalate

in proportion to the complexity of the matter and the level of legal representation involved. Notably, during the year, the NHA obtained multiple costs orders against jockeys where Appeal Boards determined that the appeals brought were frivolous. Such outcomes are expected to discourage meritless proceedings and reinforce the need for legal substance in all matters brought before the Authority.

The NHA remains deeply committed to fairness, accountability, and transparency. The Inquiry and Appeal Boards operate independently, and where the Authority has faltered, decisions have rightly been taken against it - outcomes that are fully accepted in the spirit of integrity and the rule of law. This principled balance between firmness and fairness continues to strengthen public confidence in the NHA's oversight role.

On a personal note, my first year with the NHA has been one of professional and personal growth. The legal and racing communities are deeply interconnected, and it has been both humbling and inspiring to collaborate with colleagues, industry partners, and counsel who share a common vision of ethical and sustainable regulation. The challenges of this year have reaffirmed that true progress is achieved not through enforcement alone, but through understanding, cooperation, and partnership.

As we look ahead, our focus will remain on concluding ongoing proceedings, enhancing procedural efficiency, and embedding a proactive approach to legal and regulatory risk management. Together, we will continue to build a future for horseracing in Southern Africa that is principled, inclusive, and guided by integrity in every stride.





MR A D HYDE
Racing Control Executive

The work of the integrity staff will never be popular, or will it please everyone all the time, but it is the core function of this department. International best practice and the review of rules and regulations is necessary to maintain standards and to streamline any issues or unique concerns that affect our local product. At the end of the day, if the equine athlete is looked after to the highest standards, then this looks after the human athletes that ride them and place their lives in their control every day. Everyone must realise that this is a crucial time, we must all play to the rules which safeguard the industry and most importantly, the horse. A wider spectator and betting audience is needed to sustain the industry. The youth of today understand and question everything involved and there should not be ambiguity about our love and care for the thoroughbred. What will attract a new and youthful audience is the knowledge that the industry is run with integrity and that a contravention of rules that prejudice fair play and the welfare of the horse will not be tolerated. Perception is everything and what appears to be wrong will be labelled as such, especially by those with a keen eye and an open mind.

Horseracing is currently facing numerous challenges ranging from the business side of the industry in growing betting revenues to how to attract a wider audience, including the younger generation to get involved in the Sport. Attracting the interest of the younger generation is vital to sustain the workforce in the industry as well as to ensure that bettors continue to be involved and sustain the betting pools that drive turnover.

The social licence of the Sport of Horseracing is fundamental and is probably the most important link in the chain to achieve this endeavour. We live in an age of instant information, and the youth and young adults seek instant gratification, but take a keen interest in responsible practices, including animal welfare and any effects on the environment.

Horseracing is unique in that it not only merges human and equine athletes but is a massive business that provides employment to many around the globe. It is imperative that the safety of human participants and the welfare of the horse are given top priority, and all means to accomplish this should be explored. Internationally, the use of scans is being used to determine if horses should be permitted to race to prevent possible breakdowns in races. A horse going amiss in a race is the worst possible scenario for every person involved in the industry, and it is pleasing that our statistics in this regard have shown an improvement over the recent past, which is due to sound practices from all of the trainers, riders, racecourse managers, veterinary surgeons, and a robust specimen collection program. The integrity of races and the often spoken about “level playing fields” are safeguarded by the testing of as many horses, both on a race day and when out of competition to ensure that competing horses are clear of any performance-enhancing substances and that the responsible use of substances in the training environment is aligned to proper diagnosis and veterinary prescriptions, where applicable.

The use of the crop continues to be a “hot potato” in the world of horse racing and despite this instrument being padded and well cushioned when it comes to the point of impact with the horse, the prevailing perception of its use is a negative one. Currently, Southern Africa permits twelve strikes of the crop in a race, however, in many jurisdictions, particularly in Europe, the permitted number is much lower. The disqualification of horses has been included in some rule books and the harmonisation of rules pertaining to the use of the crop is constantly being discussed and debated.

A responsible balance is needed with the requirements of competitive racing merging with horse welfare and rider safety. To this end, stakeholder opinion is crucial so that the needs of the wider industry and communities can be considered at Rules Committee meetings before decisions are taken.

Retirement of racehorses continues to be a huge challenge, and this critical area needs careful collaboration between all stakeholders to ensure the best possible outcome for horses that have left the racecourse to commence their lives after racing. In an economy that is under strain, owning a horse can be an expensive exercise; however collectively the industry needs to ensure that the best possible home is found for a horse that has been retired from racing. When this is not possible, the horse care units need to be contacted and I wish to give kudos to the respective horse care units and the dedicated people who passionately perform a vital role within our industry, often under difficult conditions with limited funds.

Finally, I wish to thank all the Officials and persons employed by the NHA for their dedication and commitment in ensuring integrity, safety, welfare, and fair play within a highly competitive environment.

STIPENDIARY STEWARDS

Stipendiary Boards are based in Johannesburg (Central Provinces), Durban (KwaZulu-Natal), Gqeberha (Eastern Cape) and Cape Town (Western Cape). The Central Provinces Stipendiary Board also provides regulation and oversight to Zimbabwe, where Racing takes place at Borrowdale Park in Harare on a fortnightly basis during ten months of the year.

Each Stipendiary Board has direct control of thoroughbred racing in their respective Racing District.

Duties of the Stipendiary Stewards include:

- Officiating at all race meetings;
- Ensuring the safe conduct and integrity of racing;
- Ensuring the welfare of the racehorse;

- Attending and supervising track work;
- Conducting stable inspections;
- Administering drug-testing operations, including out of competition testing;
- Investigating the use of prohibited substances;
- Processing licence and permit applications; and
- Assisting the Starters with the issuing of starting stall certificates for horses and the grading of these horses in the starting stalls.

The Stipendiary Stewards are trained and developed in these different racing districts over an extended period so that they gain the skills, experience, and knowledge that are necessary to control the race meetings at which they officiate.

The ability to identify participants in races, to assess and recognise the pace at which races are run, and the ability to assess whether horses and riders are performing to expectation, are fundamental skills required to allow the Stipendiary Stewards to decide as to whether the Rules of Racing have been breached.

To assist the Stipendiary Stewards, all races are filmed by means of cameras located around the track and are reviewed on broadcast-quality television monitors after each race.

Stipendiary Stewards are also required to conduct Inquiries and hold hearings in terms of the Constitution and the Rules of The National Horseracing Authority.

Inquiries are conducted on a basis similar to tribunals with the objective of determining the truth of a matter. Inquiries are instituted to investigate possible breaches of the Rules and where breaches are evident, to take the necessary disciplinary action. Outcomes of Inquiries are published in the Racing Calendar.

Continuous developmental programs for Stipendiary Stewards are being explored to ensure succession planning.





INVESTIGATIONS

The Special Investigation Unit which is based at The National Horseracing Authority Head Office in Johannesburg, has attended to a significant number of investigations and complaints over the past 12 months. The contribution that has been made to areas of horse welfare by this team in the number of visits to places which illustrate the less glamorous side of Horseracing, cannot be understated. The Special Investigators attended the Organization of Racing Investigators Conference in Philadelphia, Pennsylvania in March 2024, and found that their work and procedures compare well to those of their international counterparts.

The sight of horses in unacceptable condition is a common challenge that one never gets used to and the regular visits to horse abattoirs is part and parcel of the duties of this Department. Where the traceability of horses does not fulfil the provisions of the Rules, then action is taken against the offending parties. The life of the horse following its racing career has never been more important, and the entire industry owes it to the equine athlete of our Sport to improve in this area.

Many of these investigations have resulted in formal action and appropriate penalties being instituted against the parties concerned.

The Special Investigator is supported by an Assistant and is further assisted by the Stipendiary Stewards, and, on various occasions, joint searches of stables have been undertaken by the Special Investigator, Stipendiary Stewards, and the Veterinarians, which have yielded excellent successes. There is provision for anonymous information to be provided to the Special Investigation Unit which investigates and responds to complaints reported by members of the public via this medium. The collaboration with the various Horse Welfare Organisations cannot be overstated, and the support of the Highveld Horse Care and Coastal Horse Care Units are most appreciated.

RACEDAY OFFICIALS

Starters

The National Horseracing Authority employs 3 full-time Starters and 9 part-time Starters. The “Start” of a race forms an integral part of horseracing.

The responsibilities of the Starter are to ensure efficient and safe “Starts”. Each horse entered for its first race is required to be presented to the Starter for evaluation and certification prior to nomination. Starters are assisted by Stipendiary Stewards at the training centres to facilitate official starting stall practice sessions.

The National Horseracing Authority also employs Handlers, Clerks of Scales, Specimen Collectors, Horse Identifiers and Judges who are essential components of the control of racing. These Officials have particular skills, which are essential to the efficient control of race meetings.

All horses are loaded by draw as in other major international racing jurisdictions and this has resulted in improved tractability and the majority of races starting within two minutes of the carded starting time. When the starting staff are presented with a difficult horse, discretion is permitted to deviate from the loading procedures.

The welfare of the horse and safety of riders are of paramount importance.

RULE CHANGES

The National Horseracing Authority reviews its Rules on an ongoing basis to ensure that racing is properly regulated and that the Rules are appropriate in an ever-changing environment. These Rules are available on our website.

INTERNATIONAL HARMONISATION OF RACEDAY RULES COMMITTEE

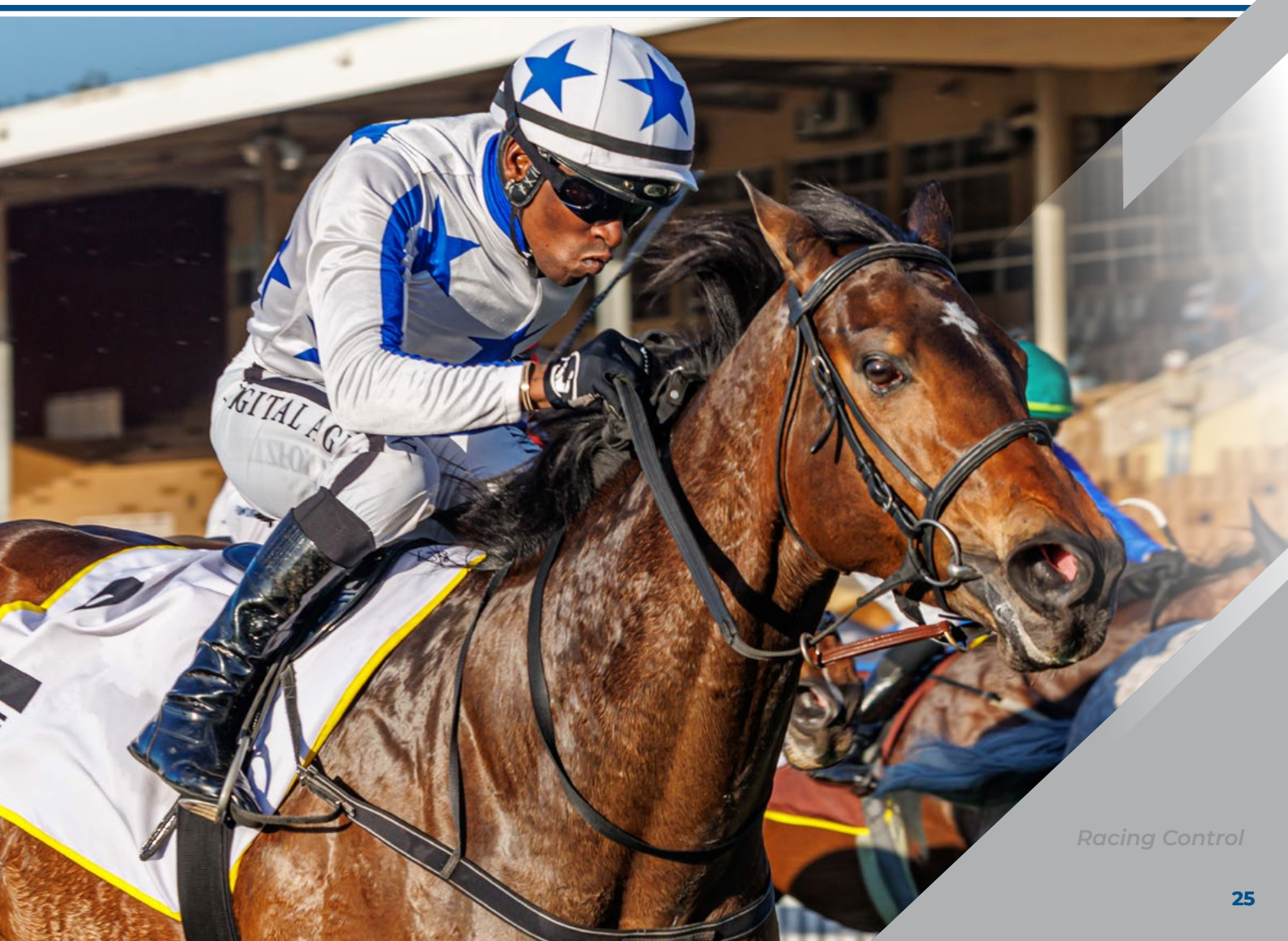
The Racing Control Executive sits on the International Harmonisation of Raceday Rules Committee, which met in Sapporo Japan in August and in Hong Kong in December 2024, to consider which rules and policy amendments should be advanced, to ensure harmonisation and similar application of rules and policies.

The Terms of Reference of this Committee are:

1. To identify those rules, in consultation with the Executive Council of the International Federation of Horseracing Authorities, where a common approach would most benefit racing internationally.
2. To encourage the harmonisation of race day rules and regulations amongst member countries, to promote the internationalisation of horse racing.
3. To draft proposed articles in respect of those rules, for approval by the Executive Council and subsequent inclusion in the International Agreement on Breeding, Racing and Wagering.
4. To draft proposals, considering fairness, integrity, safety and welfare of horse and rider, commercial factors and the confidence of the betting public.

INQUIRY REVIEW BOARD

During the 2024/2025 Racing Season, the Inquiry Review Board met on several occasions to review decisions taken by Inquiry Boards.





STATISTICS

National Statistics in respect of the year ended 31 July 2025 are set out hereunder.

National Statistics – 1 August 2024 to 31 July 2025

FIGURES IN BRACKETS () DENOTE FIGURES FROM 1 AUGUST 2023 TO 31 JULY 2024

	CP	KZN	WC	EC	ZIM	Total
Number of Races	953	740	608	533	114	2 948
	(992)	(818)	(556)	(527)	(123)	(3 016)
Number of Meetings	112	87	67	66	20	352
	(116)	(101)	(64)	(65)	(20)	(366)
Number of Runners	8 595	7 164	6 191	5 125	517	27 592
	(9 407)	(8 046)	(5 933)	(5 364)	(614)	(29 364)
Number of Trainers	43	34	22	14	5	118
	(44)	(32)	(25)	(14)	(5)	(120)
Number of Assistant Trainers	24	17	20	9	0	70
	(20)	(15)	(17)	(8)	(0)	(60)
Jockeys	29	15	19	8	4	75
	(24)	(16)	(17)	(6)	(8)	(71)
Apprentices	4	13	3	0	0	20
	(1)	(16)	(0)	(0)	(0)	(17)
Admissions of Guilt	179	125	212	168	2	686
	(235)	(127)	(124)	(148)	(4)	(638)
<i>Fines</i>	98	95	163	132	0	488
	(112)	(75)	(103)	(123)	(4)	(417)
<i>Suspensions</i>	48	20	35	17	0	120
	(57)	(27)	(12)	(7)	(0)	(103)
<i>Warnings/Reprimands</i>	33	10	14	19	2	78
	(66)	(25)	(31)	(18)	(1)	(141)
Inquiries held	17	7	20	21	0	65
	(15)	(13)	(29)	(5)	(0)	(62)
Appeals heard	4	2	3	0	0	9
	(1)	(2)	(0)	(0)	(0)	(3)
Objections	1	1	1	0	0	3
	(1)	(2)	(0)	(0)	(0)	(3)

Inquiries and Appeals

65 (42) Inquiries and 9 (2) Appeals were held during the year under review.

Admissions of Guilt

In the year under review (686) breaches of the Rules were dealt with by means of the Admission of Guilt procedure.

Objections

During the year under review there were 35 (33) Objections.

	2024/25	2023/24	Upheld	Overruled	Withdrawn
Lodged by Licensed Officials	7	(10)	7 (9)	0 (1)	0 (0)
Lodged by Connections	28	(23)	5 (5)	22 (18)	0 (0)

Horses Suspended

490 (465) horses were suspended during the period under review.

The breakdown is as follows:

	2024/25	2023/24
Intractability	226	(236)
Lameness/Post Race Distress/ Veterinary /Other	137	(88)
Epistaxis (Bleeding)	127	(141)

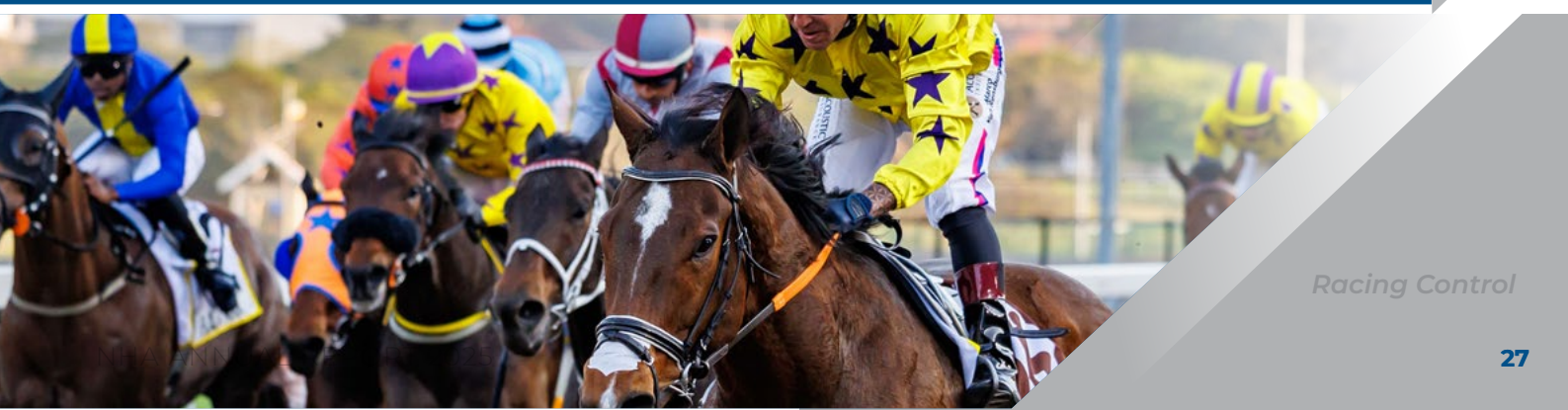
The year under review has seen a slight decrease in the number of horses being suspended relating to intractability. This is indicative of stricter control of the loading procedures and the emphasis that all horses that are presented to race, should display the appropriate racing manners. It is imperative that races are started on time and that the safety of the riders and the welfare of the horses receive the utmost attention. This area continues to be closely monitored. The number of horses that were suspended due to certain veterinary issues, such as lameness, etc. shows that horse welfare and their suitability to race is taken very seriously, which is critical to ensure competitive and safe racing.

Winning Favourites

FIGURES IN BRACKETS () DENOTE FIGURES FROM 1 AUGUST 2023 TO 31 JULY 2024.

Region	Favourites				Total No. Races		Percentage			
	Winning 2024/25		Placed 2024/25		2024/25		Winning 2024/25		Placed 2024/25	
Central Provinces:										
Turffontein	231	(242)	235	(259)	591	(614)	39.09	(39.41)	39.76	(42.18)
Vaal	135	(125)	147	(168)	362	(369)	37.29	(33.88)	40.60	(45.53)
Eastern Cape	222	(162)	208	(216)	525	(527)	42.28	(31.00)	39.62	(41.00)
KwaZulu-Natal	240	(279)	321	(348)	741	(819)	32.39	(34.07)	43.32	(42.49)
Western Cape	205	(166)	250	(247)	608	(556)	33.72	(29.86)	41.12	(56.47)
Zimbabwe	NOB		NOB		114	(123)	NOB		NOB	

- NOB denotes NO ON-COURSE BETTING





HANDICAPPERS

The National Horseracing Authority employs 3 Handicappers. They are responsible for assessing the relative abilities of horses for the purposes of equalising the chances of such horses in Handicap Races, as well as the allotment of weights for horses as per Racing Operator's requirements.

Every horse's performance is analysed after every race and the relative adjustment updated and made public knowledge before its next start. The handicapping system being applied in Southern Africa is similar to that used in other leading racing jurisdictions around the world.

The Handicappers ensure that all the race ratings and adjustments for Black Type races are explained in detail to the public by way of press releases.

The Chief Handicapper has been appointed to the Asian Racing Federation Handicapping Panel (ARF Handicappers) which enables him to maintain an internationally assessed and moderated handicap database for all horses competing in South Africa in pattern races (Graded and Listed races). Ratings are uploaded onto the World Thoroughbred Racehorse database on a weekly basis.

These ratings are discussed and agreed semi-annually with the handicappers from around the world and are used to rate pattern races and award Graded or Listed status to races run in South Africa.

Appeals Against Merit Rating

In the event of a Trainer and/or Owner being dissatisfied with the published adjusted merit rating of a Horse owned or trained by such Trainer or Owner, then either of them may lodge a written appeal with the Chief Executive within 10 days of the date of the published adjusted merit rating.

South African Domestic Merit Ratings

National Merit Ratings Update

The Handicappers continue to monitor the overall rating model to ensure fairness, consistency, and adherence to international handicapping principles. Since the adjustment implemented on 1 August 2019, the system has been carefully assessed to prevent excessive slippage. Although some natural variations in merit ratings occur, the following key observations have been noted:

- In August 2019, the National Population Ratings were revised to align with the targeted 68–72 Merit Rating (MR) band. This adjustment aimed to maintain competitive balance while ensuring consistency across different age groups and performance levels.
- Following this revision, the handicappers established a five-year review period to evaluate whether additional adjustments would be necessary.
- Since the implementation of the adjusted ratings, no significant rating slippage has occurred, reinforcing the effectiveness of the initial recalibration.
- Consequently, within the review period (already surpassed), no merit rating increase is anticipated, as the current structure remains stable.
- Long-Term Projections and Maintenance of the Ratings Pyramid.

The Handicappers believe that with:

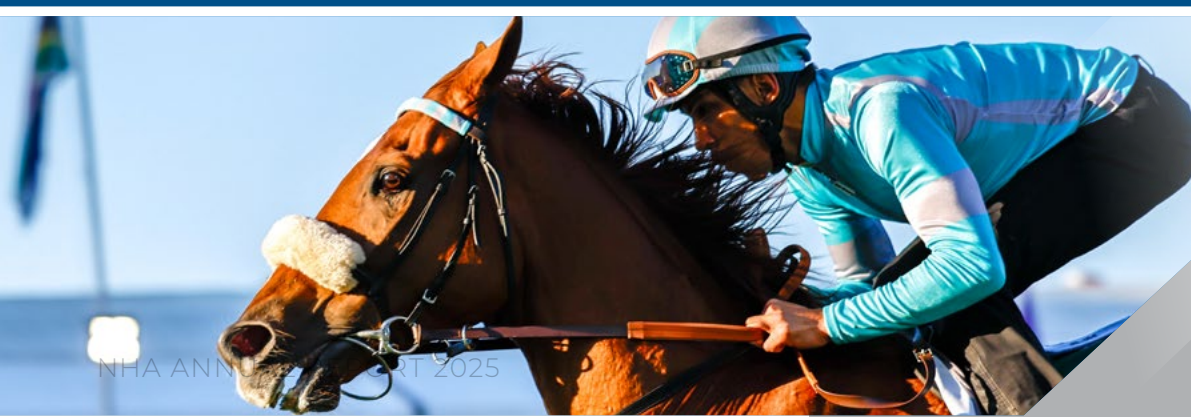
- Continuous monitoring of the Ratings Pyramid - which ensures a balanced distribution.
- Ongoing application of internationally recognised handicapping methodologies, designed to account for variations in performance and emerging talent.

It is possible that even beyond the five-year review period, further merit rating increases may not be necessary (already achieved.)

Pre August 2019			July 2025		Current	
Rating Bands	Count	Population %	Count	Population %	Count	Population %
104+	132	2%	370	6%	377	6%
99 to 103	93	1%	163	3%	148	2%
94 to 98	150	2%	210	3%	250	4%
89 to 93	204	3%	279	4%	317	5%
84 to 88	300	5%	450	7%	414	7%
79 to 83	388	6%	596	9%	613	10%
74 to 78	528	8%	659	10%	673	11%
69 to 73	603	10%	654	10%	660	10%
64 to 68	678	11%	585	9%	598	9%
59 to 63	715	11%	509	8%	519	8%
54 to 58	625	10%	429	7%	432	7%
49 to 53	567	9%	345	5%	329	5%
44 to 48	410	7%	163	3%	158	2%
39 to 43	223	4%	67	1%	67	1%
34 to 38	117	2%	47	1%	41	1%
29 to 33	54	1%	34	1%	29	0%
24 to 28	31	0%	27	0%	23	0%
0 to 23	466	7%	713	11%	690	11%
Sample Size = 6284			Sample Size = 6305		Sample Size = 6305	
	74 and higher	27%	74 and higher	39%	74 and higher	41%
	73 and lower	72%	73 and lower	61%	73 and lower	59%

2025 Asian Racing Federation Handicappers Conference

The National Horseracing Authority successfully hosted the Asian Racing Federation (ARF) Handicappers Conference from 22–25 July 2025 in KwaZulu-Natal. Delegates from Australia, Hong Kong SAR, Japan, New Zealand, UAE, and South Africa convened to assess international ratings for southern hemisphere racehorses.





Key outcomes included:

- Agreement on ratings for all horses achieving 112+ internationally.
- Review of Grade 1 placed performances below the 112- rating threshold.
- Finalization of South Africa's 2024–25 submissions: 37 performances rated 112+, and 62 additional Grade 1 placed efforts.

The conference concluded with the Champions Cup meeting at Hollywoodbets Greyville on 27 July, where final peer reviews of South African horses were conducted.

The event was well received, strengthened international collaboration, and reinforced South Africa's standing in global handicapping. The NHA thanks all participants and stakeholders for their support.

S A Pattern Summary

Graded Races Update

Following the recent meeting of the Asian Pattern Committee (APC), the APC has reviewed and ratified the following changes:

Downgrades Ratified

- **SA Derby (G1 → G2)**

APC Decision: Downgrade confirmed.

- **Magnolia Handicap (G3 → Listed)**

APC Decision: Downgrade confirmed.

- **Three Troikas Stakes (G3 → Listed)**

APC Decision: Downgrade confirmed.

Voluntary Downgrades

- **Allan Robertson Championship – 2yo (G1 → G2)**

APC Decision: Downgrade confirmed.

- **Thekwini Stakes – 2yo (G1 → G2)**

APC Decision: Downgrade confirmed.

- **East Cape Oaks (Listed → Non-Black Type)**

APC Decision: Downgrade confirmed.

Deferred Downgrades – Warning Status Retained

- **Summer Cup (G1)**

APC Decision: Remains Grade 1 for one more run.

- **Empress Club Stakes (G1)**

APC Decision: Remains Grade 1 for one more run.

- **SA Fillies Classic (G1)**

APC Decision: Remains Grade 1 for one more run.

The above race downgrades have been deferred for 1 more run, however these races will retain their warning status' and will be eligible for a downgrade should they fail to meet the threshold after their next run.

Updated Graded Races Summary Table

Races Run	2 yo	3 yo	3 yo+	Total
Grade 1	4	7	18	29
Grade 2	6	8	21	35
Grade 3	7	11	28	46
Listed	12	12	45	69
	30	38	120	179

Zimbabwe Update

Merit Rating Adjustment – Zimbabwe Horse Population

Following a comprehensive review of Zimbabwe’s racehorse ratings, the NHA has implemented a strategic 10-point blanket reduction for horses whose most recent start occurred in Zimbabwe. This adjustment addresses a long-standing imbalance caused by rating inflation within a limited population, where 54% of horses were rated 78 or higher and only 29% fell below a rating of 69.

Key drivers included:

- **Creep effect:** Incremental rating inflation over time.
- **Jurisdictional disparity:** Zimbabwe’s median rating was 8 points higher than South Africa’s, despite being a Part II jurisdiction under international cataloguing standards.

Expected Outcomes:

- Rebalances Zimbabwe’s rating pyramid.
- Aligns regional ratings more closely with South African benchmarks.
- Enhances fairness and consistency in cross-border handicapping.

This recalibration supports the integrity of the Merit Rating system and ensures a more accurate reflection of horse performance across jurisdictions.







DR M D BAWDEN

Chief Veterinarian

EXECUTIVE SUMMARY

The 2024/2025 season reflected steady progress in the NHA's commitment to equine welfare and integrity. Veterinary oversight remained central to race day operations, with over 1 700 horses withdrawn on veterinary advice to protect their health and safety. Post-race monitoring showed encouraging trends, including a 13% reduction in reported exercise-induced pulmonary haemorrhage (EIPH) and a sustained low rate of catastrophic musculoskeletal injury (CMI), with 15 cases recorded. The Central Provinces again showed a year-on-year reduction in CMIs, reflecting ongoing advances in training management and track safety oversight. While the incidence of post-race lameness and exertional heat illness (EHI) showed increases of 14%, all affected horses received prompt and appropriate care, with cases thoroughly investigated and recorded for analysis.

Out-of-competition (OOC) testing, stable inspections, and ongoing collaboration with private veterinarians and welfare partners continued to reinforce the sport's regulatory and ethical framework. The introduction of enhanced data tracking and welfare reporting tools has improved traceability and transparency across the horse's lifecycle. Despite the global shortage of equine veterinarians, the NHA's veterinary team maintained full operational coverage and upheld international standards of care.

Overall, the season demonstrated the effectiveness of a science-led, welfare-first approach, ensuring that the wellbeing of the horse remains at the centre of South African racing's social licence and long-term sustainability.

THE ROLE OF THE VETERINARIAN

Veterinarians play a pivotal role in safeguarding racehorse welfare and maintaining the integrity of the sport. As highlighted in the Chairman's and Chief Executives' reports, public confidence in horseracing depends on transparent, independent, and accountable veterinary oversight at every stage of a horse's career.

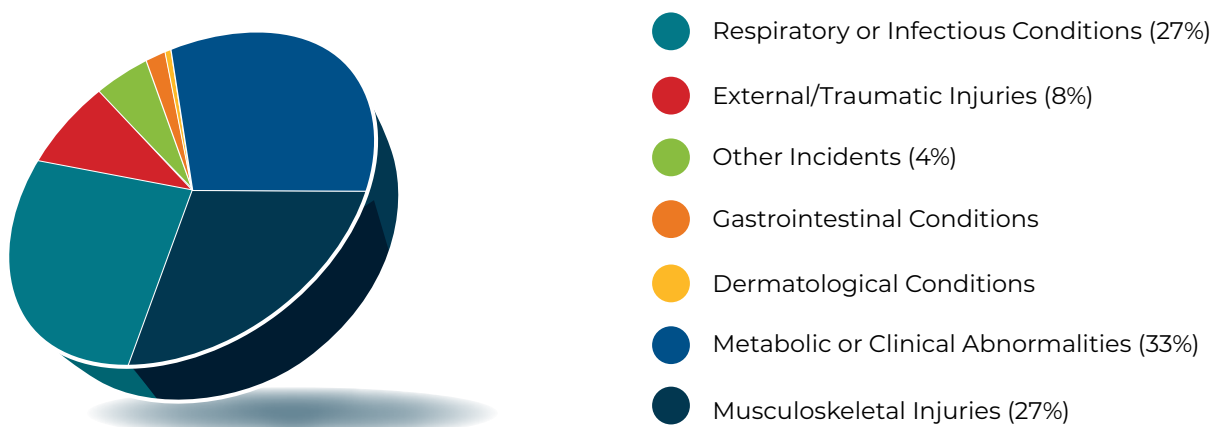
The global shortage of equine veterinarians continues to challenge both private practice and regulatory institutions. Contributing factors include the retirement of senior clinicians, work-life balance considerations, and remuneration disparities. Despite these pressures, the NHA maintains three full-time veterinarians, supported by experienced private practitioners, to provide coverage across Southern Africa. At least two veterinarians are present at each race meeting to ensure immediate professional response and consistent welfare standards.

PRE-RACE INSPECTIONS AND WITHDRAWALS

Racing begins with a thorough assessment of every runner to confirm fitness to compete. Horses showing signs of illness, lameness, or distress are withdrawn on veterinary advice prior to racing. These inspections are critical in preventing avoidable injuries and ensuring that only healthy, race-ready horses take part. Collaboration with trainers and stipendiary stewards at this stage is essential to balancing welfare, fairness, and the practical demands of racing.



During the 2024/2025 season, 1 791 horses were withdrawn prior to racing for veterinary related reasons, most commonly due to metabolic or clinical abnormalities (33%), musculoskeletal injuries (27%), and respiratory or infectious conditions (27%). Each veterinary withdrawal carries an eight-day suspension, calculated inclusively from the date of the race.



Veterinarians also assess horses at the start for suitability to race. Horses that become fractious or sustain an injury en route to the start or in the starting stalls may be withdrawn to prevent harm to horse and rider. These decisions, often made under pressure, underline the independence and professionalism of the NHA's veterinary team. A total of 142 horses were withdrawn at the start for veterinary reasons, with lameness (46%) and starting stall injuries (25%) being the most frequent causes.

Reason for withdrawal	Number of horses
Lameness	66
Starting stall injury	35
Bolted	29
Injured en route	5
Coughing	4
Nasal discharge	3
Total	142

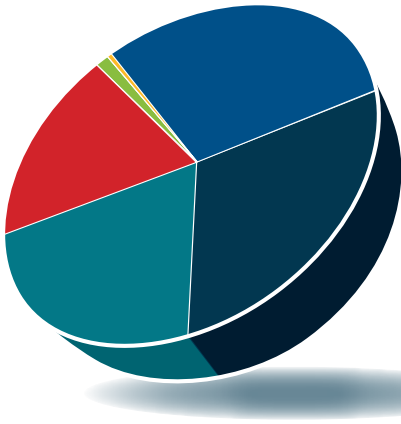
POST-RACE EXAMINATIONS

Following each race, veterinarians examine horses for signs of distress, lameness, exercise-induced pulmonary haemorrhage (EIPH). These examinations generate valuable welfare data and support ongoing analysis of performance-related health trends. Findings are documented and, where appropriate, referred to the Stipendiary Board for follow-up. Over 5 000 runners were examined post-race during the season, of which 311 were suspended for veterinary reasons and required a veterinary clearance prior to racing again.

The statistics below represent the 2024/2025 racing season. The incidence rate (IR) denotes the number of events per 1 000 starts, with figures from the previous season in brackets.

Post Race Lameness

One-hundred and five cases of post-race lameness graded 3/5 or higher on the AAEP Lameness Scale were reported, a 14% increase from the previous season. Of these, 91% (96 horses) were suspended pending a veterinary certificate, of which 17 horses also required a satisfactory veterinary gallop before resuming racing. One horse was suspended from racing indefinitely. The left forelimb was most commonly affected (46), followed by the right forelimb (40). A total of 95 individual horses pulled up lame post-race, with ten experiencing repeat incidents. The Central Provinces recorded the highest incidence.



- Musculoskeletal Injuries 22%
- External/Traumatic Injuries 19%
- Other Injuries
- Cardiac Abnormalities
- Respiratory Conditions 31%
- No Abnormalities Detected 28%

Region	Number of post-race lameness	Number of racing starts (runners)	Incidence rate (IR) per 1000 starts
Central Provinces	53 (48)	8 595 (9 407)	6.17 (5.10)
Eastern Cape	29 (31)	5 125 (5 364)	5.66 (5.78)
KwaZulu-Natal	17 (9)	7 164 (8 046)	2.37 (1.12)
Western Cape	6 (4)	6 191 (5 933)	0.97 (0.67)
Total	105 (92)	27 075 (28 750)	3.88 (3.20)

Exertional Heat Illness

There were 142 incidents of exertional heat illness (EHI) or post-race distress syndrome, a 14% increase from the previous season. Of these, 93 were mild and only 49 required medical intervention. In total, 111 horses were affected, with 23 experiencing multiple episodes. The Central Provinces remained the region with the highest incidence of EHI.





Region	Number of incidents	Number of racing starts (runners)	Incidence rate (IR) per 1000 starts
Central Provinces	56 (53)	8 595 (9 407)	6.52 (5.63)
Eastern Cape	27 (26)	5 125 (5 364)	5.27 (4.85)
KwaZulu-Natal	36 (33)	7 164 (8 046)	5.03 (4.10)
Western Cape	23 (13)	6 191 (5 933)	3.72 (2.19)
Total	142 (125)	27 075 (28 750)	5.24 (4.35)

Exercise-Induced Pulmonary Haemorrhage

During the 2024/2025 season, 125 incidents of epistaxis due to exercise-induced pulmonary haemorrhage (EIPH) were recorded - 11 unilateral and 114 bilateral, a 13% decrease from the previous year. One horse was permanently suspended from racing. The Eastern Cape again recorded the highest incidence.

Region	Number of incidents	Number of racing starts (runners)	Incidence rate (IR) per 1000 starts
Central Provinces	26 (23)	8 595 (9 407)	3.03 (2.44)
Eastern Cape	51 (57)	5 125 (5 364)	9.95 (10.63)
KwaZulu-Natal	24 (32)	7 164 (8 046)	3.35 (3.98)
Western Cape	24 (32)	6 191 (5 933)	3.88 (5.39)
Total	125 (144)	27 075 (28 750)	4.62 (5.00)

BREAKDOWNS AND SUDDEN DEATHS

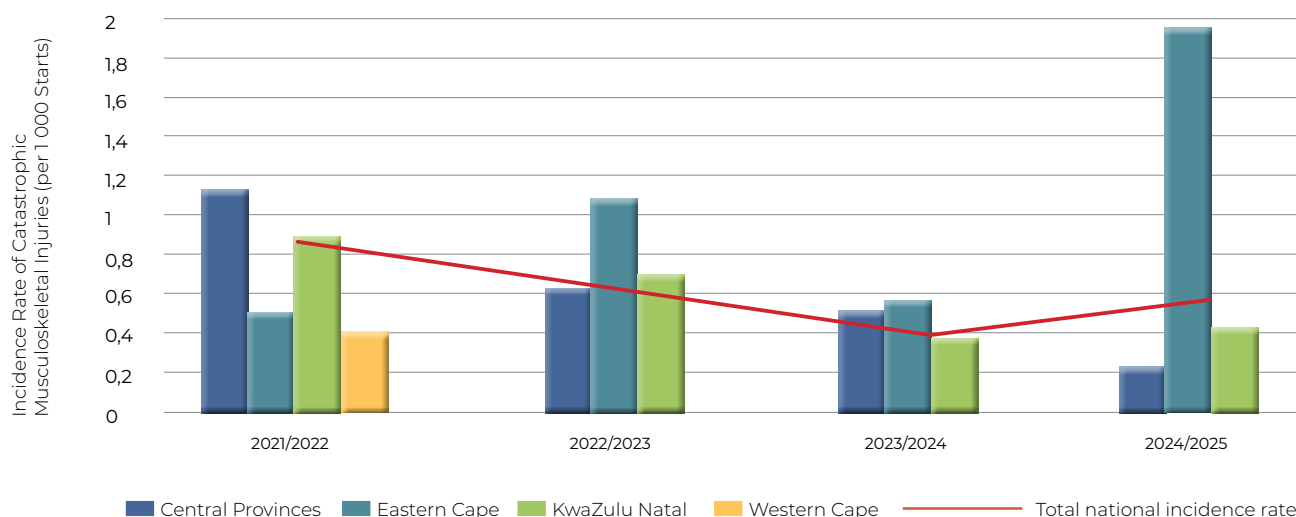
Although rare, catastrophic injuries and sudden deaths remain the most serious welfare challenges in racing. Each case is investigated thoroughly, and findings are used to refine preventative strategies. Advances in understanding bone fatigue, workload accumulation, and the early detection of pathology are improving prevention and informing international best practice.

Catastrophic Musculoskeletal Injury

During race meetings, 15 horses were humanely euthanised due to a catastrophic musculoskeletal injury (CMI). The left forelimb was affected in 67% of cases, with injuries commonly involving the fetlock joint complex (5) and carpus (4). The Eastern Cape recorded the highest incidence, while the Central Provinces continued to show a year-on-year reduction in the CMI incidence rates. Notably, the Western Cape has maintained zero CMIs for the third consecutive racing season.

Region	Number of horses	Number of racing starts (runners)	Incidence rate (IR) per 1000 starts
Central Provinces	2 (5)	8 595 (9 407)	0.23 (0.53)
Eastern Cape	10 (3)	5 125 (5 364)	1.95 (0.56)
KwaZulu-Natal	3 (3)	7 164 (8 046)	0.42 (0.37)
Western Cape	0 (0)	6 191 (5 933)	0 (0)
Total	15 (11)	27 075 (28 750)	0.55 (0.38)

Incidence Rate of Catastrophic Musculoskeletal Injuries by Region (per 1 000 Starts), 2021–2025



Exercise-Associated Sudden Death

Four horses suffered an exercise-associated sudden death (EASD). While less common than fractures, cardiac pathology accounts for over half of EASD cases. Limited understanding of normal cardiac and pulmonary physiology in racing Thoroughbreds highlights the need for further research. The role of EIPH in these cases remains uncertain, reinforcing the importance of thorough post-race investigations. Diagnostic tools such as cardiac auscultation, ECGs, and heart rate monitors continue to enhance the ability of regulatory veterinarians to identify at-risk horses.

REGULATION

Beyond race day, veterinarians maintain fairness and integrity through surveillance, medication control, and stable inspections. Out-of-competition testing remains a cornerstone of this regulatory approach, deterring the misuse of prohibited or undeclared medications.

Stable inspections, often conducted alongside stipendiary stewards, ensure that horses are kept and trained under acceptable welfare conditions. Routine audits of veterinary treatment records reinforce a transparent, welfare-focused racing environment.

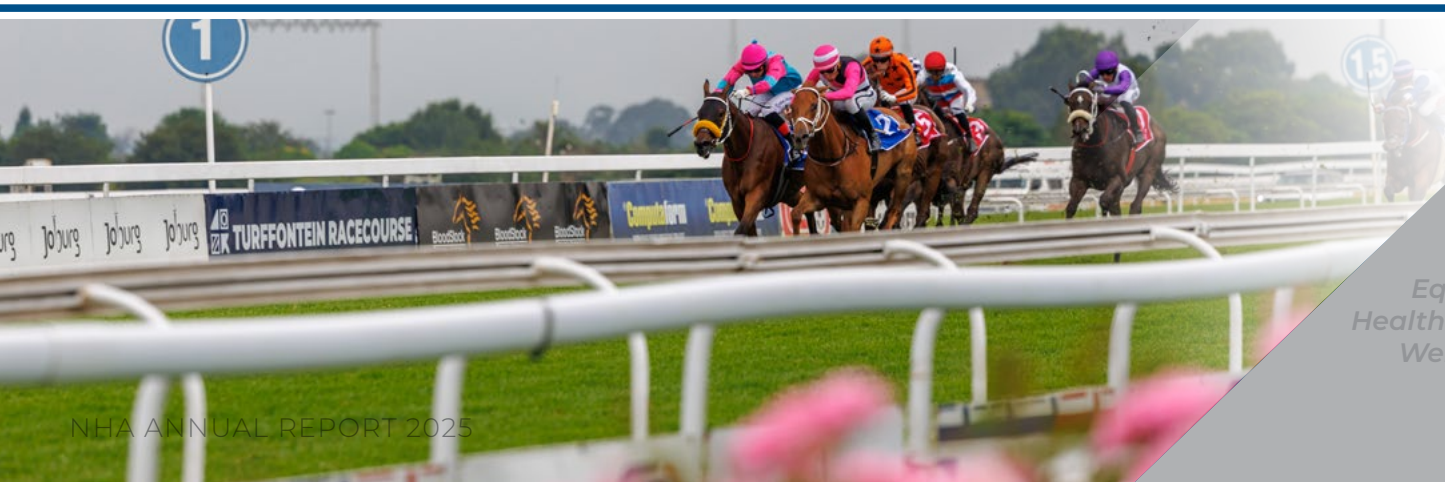
TRACEABILITY

Traceability of the Thoroughbred, from foaling to retirement, remains a cornerstone of the NHA's welfare vision. Veterinarians assist in verifying transitions into responsible second careers, working closely with recognised horse care units across the country. This collaboration promotes accountability and supports the sport's commitment to lifelong welfare.

CONCLUSION

Every NHA veterinarian represents the voice of the horse - on the racecourse, during inquiries, and across the broader racing community. Their contribution extends beyond compliance - it defines the ethical and professional standard of the sport.

As the industry evolves, the NHA's veterinary team remains committed to advancing welfare through science, technology, and collaboration, ensuring that the wellbeing of the horse remains at the heart of racing's future.







DR S S DE KOCK
Laboratory Director

The NHA Laboratory has the responsibility for comprehensive screening and confirmation of prohibited and forbidden substances in racehorses. This critical integrity control mechanism demands the reliable detection of a very wide range of substances at high sensitivities, down to low concentrations, and the confirmation of all positive findings to internationally prescribed quality and racing control standards.

Some substances can likely provide the horse with a race advantage, in enhancing the natural ability of a given horse, while with other substances these will most likely result in a disadvantage. Additionally, there is a wide range of substances which have a real ability to negatively impact both the welfare of the horse and compromise the safety of racing at the track.

A formalised system of race day specimen collection procedures is in place, supported by quality control and security protocols that incorporate a tight, consistent chain of custody and traceability. Such mechanisms are in place to support the successful prosecution of prohibited substance findings in specimens.

Therapeutic substances are drug substances which play an important role in the best recovery and welfare of the hardworking racehorse. These are however only permitted to be present in irrelevant-effect traces on race days, and these substances are prosecuted at concentrations where international research shows that racehorses are affected.

Forbidden substances are in much contrast to therapeutic substances, as these have internationally been ruled to have no place in the racehorse. Forbidden substances in racehorse specimens are prosecuted at the lowest possible concentrations. Such screening employs the highest sensitivity methodologies and the most sophisticated confirmation analysis instrumentation techniques.

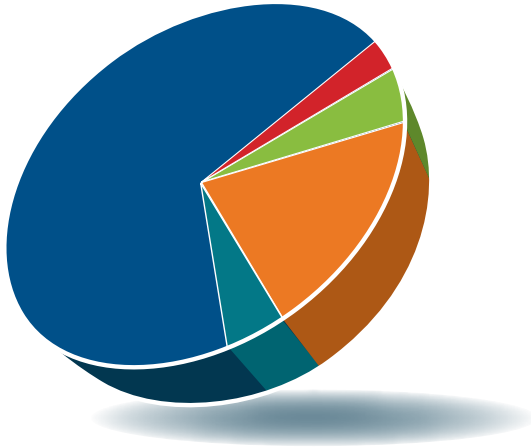
In total, 5 444 horse specimens and rider samples were analysed at the Laboratory during this year. This is a number which is significantly higher than the previous and many other previous years. Most prominent in number was the 2 733 the post-race urine specimens, primarily from race-winning horses.

The collection and subsequent comprehensive investigation of both pre-race and post-race blood specimens also serve an important and complimentary role within comprehensive race-day prohibited substance control. A total of 1 781 such blood specimens were additionally analysed.



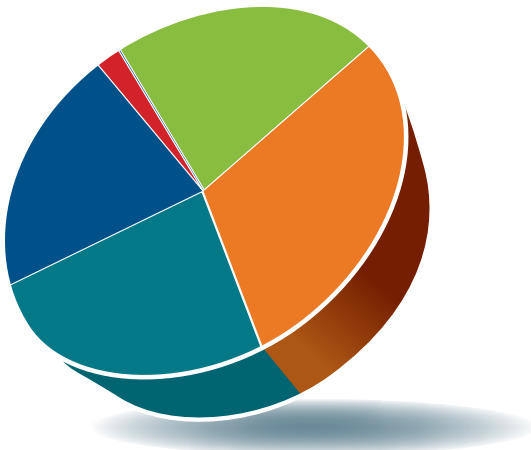
ALL EQUINE SPECIMENS 2025

16 976 Equine Specimens analysed at the Laboratory and the Race tracks



TRACKS Pre-Race TCO2 analysis	11 892
LAB Post-Race Urines	2733
LAB Pre-Race Bloods	998
LAB Post-Race Bloods	783
LAB Out of Competition Bloods	570

5 084 Equine Specimens analysed at the Laboratory



LAB Central Provinces	1 628
LAB KwaZulu-Natal	1 347
LAB Eastern Cape	1 044
LAB Western Cape	995
LAB Zimbabwe	70

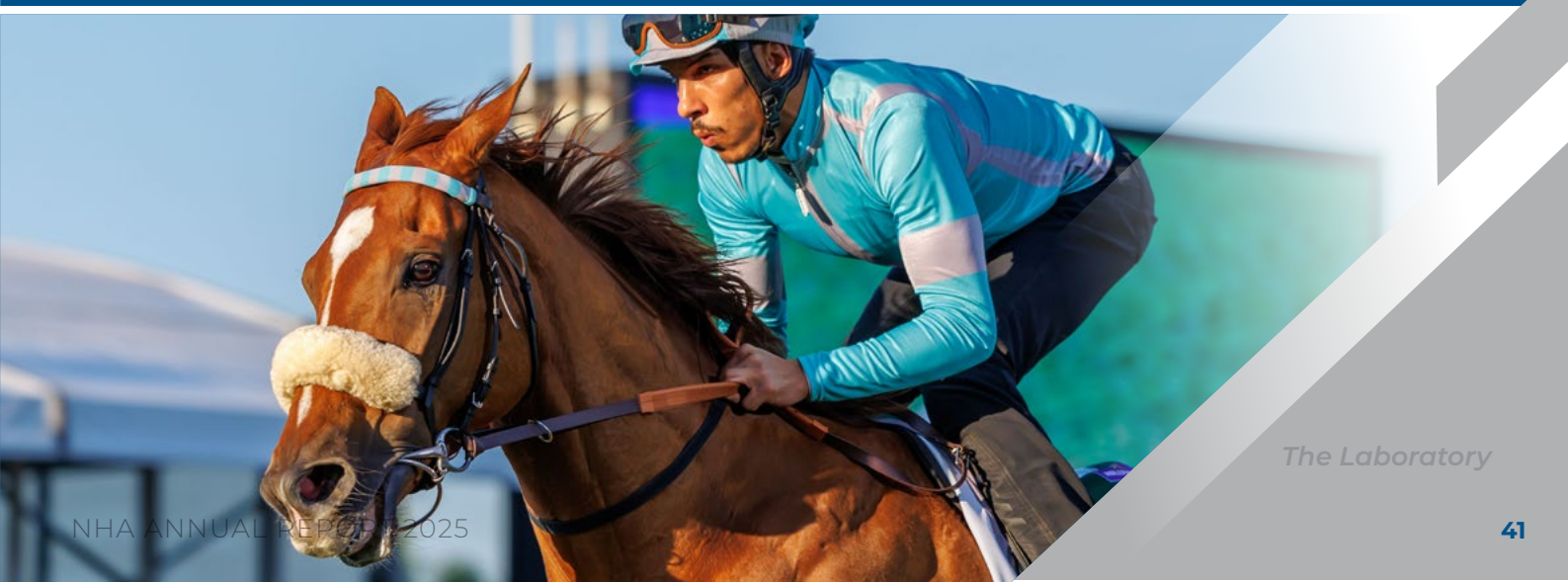
During this year 23 equine prohibited substance positive findings were detected during screening, and these were formalised by means of confirmatory (positive) analysis to the international racing standard. This equates to a positive rate of 0.45% of the equine specimens screened, a percentage which is internationally considered indicative of a well-controlled and well-managed racing industry with proper prohibited substance integrity control programs.

Of the 23 equine positive findings, on race day there were 5 post-race urine positive findings, with additionally 6 pre-race prohibited substance detections in collected blood and 3 post-race detections in plasma (processed blood). The total of 9 blood and plasma positive findings is higher than the number within urine. The higher number of plasma findings is of significance as it clearly proves that the historic post-race control of urine only in our racing not sufficient to properly enforce prohibited substance control. Of the total of the above 14 race day equine positive findings, there were 12 findings of therapeutic substances which were used for the best recovery of the injured racehorse, but where the drug concentrations exceeded the relevant, internationally agreed therapeutic effect levels.

When therapeutic drug substances, which are allowed for injury recovery, are detected in horses, even far below formal race-day action limits, it is important to investigate if the required veterinary practises and ultimately also if the prescribed horse welfare controls did apply when these were administered to these horses. Out of competition specimens for such checks and screening are obtained from unannounced stable visits. During such stable visits the NHA investigates which veterinary treatments were provided to which horses, and when. It is subsequently checked if treated horses obtained valid veterinary consultation and diagnosis and if the NHA prescribed veterinary treatment prescription requirements, detailed treatment records and correctly labelled medication and prescription expiry dates were put in place and

were complied to during treatment. When allowed drug medication substances are detected in horses these must have correct and valid entries in the NHA veterinary treatment registers. There were 9 non-compliant (positive) findings within the 570 out of competition specimens analysed during this racing year. It must be noted that there were therefore very many drug substance detections which were in fact accompanied by compliance to NHA veterinary treatment recording requirements. Many confiscated items (samples) were collected for analysis at stable yards during these above-mentioned surprise stable visits. Items included drug preparation bottles, vials, syringes and needles.

During April 2024 the previous racing year, the NHA introduced a new on-track, during race day specimen analysis procedure for TCO₂ measurement, in order to ensure fair competition and in prioritising horse welfare. Alkalinisation (the administration / use of an alkalinising agent to a racehorse) is prohibited close to the time of racing. It is a violation to have elevated pre-race blood TCO₂ levels above the internationally formalised threshold of the IFHA. This threshold is in place as an excessively increased blood alkalinity is internationally recognised to confer a potentially unfair performance advantage. The NHA implemented a mechanism where, if two specimens are collected from a specific horse, with a specific pre-race timing of collection, and the second specimen exceeds a specified TCO₂ blood reading during handheld i-STAT instrument analysis, the horse will be withdrawn from the relevant, upcoming race. Each such analysis uses a new analysis cartridge and involves cartridge pre-calibration to ensure accuracy. Locally, such screening was conducted on all race days. During the last racing year, a total of 11 892 such analyses were conducted on horses. From these analyses, only 45 horses (0.4% of the number sampled) were subsequently withdrawn from competition due to TCO₂ concentrations exceeding the relevant regulatory threshold which was set for pre-race on-track testing.



During race-days riders are routinely selected to be breathalysed as a check for the use of alcohol. At the same time urine samples are also collected, which are subsequently screened for rider banned substances. Such testing protects the safety of both the rider and the horse on the track, as it is to the international standard which is focussed on substances that would impair the judgement of the rider. A total of 360 rider urine samples were collected and screened during this period. Of these 2 only banned substance findings were prosecuted, which were not drugs of abuse but medication not to be used in the best interest of the long-term health of riders. This is indicative of a high compliance by riders to not use recreational drugs of abuse.

It is important for the Laboratory to have compliance to the requirements of the relevant international horseracing bodies in both its substance screening and confirmation. These requirements include those of the Asian Racing Federation (ARF), the International Federation of Horseracing Authorities (IFHA), the Association of Official Racing Chemists (AORC, the body for the control of IFHA criteria within laboratory analysis) and The International Laboratory Accreditation Cooperation (ILAC, the G7 standard which is specific for horseracing laboratories).

Again, during this year we obtained a 100% compliance result during the international racing AORC laboratory proficiency test of spiked drugs in blind specimens at the required specification levels. Since the inception of such external proficiency testing, our Laboratory achieved such a 100% result for a total of 34 years.

The Laboratory also obtained full (100%) compliance during the Asian Quality Assurance Program (AQAP), with negative specimens of the NHA also being confirmed as negative (and not containing prohibited substances) at IFHA and AORC compliant overseas racing laboratories.

About 30 years ago our Laboratory obtained quality accreditation to the ISO/IEC17025 international standard. During July 2025, the SA National Accreditation System (SANAS) conducted an ISO/IEC17025 quality standard surveillance assessment at our Laboratory. Once again, this compliance was fully confirmed, with only one minor finding noted during this extensive audit, which could be corrected very quickly.

Our substantial experience in racing analysis and prosecution to the international regulations and standards forms the basis for contract sample analysis which we routinely conduct for a variety of local equine sports and disciplines such as show jumping, dressage, polocrosse, endurance riding, saddlebred riding, Arabian show and other show horses. We also have a significant, long-standing, contract of race pigeon faeces analysis for the local national pigeon racing body.

For racing laboratories, the interaction with peers is very important for sharing of research and related screening information. This process is facilitated by email communication groups and during attendance at International Conferences for Racing Analysts and Veterinarians (ICRAV) and International AORC scientific meetings. Such interaction ensures our compliance to the continually more stringent international requirements, to head-on meet the most current prohibited substance control concerns in racing reliably and effectively. Our Laboratory is in a process of constant alignment to the most up-to-date standards of screening, new techniques and the newest, most efficient and cost-effective methodologies, which at times necessitate modernisation with new equipment or instrumentation.







MR K NKOANE
Racing Admin Executive

Despite prevailing challenges in the industry, we remain steadfast in our commitment to excellence, accuracy, and transformation. This report provides a summary of our key functions, observations, and ongoing initiatives during 2025.

GENERAL STUD BOOK OF SOUTHERN AFRICA

The Stud Book remains central to our operations, ensuring the integrity and traceability of Thoroughbreds in the region. In 2025, our core objectives continued to align with international standards, ensuring:

- Accurate recording of parentage for all Thoroughbreds born in or imported into South Africa.
- Publication of breeding lines in accordance with the International Agreement on Breeding, Racing and Wagering, and under the guidance of the International Stud Book Committee (ISBC).
- Registration, ownership tracking, and naming of Thoroughbreds, in full compliance with national and international rules.

As custodians of the General Stud Book of Southern Africa, we strive to uphold the highest standards of integrity, accuracy, and transparency. This commitment supports the health, credibility, and sustainability of the Thoroughbred breed and ensures ongoing compliance with The National Horseracing Authority and affiliated bodies worldwide.

VETERINARY GENETIC LABORATORY

The NHA takes much care and effort to limit the increases of Stud Book and Registration related fees, and this extends to contract services which are provided to the

NHA by the Veterinary Genetic Laboratory (VGL, UP). The cost of conducting the microchipping and identification of foals at Stud Farms, and DNA profiling of these, was negotiated with them to increase only with an inflation linked service cost of 8% during the next year.

However, unfortunately, the University of Pretoria during the last year introduced a compulsory blanket administration fee to the contract work they provide to all their clients, including the NHA. This additional 15% administration fee will add to this percentage, to result in an increase of 23% in what they will charge the NHA during next year.

INTERNATIONAL STUD BOOK COMMITTEE (ISBC)

Following the ISBC annual meeting on 1 October 2025, discussions have continued with the International Society for Animal Genetics (ISAG) to clarify timelines and options for single nucleotide polymorphisms (SNP) parentage verification. It was agreed in principle that SNP re-profiling of breeding stock should occur after receipt of the Rank 1 Certificates in 2027 to ensure consistency under official certification.

ISBC has proposed an “off-year” officially ranked SNP Comparative Test in 2026, which, if approved by ISAG, could shorten the lead-in time for SNP implementation and allow profiling of breeding stock ahead of the 2027 - 2028 foal crops.

GENE-DOPING CONTROL AND PROSECUTION GUIDELINES

The Committee reviewed updates on gene-doping work, including:

- A planned survey to find out more about national cloning law and current rules among racing and stud book authorities.
- A work on a step-by-step plan for handling positive gene-doping cases, including the role of stud books.
- Discussion on how to decide proof and responsibility if gene mutations are used in defence; and progress in methods for detecting cloning.

STUD BOOK DEPARTMENT – BREEDING STATISTICS

In 2025, we observed an encouraging shift in breeding activity. After several years of decline, **foal crop numbers have begun to increase**, driven by renewed investment and the recent reopening of **direct EU exports** for racing and breeding stock. This development has strengthened international trade opportunities, expanded market confidence, and provided new incentives for local breeders.

Foals Microchipped

The number of foals microchipped during the last five years are shown in the table below:

	2024	2023	2022	2021	2020
Microchipped	1 850	1 849	1 916	1 942	2 115
% Decline	0%	-3%	-1%	-8%	-9%

Mares

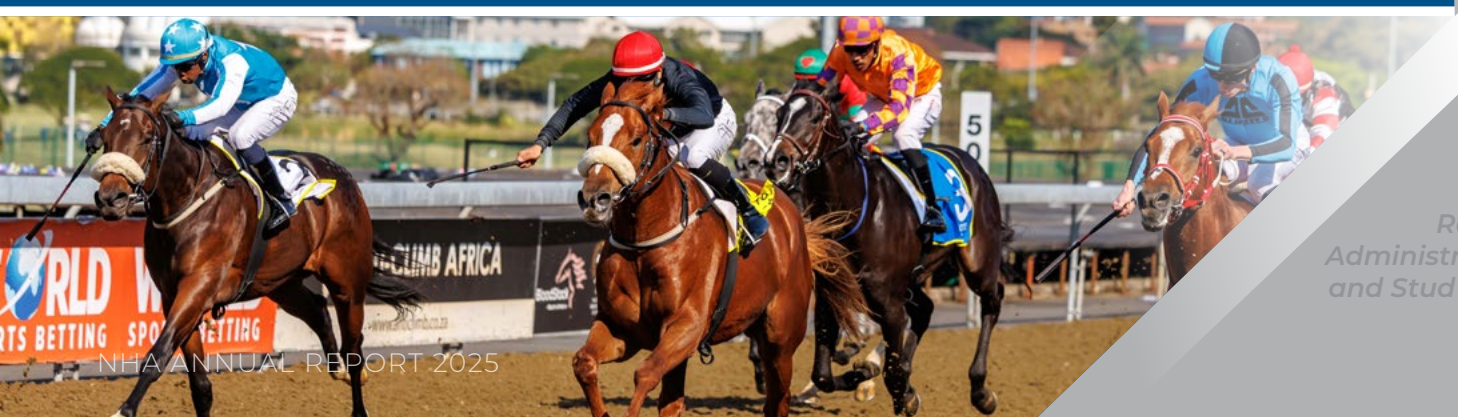
The number of mares that have a reported covering by a stallion over the last five years shown below.

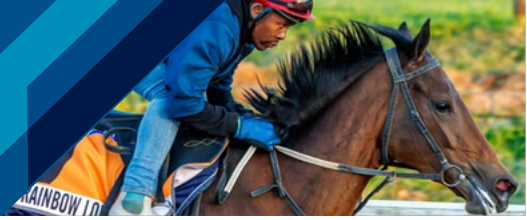
	2024	2023	2022	2021	2020
Mares	2 470	2 467	2 473	2 606	2 844
% Change	+0.12	-0.24	-5%	-8%	-3%

Key contributing factors include:

- The increase in horses exported to the EU, reflecting improved access to international markets and recognition of the region's breeding standards.
- A gradual rebound in breeder confidence, supported by stronger demand for locally bred Thoroughbreds.
- Enhanced collaboration with the International Stud Book Committee (ISBC), ensuring ongoing compliance with international breeding and registration standards.
- The **introduction of a new process requiring all horses exported to Mauritius to obtain permits through the Racing Administration office has been re-enforced**, ensuring greater regulatory oversight, traceability, and alignment with international export standards.

While some challenges remain including rising operational costs and the need to attract younger participants the overall outlook for 2026 is more positive. The upward trend in foal registrations and exports signals renewed optimism within the breeding sector and underscores the importance of maintaining supportive frameworks for sustainable growth.





Stallions

The top ten were:

VERCINGETORIX

GIMMETHEGREENLIGHT (AUS)

MASTER OF MY FATE

LANCASTER BOMBER (USA)

QUERARI (GER)

RAFEEF (AUS)

WHAT A WINTER

ONE WORLD

ERUPT (IRE)

DANON PLATINA (JPN)

all of whom demonstrated solid progeny performance and sustained competitiveness across multiple racing categories.

Collectively, the top 10 stallions contributed significantly to the overall foal crop **(47,17%)** and racing performance in 2024, reinforcing the continued strength of established bloodlines while signalling the emergence of promising new sires. This trend underscores the importance of data-driven and strategic breeding decisions in maintaining genetic diversity, improving bloodlines, and sustaining the quality and competitiveness of future foal crops.

IMPORTS AND EXPORTS

The 2024/2025 season reflects continued momentum in South Africa's equine trade, underscoring the industry's growing global engagement and resilience. Following the strong rebound of the previous year, both import and export activities have stabilized at encouraging levels, signalling sustained international interest in South African bloodlines and competitive racing prospects.

During the **2024/2025 season**, South Africa **imported a total of 61 horses**, marking a further increase from 37 imports recorded in 2023/2024. This growth highlights the country's expanding role as a destination for high-quality racing and breeding stock.

On the other hand, **28 horses were exported** during the same period down from 37 the previous year reflecting a strategic consolidation of export activity as the market adjusts to evolving international demand and logistical considerations.

Overall, these figures demonstrate a maturing and adaptable trade environment, positioning South Africa's equine industry for long-term sustainability and deeper participation in the global market.

RACING ADMINISTRATION

Licensing and Registration

In 2025, the Licensing and Registration department continued its pivotal role in assessing, licensing, and monitoring individuals involved in horseracing including Trainers, Jockeys, Work Riders, and Racing Officials.

With a strong emphasis on upholding professional standards, every application was evaluated against defined criteria, including experience, performance, integrity, and compliance with NHA regulations.

Notably:

- All new licenses were issued after strict vetting processes.
- Ongoing reviews and auditing were conducted to ensure that current license holders continued to meet required standards.
- Matters of non-compliance were referred to the Licensing Committee as needed.

Our efforts in this area ensure that the sport maintains a fair, credible and professional environment for all participants.

Description	2024/2025	2023/2024	% Change
Individual Colour Holders	1 614	1 686	-4%
Partnership Colours	215	235	-9%
Syndicate Colours	78	67	+16%
Companies	107	95	+13%
Stable Employees	115	106	+8%
Jockey Agents	7	11	-57%
Trusts	5	5	Stable

- Individual and partnership registrations dipped slightly, reflecting consolidation among ownership groups.
- The rise in syndicate and company ownerships signals the change of participation models to reduce individual exposure.
- Assistant trainer licensing grew sharply, indicating positive internal career progression and skills development.

Integration and Recording of Data

Our Racing Administration team remains responsible for the accurate integration and management of data within the National Database. In 2025, we placed a strong focus on:

- Enhancing the integrity and accessibility of data.
- Supporting real-time updates to the NHA website.
- Ensuring compliance with regulatory and industry standards.





This work supports a reliable, transparent, and efficient information system essential for stakeholders across the industry.

Special Projects

The following projects are vital to ensuring that our systems remain relevant, efficient, and future-focused.

- Enhancements to regulatory frameworks and licensing systems.
- Continued development of the Traditional Equine Industry (TEI) initiatives.
- Cross-department collaboration to identify operational improvements and strengthen stakeholder engagement.

Traditional Equine Industry (TEI)

The TEI continues to be a key area of focus. This sector supports traditional and rural uses of horses, including cultural ceremonies, subsistence agriculture, and community transport.

In 2025, we expanded TEI support through:

- Identification and traceability measures.
- Skills development and training programs aimed at Officials and rural participants.
- Engagement with Traditional Racing association members to promote safe, sustainable practices.
- Expanded our reach in new projects in North West Province, engaged with Botswana, Lesotho and Eastern Cape for further collaborations.

Our goal remains to transform this sector, protect equine welfare, and support livelihoods through structured intervention and increased visibility.

Conclusion

This year has underscored the importance of maintaining strong systems, ethical leadership, and collaboration across all areas of our mandate.

Looking ahead, our focus will be on:

- Strengthening compliance and transparency.
- Supporting transformation across the sector.
- Establishing systems for greater efficiency and stakeholder value.
- Strengthening interest in Thoroughbred breeding and racing among emerging generations.





MR B SIBANYONI

Human Resources Manager

The Human Resources department is a strategic partner with the mandate of ensuring that the Authority has the necessary talent to achieve its objective which is to maintain the integrity of the sport of horseracing. The Human Resources supports various department's strategic goals by providing services that promote a work environment that is characterised by fair treatment, open communication, personal accountability, rewarding excellence, trust, and mutual respect. The primary strategic pillars which were the areas of focus for 2025:

1. Staff Wellness Programmes

Staff wellness refers to the holistic well-being of employees, encompassing their physical, mental, emotional, and social health. It involves initiatives, programmes, and policies implemented by an organisation to support and enhance employees' overall quality of life, job satisfaction, and productivity. Staff wellness aims to create a healthy work environment that reduces stress, prevents burnout, and promotes balance between work and personal life.

2. Transformation, Employment Equity and Broad Based Black Economic Empowerment (BBBEE)

Transformation and Employment Equity mainly include creating leadership diversity by training those from historical disadvantaged backgrounds and improve access to the opportunities for growth.

BBBEE is a specific policy framework aimed at promoting economic transformation by increasing black economic participation and ownership.

3. Performance management for management

Involves setting clear performance expectations, assessing individual and team performance, providing feedback, and creating a structured approach for employee growth and organizational alignment.

4. Training, Learning and Development

Provides opportunities for employees to grow their skills and advance their careers through training, coaching, and development programs, which also helps meet the organization's evolving needs.

5. Recruitment and Talent management

Involves attracting, selecting, and hiring the right talent to meet organizational needs. This pillar includes job posting, interviewing, selection processes, and appointment of new employees.

Other operational areas which were also considered and addressed include promoting health and safety, improve the organisational culture, and staff morale.

In order to maintain the high standards of service to the horseracing industry, the Authority's employees are expected to fully adhere to its values on page 3.

RESULTS OF PERIOD UNDER REVIEW

1. STAFF WELLNESS PROGRAMMES

During the period under review, the Authority prioritised the staff wellness programs focusing on engagements of staff retirement, pension fund and risk benefits and the general wellness programs.

Following the government's approval of the two-pot system, effective 1 September 2024, wellness days were organized across various regions. In collaboration with Alexander Forbes, Standard Bank and FNB, workshops were conducted to educate employees on the changes to pension funds, financial management strategies, and the housing loan option backed by pension funds. Workshops were conducted as follows:

Region	Date
KwaZulu-Natal	6 November 2024
Highveld	22 November 2024
Eastern Cape	29 November 2024

Furthermore, the Authority has entered into an agreement, administered by Alexander Forbes, with Standard Bank and FNB to provide staff and members access to home loans for the purchase, construction, or renovation of residential properties, including both land and buildings guaranteed by their pension funds.

To strengthen staff wellness, the Authority has intensified the staff wellness programmes for both race day and full-time members. These services are assessable to all staff and include:

- Counselling services for traumatic experiences and everyday stresses.
- Legal services for legal advice, contracts and documents, and legal emergencies.
- Financial wellbeing services for financial counselling, education, tools and calculators.
- Debt assistance for guidance on the debt consolidation, counselling and restructuring processes.
- Credit health and credit check for access to credit scores and tips on how to improve.
- Emotional wellbeing services for access to experts on lifestyle coaching and stress management.
- Physical wellbeing services for support with any general or chronic conditions like HIV and TB.





2. TRANSFORMATION AND EMPLOYMENT EQUITY

The Authority complied with the Employment Equity for 2024 by filing the current equity report with the Department of Employment and Labour.

The BBBEE compliance certificate expired at the end of April 2025 (Level 8 Contributor) and evaluation is currently being performed at the time of issue of this report.

Employment Equity Report Summary

Table 1:

1 August 2024 - 31 July 2025

Occupational Categories	Males				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	-	2	4	-	-	-	-	8
Senior Management	1	-	-	3	-	-	-	1	5
Professionals and mid Management	6	3	1	8	2	-	1	3	24
Technicians and Supervisors	4	-	-	-	7	1	2	5	19
Unskilled	1	-	-	-	5	-	-	-	6
Total Permanent Staff	14	3	3	15	14	1	3	9	62
Race Meeting Officials (Part-time)	95	4	6	14	6	5	-	14	144
Total	109	7	9	29	20	6	3	23	206

Table 2:

1 August 2023 – 31 July 2024

Occupational Categories	Males				Females				TOTAL
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	-	2	2	1	-	-	-	6
Senior Management	1	-	-	4	-	-	-	-	5
Professionals and mid Management	6	2	1	4	-	-	1	6	20
Technicians and Supervisors	3	1	-	4	9	1	2	2	22
Unskilled	1	-	-	-	6	-	-	-	7
Total Permanent Staff	12	3	3	14	16	1	3	8	60
Race Meeting Officials (Part-time)	92	3	5	16	6	3	-	14	139
Total	104	6	8	30	22	4	3	12	199

The Department of Employment and Labour gazetted the new 5-year sectoral numerical targets which should be implemented to improve Affirmative Action and transformation with reporting commencing on the 1 September 2025.

The Authority is classified in the Arts, Entertainment and Recreation sector and below are the numerical targets for the various population groups and gender across all levels including employees with disabilities.

Occupational Categories	Gender	Designated Group
Top Management	Male	35,10%
	Female	33,50%
	Total	68,60%
Senior Management	Male	40,30%
	Female	43,80%
	Total	84,10%
Professionals and mid Management	Male	49,80%
	Female	46,10%
	Total	95,90%
Technicians and Supervisors	Male	49,80%
	Female	46,10%
	Total	95,90%
Disability only	All	3%

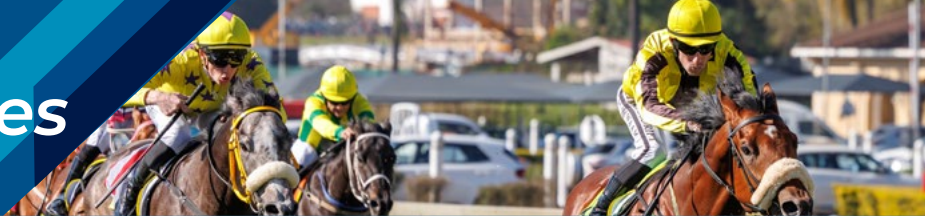
The Authority will report on the 5-year numerical plan for Employment Equity during the 2026 period.

3. STAFF MOVEMENTS

Terminations

During 2025, a total of 15 employees (2024: 20) were terminated for various reasons as stated below:





Resignations

8 Employees resigned:

Job title	Department	Region
Racing Administration Executive	Racing Administration	Head Office
4 x Specimen Collector	Racing Control	Western Cape
Horse Identifier	Racing Control	Central Provinces
Handler	Racing Control	Western Cape
Judge	Racing Control	Western Cape

Retirements

7 Employees retired:

Job title	Department	Region
Chief Stipendiary Steward*	Racing Control	Western Cape
Tea Lady/Cleaner**	Racing Control	Western Cape
Judge	Racing Control	Central Provinces
Judge	Racing Control	KwaZulu-Natal
2 x Handlers	Racing Control	Western Cape
Assistant Starter	Racing Control	Central Provinces

The Authority would like to extend its best wishes to the following long-serving staff members following their retirement:

Staff member	Year of Employment	Years of service
*Ernie Rodrigues	June 1987	38 years
**Princess Gubudela	March 1983	42 years

4. PERFORMANCE MANAGEMENT

The performance assessments for the Authority's Executive Management were conducted as follows:

- An interim performance evaluation took place in February 2025, with the results and corresponding development plans discussed with each employee and subsequently submitted to the Remuneration Committee.
- The final performance evaluation was completed in June 2025, with final scores agreed upon and signed off by both the Chief Executive and the Executive. Performance assessments for all staff will be rolled out in 2026.

5. LEARNING, TRAINING AND DEVELOPMENT (Formal and Informal Education and Training)

The Authority is registered under Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority (CATHSSETA). CATHSSETA has approved the mandatory grant for 2025. The grant will be utilised to improve training and development of employees. The 2025 training comprised of:

Formal Training

(registration at the formal higher education institution and professional bodies affiliations)

Department	Course registered and studied	Benefit to the NHA	Outcome
Handicapping	B Comm in Human Resources and Training	To implement a full training programme for all employees	Completed – December 2024
Management	Membership fees and CPD – Institute of Directors	Strategic management and corporate governance	Annual renewal – Ongoing
	Membership fees and CPD – SAICA	Accounting updates	Annual renewal – Ongoing
	Membership fees and CPD – SAVC	Veterinary Surgeon subscription	Annual renewal – Ongoing
Racing Administration	Higher Diploma in Management	Management of the administration for the licencing committee	In progress – expected to be completed in June 2026

Informal Training including on the Job Training

Department	Type of training attended	Benefit to the NHA
Special Investigations	Handicapper attended international program for Stipendiary Stewards	Implement international standards on handicapping and stewarding.
TCO2 and Special Investigations	Methodology on conducting TCO2 testing	Implementation of the SOPs for the testing of total carbon dioxide at the race meetings





A total spending on training for 2025 amounted to R84 542 (2024: R618 294). The decline is due to most of the inhouse training in TC02 that was performed in FY2024.

6. RECRUITMENT AND TALENT MANAGEMENT

During 2025, the Authority made a total of 22 staff appointments (2024: 22).

Job Title	Department	Region
Racing Administration Executive	Racing Administration	Head Office
Legal Executive	Legal Services	Head Office
Veterinary Surgeon	Veterinary Services	Western Cape
Stipendiary Steward	Racing Control	KwaZulu-Natal
Stud Book Clerk	Racing Administration	Head Office
9 X Handlers	Racing Control	Western Cape
3 X Specimen Collectors	Racing Control	Western Cape
2 X Specimen Collectors	Racing Control	KwaZulu-Natal
Horse Identifier	Racing Control	Western Cape
Judge	Racing Control	Central Provinces
Judge	Racing Control	Western Cape

7. INDUSTRIAL RELATIONS

During the year, management had multiple meetings with the Unions for Race-Day employees and signed in 2025 a 6% (2024: 5%) salary adjustment which is enforceable for 12 months. The salary adjustment was implemented as from 1 August 2024 .

8. HEALTH AND SAFETY

The Authority has a Health a Safety Committee which consisted of the following are:

- 4 x Fire Fighters
- 2 x First Aiders
- 1 x Risk Assessor
- 2 x Incident Investigators
- 1 x Health and Safety Representative

The Health and Safety Committee held two meetings to evaluate the health and safety areas within the Authority. The Committee attended the health and safety training and were officially appointed during the period under review.

No claims were reported during the period under review (2024: 4 claims registered and settled).

9. ETHICS MANAGEMENT – TIP-OFF HOTLINE AND INDEPENDENCE FORMS

The contract for the Anonymous Tip-off Hotline managed 24 hours and 7 days a week by Deloitte has been renewed for 2025 until 2027.

The Full-Time employees signed a declaration of independence and confidentiality agreement for the FY2025. Safeguards are in place to minimise the potential conflicts of interest.

The ethics documents for Race Day will be finalised and implemented in 2026.

10. POLICIES

The Authority continued to apply its internal and operational policies in 2025, including the Human Resources, Disciplinary Code, and Finance policies, which came into effect on 12 May 2023. These policies are currently under review and approved and implemented in 2026.



Annual Financial Statements

for the year ended 31 July 2025



General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Regulating the sport of horseracing in Southern Africa
Directors	Mr M A Currie* (Chairperson) Mr V Moodley+ (Chief Executive) Mr G Ahmed** Mr B Fegen* Mr J Kinsley* Mr B Reardon* L M F Wernars*
* Non-Executive Director (Member)	
** Independent Non-Executive Member	
+ Executive Director	
Registered office	14 Turf Club Street Turffontein Racecourse Johannesburg 2190
Business address	14 Turf Club Street Turffontein Racecourse Johannesburg 2190
Bankers	The Standard Bank of South Africa Limited
Legal advisors	Fasken Attorneys Norton Rose Fulbright South Africa Inc. Ulrich Roux & Associates
Level of assurance	These annual financial statements have been audited in compliance with the applicable requirements of the Constitution of The National Horseracing Authority of Southern Africa ("the Authority").
Preparer	The annual financial statements were prepared under the supervision of:



Mr B Sibanyoni

AGA (SA), BCTA, BCom,
Advanced Tax Program,

PG Dip Management, MBA

Financial Manager

Content

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

Audit, Risk and Finance Committee Report	59
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Independent Auditor's Report	64
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Statement of Profit or Loss and Other Comprehensive Income	67
Statement of Changes in Equity	67
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The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Statement of Profit or Loss and Other Comprehensive Income	84
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Audit, Risk and Finance Committee Report

1. Members of the Audit, Risk and Finance Committee

The member of the Audit, Risk and Finance Committee are all Non-Executive Directors of the National Horseracing Authority of Southern Africa and include:

NAME	QUALIFICATION	EXPERIENCE
Gayasuddin Ahmed	BCompt CA(SA)	Mr Ahmed holds an Honours degree in Bachelor of Accounting Sciences (BCompt) and is a registered member of The South African Institute of Chartered Accountants. Mr Ahmed has held various senior positions, both in operational and traditional financial management roles, having worked in large and medium-sized businesses across different sectors in both listed and unlisted organisations..
John Kinsley	BCom, LLB	Mr Kinsley is a registered breeder and owner of Ay-Jay Farm and is also a registered colour holder since 1999. Mr Kinsley holds a BCom degree and an LLB degree from the University of Natal and holds a Certificate of Financial Planning from the University of the Orange Free State. Mr Kinsley is a retired executive with 30 years experience in the financial services industry in South Africa. He has previously served in an executive capacity on a number of boards in both South Africa and Namibia.
Mark Currie	BCom CA(SA)	Mr Currie is a qualified Chartered Accountant and holds the position of Group Chief Risk Officer of the Investec Group having been employed in various roles for 32 years at Investec. Mr Currie is the former Chairman of the Thoroughbred Horseracing Trust, the former co-chair of Kenilworth Racing and a former Director of the Racing Association (now known as the Racehorse Owners Association). Mr Currie has been actively involved in the Horseracing Industry in South Africa and has held colours since 1994.

The Committee is satisfied that the members thereof have the required knowledge and experience as set out in paragraph 16.6.2 of the Constitution of The National Horseracing Authority of Southern Africa.

2. Meetings held during the financial year

The Committee performs the duties as set out in paragraph 16.6.2 of the Constitution of The National Horseracing Authority of Southern Africa and held four (4) formal meetings during the year.

3. External auditor

The Committee satisfied itself through enquiry that the external auditors are independent as defined by the Constitution of The National Horseracing Authority of Southern Africa and as per the standards stipulated by the auditing profession.

The Committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the scope and timing of the audit. The external auditors have unrestricted access to the members of the Committee.

4. Assessment of Finance Manager

The Committee has assessed the competence of the Financial Manager and is satisfied that he has the necessary skills and qualifications to fulfil his role.

5. Annual Financial Statements

Following the review of the annual financial statements, the Committee has recommended the approval of the annual financial statements to the National Board.

On behalf of the Audit, Risk and Finance Committee:



MR GAYASUDDIN AHMED

Chairman - Audit, Risk and Finance Committee

23 October 2025

Directors' Responsibilities and Approval

The directors are required in terms of the Constitution of The National Horseracing Authority of Southern Africa ("the Authority") to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Authority 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 IFRS Accounting Standards as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board 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 Authority 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 Authority and all employees are required to maintain the highest ethical standards in ensuring the Authority's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Authority is on identifying, assessing, managing and monitoring all known forms of risk across the Authority. While operating risk cannot be fully eliminated, the Authority endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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 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 Authority's cash flow forecast for the year to 31 July 2026 and, in light of this review and the current financial position, they are satisfied that the Authority has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Authority's annual financial statements. The annual financial statements have been examined by the Authority's external auditors and their report is presented on pages 66 and 67.

The annual financial statements set out on pages 68 to 94, which have been prepared on the going concern basis, were approved by the board of directors on 4 November 2025 and were signed on their behalf by:



MR M A CURRIE

Chairperson - National Board of Directors



MR V MOODLEY

Chief Executive

04 November 2025

Directors' Report

The directors have pleasure in submitting their report on the annual financial statements of The National Horseracing Authority of Southern Africa ("the Authority") for the year ended 31 July 2025.

1. Nature of business

The National Horseracing Authority of Southern Africa was incorporated in South Africa with interests in the Agriculture and Sport administration sectors. The Authority operates in South Africa and assists Zimbabwe in regulating race meetings. The Authority, as a regulator of the South African Thoroughbred Industry, is registered and has been issued with a certificate in terms of Section 8(7)(a)(i) of the Animal Improvement Act, 1998 (Act No. 62 of 1998) as a Breeders Society (Registration No. 62/98/B-56) dated 01 March 2004.

There have been no material changes to the nature of the Authority's business from the prior year.

2. Review of financial results and activities

The annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Constitution of The National Horseracing Authority of Southern Africa.

The accounting policies have been applied consistently compared to the prior year.

The Authority recorded a net surplus for the year ended 31 July 2025 of R1 947 408 (2024: deficit of R7 952 295), and a total comprehensive surplus for the year of R1 932 432 (2024: deficit of R7 327 541). Refer to pages 95 to 97 for further details and breakdowns of income and expenditure.

3. Directors register

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

Directors	Appointed	Resigned
Mr M A Currie (Chairperson - Appointed 02 October 2025)	02 October 2025	
Mr V Moodley (Chief Executive)	01 January 2019	
Mr G Ahmed	23 February 2024	
Mr B Fegen	02 October 2025	
Mr J Kinsley	22 April 2022	
Mr B Reardon	02 October 2025	
L M F Wernars	02 October 2025	
Mrs S Rowett	23 February 2024	30 September 2025
Mr S Mathen	27 January 2021	30 September 2025
Mr N Nalliah	06 April 2020	30 September 2025
Dr A Parker	22 January 2020	30 September 2025
Mr D Rosevear	05 June 2020	30 September 2025
Mr R Sewgoolam	26 May 2021	30 September 2025
Ms P Mickleburgh	12 September 2022	21 July 2025



4. Events after the reporting period

On the 30 September 2025, 6 members of the National Board resigned. As at the date of issue of the annual financial statements, 4 members were appointed on 2 October 2025 with a total of 7 members in the governing board.

The members of the Authority have requisitioned for a Special General Meeting (SGM) to be called on 19 November 2025 to consider proposed amendments to the Constitution.

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

5. Going concern

The 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. The Authority expects to continue to render services and regulate the horseracing industry for the foreseeable future.

6. Auditors

At the Annual General Meeting held on 15 January 2025, the members have re-appointed Nolands Inc, as the independent external auditors of the Authority. Nolands Inc. continued in office as the auditors for the Authority for 2025.

7. Matters of legal litigation

The Authority in regulating enforcement of its Rules on Members, unavoidably as part of its operations does become involved in litigation from time to time, including incurring legal expenses in instructing attorneys and legal counsel to represent it at its own Inquiry Boards and Appeals Boards. Legal expenses are thus incurred by the Authority in both enforcement of rules and defending, where applicable, any action that may be brought against it.

As at the date of this report, there are two outstanding claims against the Authority, both relating to defamation:

- A claim arising from actions taken by the Authority at a race meeting in November 2023, received in December 2023 and
- A claim following a complaint lodged by the Authority with a professional body against a member, received in April 2025

Both matters are currently being defended.

A provision for legal fees of R4 088 561 (2024: R4 320 969) is disclosed in note 9 to these annual financial statements in respect of various matters that are currently being dealt with.

Independent Auditor's Report

To The National Horseracing Authority of Southern Africa

Opinion

We have audited the annual financial statements of The National Horseracing Authority of Southern Africa ("the Authority") set out on pages 68 to 94, which comprise the statement of financial position as at 31 July 2025, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the annual financial statements, including material accounting policy information.

In our opinion, the annual financial statements present fairly, in all material respects, the financial position of The National Horseracing Authority of Southern Africa as at 31 July 2025, and its financial performance and cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Constitution of The National Horseracing Authority of Southern Africa.

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 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 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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 information included in the document titled "The National Horseracing Authority of Southern Africa annual financial statements for the year ended 31 July 2025", which includes the Directors' Report and the Audit Committee's Report as required by the Constitution of The National Horseracing Authority of Southern Africa and the supplementary information as set out on pages 95 to 97. The other information does not include the annual financial statements and our auditor's report thereon.

Our opinion on the 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 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 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Constitution of The National Horseracing Authority of Southern Africa, and for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the annual financial statements, the directors are responsible for assessing the authority'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 authority or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 annual financial statements, including the disclosures, and whether the 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.

Nolands Inc.

Nolands Inc.
Director: Rafael Gomes
Registered Auditor

Cape Town
4 November 2025

Statement of Financial Position

as at 31 July 2025

	Note(s)	2025 R	2024 R
Assets			
Non-Current Assets			
Property, plant and equipment	3	17 262 823	18 532 239
Right-of-use assets	4	164 935	255 856
Investment property	5	21 500 000	21 500 000
		38 927 758	40 288 095
Current Assets			
Inventories	6	266 400	187 320
Trade and other receivables	7	1 733 120	2 538 142
Cash and cash equivalents	8	26 993 866	29 011 040
		28 993 386	31 736 502
Total Assets		67 921 144	72 024 597
Equity and Liabilities			
Equity			
Accumulated funds		40 631 618	38 699 186
Liabilities			
Non-Current Liabilities			
Lease liabilities	4	104 814	187 352
Provisions	9	871 091	856 115
		975 905	1 043 467
Current Liabilities			
Trade and other payables	10	15 876 218	22 880 759
Lease liabilities	4	75 546	68 896
Funds held on behalf of third parties	11	3 556 107	2 434 374
Provisions	9	6 805 750	6 897 915
		26 313 621	32 281 944
Total Liabilities		27 289 526	33 325 411
Total Equity and Liabilities		67 921 144	72 024 597

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2025 R	2024 R
Revenue	12	97 027 166	87 520 526
Other income	13	2 818 776	338 254
Other operating gains (losses)	14	(51 876)	4 716
Other operating expenses	15	(99 541 943)	(98 016 133)
Operating surplus (deficit)		252 123	(10 152 637)
Investment income	16	1 715 592	2 228 112
Finance costs	17	(20 307)	(27 770)
Surplus (deficit) for the year		1 947 408	(7 952 295)
Other comprehensive income:			
Items that will not be reclassified to surplus or deficit:			
Post-employment medical benefits		(14 976)	624 754
Other comprehensive surplus (deficit) for the year net of taxation	20 and 23	(14 976)	624 754
Total comprehensive surplus (deficit) for the year		1 932 432	(7 327 541)

Statement of Changes in Equity

	Accumulated Funds R	Total Equity R
Balance at 01 August 2023	46 026 727	46 026 727
Deficit for the year	(7 952 295)	(7 952 295)
Other comprehensive income	624 754	624 754
Total comprehensive deficit for the year	(7 327 541)	(7 327 541)
Balance at 01 August 2024	38 699 186	38 699 186
Surplus for the year	1 947 408	1 947 408
Other comprehensive income	(14 976)	(14 976)
Total comprehensive surplus for the year	1 932 432	1 932 432
Balance at 31 July 2025	40 631 618	40 631 618

Statement of Cash Flows

	Note(s)	2025	2024
		R	R
Cash flows from operating activities			
Cash (used in)/generated from operations	21	(158 349)	501 409
Net cash from operating activities		(158 349)	501 409
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(3 478 222)	(7 138 133)
Proceeds from sale of property, plant and equipment	3	-	3 233
Interest income	16	1 715 592	2 228 112
Net cash from investing activities		(1 762 630)	(4 906 788)
Cash flows from financing activities			
Cash repayments on lease liabilities	4	(75 888)	(89 782)
Finance costs	17	(20 307)	(27 770)
Net cash from financing activities		(96 195)	(117 552)
Total cash movement for the year		(2 017 174)	(4 522 931)
Cash and cash equivalents at the beginning of the year		29 011 040	33 533 971
Cash and cash equivalents at the end of the year	8	26 993 866	29 011 040

1. Significant accounting policies

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

1.1 Basis of preparation

The annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these annual financial statements and the Constitution of The National Horseracing Authority of Southern Africa as amended.

These 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 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 Authority's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of 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.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the Authority 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 Authority, 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 Authority and the cost can be measured reliably. Day-to-day servicing costs are included in surplus or deficit in the year in which they are incurred.

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 Authority. 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.

Accounting Policies

1.3 Property, plant and equipment (continued)

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

Item	Depreciation method	Average useful life
Leasehold property and improvements	Straight line	Up to 15 years
Furniture and fixtures	Straight line	5 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	5 years
Computer software	Straight line	5 years
Laboratory equipment	Straight line	Up to 8 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 surplus or deficit 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 surplus or deficit 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 surplus or deficit when the item is derecognised.

1.4 Investment property

Investment property is land and buildings held to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or for sale in the ordinary course of business.

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 enterprise, 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.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.



1.5 Provisions and contingencies

Provisions are recognised when:

- the Authority has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition, contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

1.6 Financial instruments

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

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

Financial assets which are equity instruments:

- Mandatorily at fair value through surplus (deficit); or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

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); or

Accounting Policies

1.6 Financial instruments (continued)

- Fair value through other comprehensive income. (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 achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through surplus or deficit. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through surplus or deficit. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through surplus or deficit.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through surplus or deficit. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through surplus or deficit. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through surplus or deficit).

Financial instruments and risk management presents the financial instruments held by the Authority based on their specific classifications (refer note 22).

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 Authority are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (refer note 7).

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 Authority'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 Authority 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.



1.6 Financial instruments (continued)

Impairment

The Authority 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 Authority 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 Authority 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 7.

An impairment gain or loss is recognised in surplus or deficit 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 surplus or deficit as a movement in credit loss allowance.

Credit risk

Details of credit risk are included in the trade and other receivables note (refer note 7) and the financial instruments and risk management note (refer note 22).

Trade and other payables

Classification

Trade and other payables (refer note 10), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Authority 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 method.

The effective interest 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 method results in the recognition of interest expense, then it is included in surplus or deficit in finance costs (refer note 17).

Trade and other payables expose the Authority to liquidity risk and possibly to interest rate risk. Refer to note 22 for details of risk exposure and management thereof.

Accounting Policies

1.6 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amounts which are deemed to be fair value.

1.7 Impairment of assets

The Authority 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 Authority estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Authority also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

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 cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating 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 surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

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 surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (i.e. those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), is 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 non-accumulating absences, when the absence occurs.

The expected cost of surplus 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.

Defined benefit plans

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.



1.8 Employee benefits (continued)

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. Consideration is given to any event that could impact the funds up to the end of the reporting period where the interim valuation is performed at an earlier date.

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight line basis over the average period until the amended benefits become vested.

To the extent that, at the beginning of the financial year, any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the projected benefit obligation and the fair value of the plan assets (the corridor), that portion is recognised in surplus or deficit over the expected average remaining service lives of participating employees. Actuarial gains or losses within the corridor are not recognised.

Actuarial gains and losses are recognised in the year in which they arise, in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the Authority is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The amount recognised in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognised actuarial gains and losses and unrecognised past service costs, and reduces by the fair value of plan assets.

Any asset is limited to unrecognised actuarial losses and past service costs, plus the present value of available refunds and reduction in future contributions to the plan.

1.9 Revenue from contracts with customers

The Authority recognises revenue from the following major sources:

- Levies charged to the Operators;
- Registrations, licensing and membership fees, and
- Laboratory services for analysis of testing specimens for third parties.

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

1.10 Leases

The Authority assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the Authority has

Accounting Policies

1.10 Leases (continued)

the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgement, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the Authority is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the Authority recognises the lease payments as an operating expense (note 15) on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Details of leasing arrangements where the Authority is a lessee are presented in note 4 Leases (Authority as lessee).

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Authority uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the Authority under residual value guarantees;
- the exercise price of purchase options, if the Authority is reasonably certain to exercise the option;
- lease payments in an optional renewal period if the Authority is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses (note 4).

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs (note 17).

The Authority remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the Authority will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;



1.10 Leases (continued)

- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used);
- there has been a change in expected payment under a residual value guarantee, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in surplus or deficit if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the statement of financial position.

Lease payments included in the measurement of the lease liability comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the Authority incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Authority expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

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 a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

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

1.11 Finance income / expenses

Finance income comprises interest income on funds invested, that is recognised in surplus or deficit. Interest income is recognised as it accrues, using the effective interest rate method.

Finance expenses comprise interest expense on borrowings that is recognised in surplus or deficit.

All borrowing costs are recognised in surplus or deficit in the period they are incurred, using the effective interest method.

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IAS 21: Lack of exchangeability	01 January 2025	The impact of the amendments is not material.
• Amendments to IAS 7 and IFRS 7: Supplier finance arrangements	01 January 2024	The impact of the amendments is not material.
• Amendments to IAS 1: Non-current liabilities with covenants	01 January 2024	The impact of the amendments is not material.
• Amendments to IFRS 16: Lease liability in a sale and leaseback	01 January 2024	Unlikely there will be a material impact
• IFRS S1: General requirements for disclosure of sustainability-related financial information	01 January 2024	Unlikely there will be a material impact
• IFRS S2: Climate-related disclosures	01 January 2024	Unlikely there will be a material impact

2.2 Standards and interpretations not yet effective

The Authority has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Authority's accounting periods beginning on or after 01 August 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Unlikely there will be a material impact
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards.	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 7 Financial Instruments: Disclosures	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 Financial Instruments	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 10 Consolidated Financial Statements	01 January 2026	Unlikely there will be a material impact
• Amendments to IAS 10 Statement of Cash flows	01 January 2026	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	01 January 2026	Unlikely there will be a material impact
• Amendments to IAS 21: Lack of exchangeability	01 January 2025	Unlikely there will be a material impact



3. Property, plant and equipment

	2025			2024		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Leasehold improvements	5 208 930	(3 734 569)	1 474 361	5 208 930	(3 533 189)	1 675 741
Furniture and fixtures	3 549 066	(3 151 628)	397 438	3 723 118	(3 224 369)	498 749
Motor vehicles	364 461	(345 809)	18 652	364 461	(308 504)	55 957
Office equipment	1 253 953	(662 446)	591 507	1 509 504	(1 176 808)	332 696
IT equipment	1 145 446	(724 079)	421 367	1 992 517	(1 491 592)	500 925
Computer software	90 930	(67 899)	23 031	363 199	(334 661)	28 538
Laboratory equipment	45 268 030	(30 931 563)	14 336 467	42 541 447	(27 101 814)	15 439 633
Total	56 880 816	(39 617 993)	17 262 823	55 703 176	(37 170 937)	18 532 239

Reconciliation of property, plant and equipment - 2025

	Opening Balance	Additions	Disposals	Depreciation	Total
Leasehold property and improvements	1 675 741	-	-	(201 380)	1 474 361
Furniture and fixtures	498 749	119 577	-	(220 888)	397 438
Motor vehicles	55 957	-	-	(37 305)	18 652
Office equipment	332 696	415 175	(157)	(156 207)	591 507
IT equipment	500 925	205 088	(49 701)	(234 945)	421 367
Computer software	28 538	11 800	(840)	(16 467)	23 031
Laboratory equipment	15 439 633	2 726 582	-	(3 829 748)	14 336 467
	18 532 239	3 478 222	(50 698)	(4 696 940)	17 262 823

Reconciliation of property, plant and equipment - 2024

	Opening Balance	Additions	Depreciation	Total
Leasehold property and improvements	1 866 888	46 995	(238 142)	1 675 741
Furniture and fixtures	626 226	226 521	(353 998)	498 749
Motor vehicles	93 261	-	(37 304)	55 957
Office equipment	289 205	130 366	(86 875)	332 696
IT equipment	527 621	164 532	(191 228)	500 925
Computer software	41 749	7 996	(21 207)	28 538
Laboratory Equipment	13 197 904	6 561 723	(4 319 994)	15 439 633
	16 642 854	7 138 133	(5 248 748)	18 532 239

Changes in estimates

The Authority reassesses the useful lives and residual values of items at the end of each reporting period, in line with the accounting policy and IAS 16 Property, plant and equipment. These assessments are based on historic analysis, benchmarking, and the latest available and reliable information.

The depreciation methods and average useful lives which have been assessed and based on this analysis, the

Notes to the Annual Financial Statements

3. Property, plant and equipment (continued)

useful life of the leasehold property and improvements to be revised to a maximum of 50 years to a maximum of 15 years. The impact of the change is an increase in the annual depreciation charge of R265 192 from the 2023 year onwards.

Net carrying amounts of leased assets	Note(s)	2025 R	2024 R
Leasehold property and improvements		1 474 361	1 675 741

Details of property

The leasehold property is the Head Office of The National Horseracing Authority situated at 14 Turf Club Street, Turffontein Racecourse, Johannesburg.

4. Right-of-use Assets - Leases (Authority as lessee)

The Authority leases communication equipment, where contracts are typically signed for periods between 2 to 5 years. IFRS16 has been applied to all leases in place at the date of initial application (being 22 September 2022) which meet the definition in terms of this standard, and for other leases subsequently signed.

Details pertaining to leasing arrangements, where the Authority is lessee are presented below:

Net carrying amounts of right-of-use assets

The carrying amounts of right-of-use assets are included in the following line items:

Office equipment		164 935	255 856
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Depreciation recognised on right-of-use assets

Depreciation recognised on each class of right-of-use assets, is presented below. It includes depreciation which has been expensed in the total depreciation charge in surplus (deficit) (refer note 15).

Office equipment		90 921	90 923
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Other disclosures

Interest expense on lease liabilities	17		
Lease payments		20 307	27 770
Office equipment - Lease instalments		75 888	89 782

Lease liabilities

The maturity analysis of the lease liabilities is as follows:

Non-current liabilities		104 814	187 352
Current liabilities		75 546	68 896
		180 360	256 248



5. Investment property

	2025			2024		
	Cost / Valuation	Accumulated Depreciation	Carrying value	Cost / Valuation	Accumulated Depreciation	Carrying value
Land and buildings	21 500 000	-	21 500 000	21 500 000	-	21 500 000

Breakdown of cost / valuation:

• Purchase price: 1 December 2005	6 000 000	6 000 000
• Additions since purchase	1 000 000	1 000 000
• Revaluation	14 500 000	14 500 000
	21 500 000	21 500 000

The investment property comprises land and buildings situated on Sub 15 of the farm Summerveld No. 14226, Shongweni.

The property cannot, without written approval of The Premier of KwaZulu-Natal, be used other than for the purpose of horseracing, including the stabling and training of race horses, or purposes ancillary thereto. Despite this limitation, the property is of key strategic and economic benefit to the wider horseracing industry and is thus regarded as an investment property as set out in accounting policy Note 1.4

The revaluation above arose as a result of revaluations of the investment property in previous years.

Details of valuation

The recent valuation at 31 July 2023 was performed by Mills Fitchett (East Coast) CC, represented by R Grobler. The valuator is independent and is recognised as experienced in the location and category of the investment property. The fair value of the property has been disclosed and is included under level 2 of the fair value hierarchy. The determination of the valuation value of land is based on the "fair value" of the property which has the same definition as the "market value". This market value is the estimated amount for which a property should be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently, and without compulsion. The Depreciated Replacement Cost (DRC) approach was used for the improvements. The method of valuation used for the vacant land was the Comparable Sales Method. While the valuator has used the Comparable Sales Method, the restrictions on this property may have a positive or negative effect on the value. The valuation will be performed every 3 years and the next planned valuation date is 31 July 2026.

The valuation was based on open market value for existing use.

6. Inventories

Cartridges - TC02 Testing	266 400	187 320
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Inventories comprise of cartridges used for TC02 testing purposes which were unused and on hand at year end.

Notes to the Annual Financial Statements

7. Trade and other receivables

	2025	2024
	R	R
Financial instruments:		
Trade receivables	1 319 083	1 515 479
Provision for bad debts / Loss allowance	(344 210)	(87 933)
Prepayments	692 393	821 670
Accounts receivable accruals	35 854	74 198
Legal deposits	30 000	165 000
Bond deposit - labour dispute	-	49 728
Total trade and other receivables	1 733 120	2 538 142

The net carrying value of trade receivables is considered to be a reasonable approximation of its fair value.

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	1 733 120	2 538 142
Non-financial instruments	-	-
	1 733 120	2 538 142

Fair value of trade and other receivables

The fair value of trade and other receivables approximate their carrying amounts.

The ageing of trade receivables are as follows:

Current - 60 days	728 030	1 230 226
61 - 180 days	291 449	64 732
181 days and over	299 604	220 521
Balance at end of year	1 319 083	1 515 479

The ageing of this provision for bad debts is as follows:

Current - 60 days	3 633	-
61 - 180 days	16 953	-
181 days and over	323 624	87 933
Balance at end of year	344 210	87 933

The provision for bad debts can be reconciled as follows:

Balance at beginning of year	87 933	364 628
Increase / (decrease) in provision for the year	256 277	(276 695)
	344 210	87 933

The increase in the provision for bad debts amounting to R256 277 (2024: release of R276 695) has been included in surplus (deficit) for the year. Amounts charged to the provision account are written off when there is no realistic expectation of recovery.

The maximum exposure to credit risk at the reporting date is the fair value of trade receivables. The Authority does not hold any collateral as security for trade receivables.



8. Cash and cash equivalents

Cash and cash equivalents consist of:

	2025	2024
	R	R
Cash on hand	87 443	7 424
Bank balances	14 890 894	14 078 966
Short-term deposits	8 459 422	12 169 203
Funds held on behalf of third parties (cash on hand - refer to 'Projects' below)	3 556 107	2 755 447
	26 993 866	29 011 040

During 2021, the Authority signed agreements to act as an "Agent" for funds received on behalf of third parties until the commencement or completion of the projects. The funds received are for the Traditional Equine Industry (TEI) and the South African Equine Health and Protocols (SAEHP) - refer note 11.

Projects

South African Export Health Protocols (SAEHP)	3 269 022	2 713 406
Traditional Equine Industry (TEI)	287 085	42 041
	3 556 107	2 755 447

9. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions / (utilised)	Total
Leave pay	2 576 946	140 243	2 717 189
Legal costs	4 320 969	(232 408)	4 088 561
Post-employment benefits	856 115	14 976	871 091
	7 754 030	(77 189)	7 676 841

Reconciliation of provisions - 2024

	Opening Balance	Additions / (utilised)	Total
Leave pay	2 612 774	(35 828)	2 576 946
Legal costs	3 259 200	1 061 769	4 320 969
Post-employment benefits	1 480 869	(624 754)	856 115
	7 352 843	401 187	7 754 030

Non-current liabilities	871 091	856 115
Current liabilities	6 805 750	6 897 915
	7 676 841	7 754 030

Notes to the Annual Financial Statements

9. Provisions (continued)

Leave pay

The policy permits the carry forward of all accrued leave days to be a maximum period of six (6) months from the date of accrual whereafter it is forfeited. The permissible accrued leave is carried forward to the extent not utilised within the six month period and unutilised current leave, which has not been forfeited, is not paid out except upon termination of employment.

Legal costs

As at the end of the financial year, and after taking into consideration all available information, the Authority's best estimate of the legal fee provision required amounted to R4 088 561 (2024: R4 320 969).

Post-employment medical benefits

The latest valuation of the Authority's post-employment medical benefits obligation, carried out at 31 July 2025, revealed that the present value of the projected future benefit obligations amounted to R871 091 (2024: R856 115). This provision relates to one past employee which has been confirmed to be alive (2024: 1 past employee).

The actuarial valuation was performed at 31 July 2025. Full provision has been made for the liability relating to retired employee.

The primary assumptions used by the actuary were as follows:

Discount rate - 9.5% per annum (2024: 10.5%)

Rate of health care cost inflation - 10.9% (2024: 11.9%)

Mortality table - PA90 Standard table with a two-year adjustment.

10. Trade and other payables

	2025	2024
	R	R
Financial instruments:		
Trade payables	3 340 114	6 053 540
Workman's compensation	1 032 669	234 219
Accruals*	6 059 167	10 093 333
Other payables**	1 466 884	2 111 921
Non-financial instruments:		
Amounts received in advance	3 322 452	3 322 519
VAT	654 932	1 065 227
	15 876 218	22 880 759

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts.

***Accruals comprise of the following:**

Auditors fees	367 500	355 000
Employee cost and benefits provision	2 944 059	3 066 488
Microchipping and parental verification	278 406	278 406
PAYE/Employee claims/Sundry suppliers	2 469 202	3 785 440
Temporary Employee Relief Scheme (TERS)	-	2 607 999
	6 059 167	10 093 333

10. Trade and other payables (continued)

	2025	2024
	R	R
**Other payables comprise of the following:		
SA Horse Equine Trade Council (SAETC)	-	99 098
Export Levy	86 141	80 453
Thoroughbred Breeders Association (TBA)	1 017 382	1 012 093
Sundry Creditors	363 361	-
South African Equine Health and Protocols (SAEHP) - Export Protocols	-	920 277
	1 466 884	2 111 921

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	11 898 834	18 493 013
Non-financial instruments	3 977 384	4 387 746
	15 876 218	22 880 759

11. Funds held on behalf of third parties

South African Equine Health and Protocols (SAEHP)	3 269 022	2 392 333
Traditional Equine Industry (TEI) - KwaZulu Natal	123 358	42 041
Traditional Equine Industry (TEI) - North West	163 727	-
	3 556 107	2 434 374

The funds represent cash held by the Authority on behalf of third parties in accordance with the respective agreements, net of VAT - refer note 8.

12. Revenue

Rendering of services

* Levies from Operators	82 598 559	73 967 930
Registrations and Licencing Fees	7 441 944	7 462 276
Stud Book Registration Fees	6 064 991	5 199 613
Laboratory Analysis services	756 866	716 200
Sundry income	164 806	174 507
	97 027 166	87 520 526

*Levies from Operators comprise the following:

4 Racing (Pty) Ltd	43 334 040	38 710 046
Gold Circle (Pty) Ltd	22 775 256	20 259 195
Kenilworth Racing (Pty) Ltd (Changed to Cape Racing)	-	14 469 053
Mashonaland Turf Club	541 539	529 636
Cape Racing (Pty) Ltd (Changed from Kenilworth Racing)	15 947 724	-
	82 598 559	73 967 930

Notes to the Annual Financial Statements

12. Revenue (continued)

	Note(s)	2025 R	2024 R
Timing of revenue recognition			
At a point in time			
Rendering of services		97 027 166	87 520 526

13. Other operating income

Temporary Employee Relief Scheme (TERS)		2 191 397	-
Traditional Equine Industry (TEI) - KwaZulu Natal		418 683	168 304
Insurance proceeds		208 696	169 950
		2 818 776	338 254

14. Other operating gains (losses)

Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	3	(50 698)	3 233
Foreign exchange gains (losses)			
Net foreign exchange (losses) gains		(1 178)	1 483
Total other operating gains (losses)		(51 876)	4 716

15. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after the following:

Auditor's remuneration - external

Audit fees		330 000	320 000
Other services (drafting of annual financial statements)		37 500	35 000
		367 500	355 000

Remuneration, other than to employees

Administrative and managerial services		252 255	287 071
Consulting and professional services		176 540	200 232
		428 795	487 303

Employee costs

Salaries and wages		61 142 145	57 174 803
Short-term benefits		1 460 540	1 336 959
Long service awards		83 000	20 414
Total employee costs		62 685 685	58 532 176



15. Operating surplus (deficit) (continued)

	2025	2024
	R	R
Depreciation and amortisation		
Depreciation of property, plant and equipment	4 696 940	5 248 748
Depreciation of right-of-use assets	90 921	90 923
Total depreciation and amortisation	4 787 861	5 339 671
Other		
Research and development costs	-	218 000

Expenses by nature

The total general and administrative expenses, maintenance expenses and other operating expenses are analysed by nature as follows:

Employee costs	62 685 685	58 532 176
Depreciation, amortisation and impairment	4 787 861	5 339 671
Other expenses	32 068 397	34 144 286
	99 541 943	98 016 133

16. Investment income

Interest income

Investments in financial assets:

Other financial assets	1 715 592	2 228 112
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17. Finance costs

Interest paid on lease liabilities	20 307	27 770
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Total interest expense, calculated using the effective interest rate, on financial instruments not at fair value through surplus (deficit) amounted to R20 307 (2024: R27 770).

18. Legal, litigation and disciplinary costs

Legal fees - Industry matters	8 411 521	7 050 629
Legal fees - Human resources - Employee related (Recoveries)	(160 000)	1 260 565
Legal fees (Gross)	8 251 521	8 311 194
Fines (recovered)	(2 372 025)	(1 728 498)
	5 879 496	6 582 696

Notes to the Annual Financial Statements

18. Legal, litigation and disciplinary costs (continued)

	2025	2024
	R	R

The Authority's legal fees arise from instituting inquiries against members who allegedly contravened the rules, as well as defending any legal actions brought against the Authority. Fines are issued to the members and set-off against the legal costs incurred by the Authority and are treated as recovery of cost.

The 'Legal fees - Human resources' relates primarily to internal staff disputes, including the appointment of an independent chairperson for said disputes and engagement fees paid to external legal counsel.

During 2025, the Authority incurred legal costs (inclusive of increases in legal fees) of R8 251 521 (2024: R8 311 194) after a decrease in legal fees provisions of R232 408 (2024: increase of R1 061 769). Fines amounting to R2 372 025 (2024: R1 728 498) were issued by the Authority during the current year.

19. Employee costs

Employee costs

Basic	57 429 796	54 063 917
Car allowance	43 200	43 200
Group life and funeral insurance premiums	1 460 540	1 336 959
Leave pay provision charge	381 120	150 962
Long service awards	83 000	20 414
Overtime	648 687	558 450
Pension fund administration fee	408 114	366 863
Public holiday pay	633 618	554 424
Skills development levy	538 520	497 731
Unemployment insurance fund	260 641	238 898
Workman's compensation	798 449	700 358
	62 685 685	58 532 176

Average number of persons employed during the year

Full-time employees	62	60
Part-time employees	144	139
	206	199

Salaries and other short-term benefits paid to Executive and Senior Management during the year amounted to R17 821 712 (2024: R15 757 690). Fees amounting to R750 000 (2024: R970 000) were paid to non-executive members of the National Board during the year.



20. Other comprehensive income

Components of other comprehensive income - 2025

Items that will not be reclassified to surplus (deficit)

Remeasurements on net defined benefit liability/asset	Gross	Tax	Net
Post-employment medical benefit	(14 976)	-	(14 976)

Components of other comprehensive income - 2024

Items that will not be reclassified to surplus (deficit)

Remeasurements on net defined benefit liability/asset	Gross	Tax	Net
Post-employment medical benefit	624 754	-	624 754

21. Cash (used in)/generated from operations

	2025 R	2024 R
Total comprehensive surplus (deficit) for the year (refer page 69)	1 932 432	(7 327 541)
Adjustments for non-cash items:		
Depreciation and amortisation	4 787 861	5 339 671
Losses (gains) on sale of assets and liabilities	50 698	(3 233)
Movements in provisions	(77 189)	401 187
Adjust for items which are presented separately:		
Interest income	(1 715 592)	(2 228 112)
Finance costs	20 307	27 770
Changes in working capital:		
Inventories	(79 080)	(187 320)
Trade and other receivables	805 022	(315 079)
Trade and other payables	(7 004 543)	5 929 150
Funds held on behalf of third parties	1 121 735	(1 135 084)
	(158 349)	501 409

22. Financial instruments and risk management

Capital risk management

The Authority manages its capital to ensure that it will be able to continue as a going concern, while maximising the quality of services rendered.

The capital structure of the Authority consists of debt (non-current liabilities), cash and cash equivalents (including call and short-term deposits) and equity (accumulated funds).

Notes to the Annual Financial Statements

22. Financial instruments and risk management: Capital risk management (continued)

At the reporting date, the nature of the activities of the Authority is such that levies are to be contributed by the Racing Operators in terms of their licence conditions which is the main and most significant source of revenue for the Authority. The carrying amount reflected below represents the Authority's maximum exposure to credit risk for such accounts receivable. The carrying value of the financial instruments approximates its fair value.

The Authority's activities expose it to a variety of financial risks. These risks include interest rate risk, credit risk and liquidity risk. The Authority does not enter into trade financial instruments, including derivative financial instruments.

Market risk

The Authority's activities expose it primarily to the financial risks of interest rates. Interest rates on cash and short-term deposits, as well as the lease liabilities, are linked to the prime rate and as such are subject to the movements in the prime rate.

Financial risk management

Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Authority. Potential concentrations of credit risk consist principally of cash and cash equivalents, and deposits with bank and financial institutions, as well as trade receivables. For banks and financial institutions, only independently rated parties with a minimum rating of "A" are accepted. Accounts receivable consist of a number of customers from the racing industry. The management of this risk is discussed under note 7 - Trade Receivables.

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

Credit risk exposure arising on cash and cash equivalents is managed through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through surplus or deficit. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Management apply the principle that if a financial asset's credit risk is low at year end, then by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

22. Financial instruments and risk management: Credit risk (continued)

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

	Note(s)	2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	7	2 077 330	(344 210)	1 733 120	2 626 075	(87 933)	2 538 142
Cash and cash equivalents	8	26 993 866	-	26 993 866	29 011 040	-	29 011 040
		29 071 196	(344 210)	28 726 986	31 637 115	(87 933)	31 549 182

Liquidity risk

The Authority manages its liquidity risk by effectively managing its adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching profiles of financial assets and liabilities.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position due to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting is not significant.

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.

The cash and cash equivalents are held on current account and on short term deposit with Standard Bank of South Africa and Allan Gray Investments.

2025	Note(s)	Less than 1 year	1 to 2 years	Total
Non-current liabilities				
Lease liabilities	4	-	(104 814)	(104 814)
Current liabilities				
Trade and other payables	10	(11 898 834)	-	(11 898 834)
Lease liabilities	4	(75 546)	-	(75 546)
		(11 974 380)	(104 814)	(12 079 194)
2024				
2024	Note(s)	Less than 1 year	1 to 2 years	Total
Non-current liabilities				
Lease liabilities	4	-	(187 352)	(187 352)

Notes to the Annual Financial Statements

22. Financial instruments and risk management: Liquidity risk (continued)

Current liabilities

Trade and other payables	10	(18 493 013)	-	(18 493 013)
Lease liabilities	4	(68 896)	-	(68 896)
		(18 561 909)	(187 352)	(18 749 261)

Interest rate risk

The debt of the Authority is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

The Authority's policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity.

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

23. Taxation

The South African Revenue Service approved the Authority's exemption under section 10(1)(cB) of the Income Tax Act, granted on the 22 August 1978 and accordingly, no tax has been provided for. The 2024 tax return has been filed with SARS and assessed and the Authority has received a Tax Clearance Certificate (TCC).

24. Going Concern

The 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.

24. Events after the reporting period

On the 30 September 2025, 6 members of the National Board resigned. As at the date of issue of the annual financial statements, 4 members were appointed on the 2 October 2025 and with a total of 7 members are in the governing board.

The members of the Authority have requisitioned for a Special General Meeting (SGM) to be called on 19 November 2025 to consider proposed amendments to the Constitution.

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

25. Auditors Remuneration

The Authority has raised a provision of R330 000 for audit fees and a provision of R37 500 for the drafting of the annual financial statements (refer note 10).

Detailed Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2025 R	2024 R
Revenue			
Levies from Operators		82 598 559	73 967 930
Registrations and Licencing Fees		7 441 944	7 462 276
Laboratory Analysis services		756 866	716 200
Stud Book Registration Fees		6 064 991	5 199 613
Sundry income		164 806	174 507
	12	97 027 166	87 520 526
Other income			
Insurance proceeds		208 696	169 950
Temporary Employee Relief Scheme (TERS)		2 191 397	-
Traditional Equine Industry (TEI) - KwaZulu Natal		418 683	168 304
	13	2 818 776	338 254
Other operating gains (losses)			
(Losses) gains on disposal of assets		(50 698)	3 233
Foreign exchange (losses) gains		(1 178)	1 483
	14	(51 876)	4 716
Expenses (refer to page 96 and 97)			
		(99 541 943)	(98 016 133)
Operating surplus (deficit)			
	15	252 123	(10 152 637)
Investment income	16	1 715 592	2 228 112
Finance costs	17	(20 307)	(27 770)
Surplus (deficit) for the year		1 947 408	(7 952 295)
Other comprehensive income:			
Items that will not be reclassified to deficit or surplus:			
Post-employment medical benefits		(14 976)	624 754
Other comprehensive (deficit) surplus for the year net of taxation	20	(14 976)	624 754
Total comprehensive income (loss) for the year		1 932 432	(7 327 541)

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Detailed Statement of Profit or Loss and Other Comprehensive Income

Other operating expenses	Note(s)	2025 R	2024 R
Administration and management fees	15	252 255	287 071
Advertising		18 857	3 270
Auditor's remuneration - audit fees	15	330 000	320 000
Auditor's remuneration - drafting fees	15	37 500	35 000
Bad debts (recovered)		(110 686)	(19 339)
Bank charges		99 128	110 977
Blood typing		2 671 261	2 530 890
Cleaning		80 340	74 320
Consulting and professional fees	15	176 540	200 232
Consumables		2 980 845	2 812 226
Depreciation	15	4 787 861	5 339 671
Donations		7 500	-
Employee costs	19	62 685 685	58 532 176
Entertainment		283 230	475 066
General expenses		49 066	54 483
Health and safety		79 610	89 712
IT expenses		368 854	436 958
Insurance		692 803	682 765
Investigation costs		9 489	1 813 151
Laboratory security		120 000	140 386
Legal, litigation and disciplinary costs	18	5 879 497	6 582 696
Membership fees		487 212	438 195
Motor vehicle expenses		49 337	45 739
Movement in provision for bad debts		254 265	(685 486)
Municipal expenses		61 560	59 846
Non-executive directors' fees		750 000	970 000
Postage		267 923	269 524
Presentations and marketing		210 000	157 500
Printing and stationery		751 774	910 090
Protective clothing		157 957	79 683



Other operating expenses (continued)	Note(s)	2025 R	2024 R
Repairs and maintenance		2 042 973	2 735 155
Research and development costs	15	-	218 000
Security		44 194	83 677
Staff welfare		302 209	321 433
Strategic objectives		133 964	188 462
TC02 Testing		3 093 551	1 238 318
Telephone and fax		333 105	331 149
Traditional Equine Industry (TEI)		418 683	168 304
Trainers and riders		77 490	88 560
Training		84 542	618 294
Transformation and development - Supplier and enterprise development		46 864	74 780
Transport and freight		188 476	38 800
Travel expenses		4 869 891	5 347 117
Veterinary expenses (Locums and contract work)		3 416 338	3 817 282
		99 541 943	98 016 133

Organisation Structure

(Executive and Senior Management)



Executive Management	Mr V J Moodley Dr M D Bawden Dr S S de Kock Mr A D Hyde Mr L Maharaj Mr K Nkoane Mr M Shackleton Mr B Sibanyoni	Chief Executive Chief Veterinary Surgeon Laboratory Director Racing Control Executive Chief Handicapper Racing Administration Executive Legal Executive Financial Manager and Human Resources Executive
Laboratory	Dr S S de Kock	Laboratory Director
Licensing and Registrations	Miss S Mfusi	Secretary
Stud Book Keeper	Mr K Nkoane	
Stipendiary Boards	Central Provinces Mr L Anderson Mr R Hutcheson Eastern Cape Mr L Douse KwaZulu-Natal Mr G Foxcroft Mr D Anderson Western Cape Mr N Shearer Zimbabwe Managed by Head Office	Chief Stipendiary Steward Chief Stipendiary Steward Chief Stipendiary Steward Acting Chief Stipendiary Steward Deputy Chief Stipendiary Steward Deputy Chief Stipendiary Steward
Veterinary Surgeon	Dr M Bawden	Chief Veterinary Surgeon
Handicappers	Mr L Maharaj Mr N Mazibuko Mr L Bosman	Chief Handicapper
Auditors	Nolands Inc.	
Attorneys	Fasken Norton Rose Fulbright South Africa Inc. Ulrich Roux and Associates	



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Free Call telephone number:

0800 220 777

E-mail: NHA@tip-offs.com | Website: www.tip-offs.com

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ANNUAL REPORT 2025



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