

**NEW SOUTH WALES  
HARNESS RACING CLUB  
LIMITED**  
ACN 000 002 666

**COVER**

The sun sets over Tabcorp Park Menangle early on Miracle Mile Night, 29 November 2014.

**OUR VISION**

To continue our development as the premier harness racing club in Australasia.

**OUR MISSION**

To provide quality facilities and services to our members, patrons, industry participants and sponsors.

To support the growth and enhancement of the entire harness racing industry.

To provide the highest achievable stake money to participants.

To showcase quality and competitive harness racing.

To promote and protect the integrity of harness racing at events conducted by the Club.

# Contents

Contents.....	1
Vision and Mission Statements.....	1
Notice of Meeting .....	1
Agenda .....	1
Notices of Motions .....	2
Chairman's Report .....	3
Directors' Report .....	4
Auditor's Independence Declaration.....	5
Chief Executive's Report.....	6
Racing Report .....	7
Financial Statements.....	16
Independent Auditor's Report.....	20

## NOTICE OF MEETING

Notice is hereby given that the 113th Annual General Meeting of the New South Wales Harness Racing Club Limited will be held on Level Two of the Grandstand, Tabcorp Park Menangle, Racecourse Avenue, Menangle Park on Saturday, 24th October 2015, commencing at 3.30pm.

## AGENDA

- 1 To confirm the Minutes of the previous Annual General Meeting held on Sunday, 26th October, 2014.
- 2 To receive the Annual Report and the Club's Financial Report for the year ended 30th June, 2015.
- 3 To transact business that has been brought before the meeting under the Rules of the Club.
- 4 To declare those Members elected in the ballot for Directors.

## QUESTIONS

Members who intend to bring forward Questions at the 2015 Annual General Meeting are requested to give notice of same to the undersigned at least forty-eight (48) hours prior to the meeting so that information required can be available at the meeting.

B.H. CHRISTISON

CHIEF EXECUTIVE, NEW SOUTH WALES HARNESS RACING CLUB LIMITED

TABCORP PARK MENANGLE, RACECOURSE AVENUE, MENANGLE PARK, NSW, 2563. POSTAL ADDRESS: PO Box 52, MENANGLE, NSW, 2568

TELEPHONE: (02) 4645 2200, FACSIMILE: (02) 4633 8200 EMAIL: NSWHRC@NSWHRC.COM.AU, WEBSITE: WWW.TABCORPPARKMENANGLE.COM.AU

# Notices of Motions

The following Notices of Motion have been received:

## NOTICE OF RESOLUTIONS FOR ANNUAL GENERAL MEETING

Notice is hereby given that at the Annual General Meeting of NEW SOUTH WALES HARNESS RACING CLUB LIMITED to be held on Saturday 24th October 2015 commencing at 3.30pm at the premises of the Club, Racecourse Avenue, Menangle Park, New South Wales the members will be asked to consider and if thought fit pass the following resolutions.

To consider and if thought fit to pass the following Resolutions, notice of which has been given in accordance with Article 72 of the Club's Memorandum and Articles of Association.

### The Board of Directors move:

#### FIRST ORDINARY RESOLUTION

That having regard to the Registered Clubs Acts, the Board of Directors move that the Chairman of the Club receive an honorarium in recognition of his services as a member of the Board and Chairman of the Club in the sum of \$2,000 per month (or any remaining part of month during the term of his office) for the 2015/16 term of office.

#### SECOND ORDINARY RESOLUTION

That for the purposes of the Registered Clubs Act the members hereby approve expenditure by the Club in the sum not exceeding \$70,000, until the Annual General Meeting of the Club in 2016, for the following benefits which are to be made available to Directors of the Club.

The reasonable costs of travel and accommodation for the Chairman and his spouse to attend race meetings and functions which are considered beneficial to the Club by the Board of Directors.

The reasonable costs of food and beverages for Directors and their spouses when attending any of the Metropolitan Race Meetings conducted by the Club at the Club's premises.

The reasonable costs of Directors and their spouses attending Board sanctioned harness racing affiliated and other functions beneficial to the Club.

The reasonable costs of food and beverages for Directors attending Directors' Meetings and other properly constituted committee meetings of the Club.

That Directors have reserved parking at all Metropolitan Race Meetings conducted by the Club.

The members acknowledge that these benefits are not available to members generally but only to those members who are Directors of the Club.

#### THIRD ORDINARY RESOLUTION

That for the purposes of the Registered Clubs Act the members hereby approve expenditure by the Club in the sum not exceeding \$10,000, until the Annual General Meeting of the Club in 2016, for the following benefits to be made available to certain members of the Club.

- (a) The reasonable costs of food for former Chairmen and their spouses and two of their guests when attending any of the non Marquee Metropolitan Race Meetings conducted by the Club.
- (b) The reasonable costs of food for former Directors of the Club who served as Directors of the Club for six or more years and their spouses when attending any of the non Marquee Metropolitan Race Meetings conducted by the Club

The members acknowledge that these benefits are not available to members generally but only to those members who have the qualifications referred to in paragraphs (a) and (b) of this Resolution.

#### NOTES TO MEMBERS

1. Under the Registered Clubs Act ("the Act") a member of the Club, whether or not he or she is a member of the Board of Directors or of any committee of the Club is not entitled to derive directly or indirectly any profit, benefit or advantage that is not offered equally to every full member of the Club.
2. However, there are exceptions to this in the Act. The most significant of these exceptions are:
  - (a) the payment by the Club of out-of-pocket expenses incurred by Directors in the course of carrying out their duties in relation to the Club and which are approved by a current resolution of the board; and

- (b) benefits, not in the form of money, which are the subject of a current authorisation, given by general meeting of the members.

3. The benefits referred to in the Second Ordinary Resolution, are mostly in the nature of out-of-pocket expenses to be incurred by Directors in the course of carrying out their duties in relation to the Club.
4. Notwithstanding that most of the benefits in the Second Ordinary Resolution could be approved simply by way of a Board resolution, a custom and practice has developed in the club industry of having all such benefits approved by way of a resolution of the members at the Annual General Meeting. The Board of the Club is proposing to follow this custom and practice as it provides transparency to the membership.
5. The benefits in the Third Ordinary Resolution can only be made available with the approval or authorisation of the members by way of that Resolution being passed at the meeting.

#### PROCEDURAL MATTERS FOR RESOLUTIONS

1. The Gaming Machines Act provides that all Life members and financial Ordinary, Country, Senior, Young and Social members can vote on the Ordinary Resolutions.
2. To be passed, each Ordinary Resolution requires votes from a simple majority of those members who being eligible to do so vote on the Ordinary Resolution at the meeting.
3. Under the Registered Clubs Act:
  - (a) members who are employees of the Club are not entitled to vote.
  - (b) proxy voting is prohibited.
4. The Board recommends that members vote in favour of all resolutions.

# Chairman's REPORT

Ray Sharman



The 2014/2015 year has seen a consolidation of the business strategy developed by the Board following the completion of the redevelopment of Tabcorp Park Menangle. We have seen a steady growth in the function and catering activities of the Club and our involvement with the local community and businesses. These have included the Fisher Ghost Race Meeting, open air cinema, Caravan and Camping show, Octoberfest, Beersheba breakfast, Mayoral function, business lunches/breakfasts, Chamber of Commerce functions and numerous sporting and charity events which have all complemented our racing activities. Recent announcements of the proposed future development of approximately 35,500 houses on our doorstep with the associated infrastructure required is positive news for the future of our Club and offers further opportunities for growth and business involvement.

The Miracle Mile and Inter Dominion Final highlighted the racing calendar and saw memorable wins by New Zealand champion Christen Me and Australian hero Beautide respectively. Both carnivals showcased the best that our great sport has to offer with strong attendances and great racing. The world and track record of 1.47.7 set by Adore Me in the Ladyship Mile earlier this year was arguably the standout performance by any standardbred during the year. The Board has made a commitment to continue to develop the status of our February Group One carnival. To achieve this, the decision has been made to move the Miracle Mile from its November date to replace the Inter Dominion Final on this program following the relocation of the Inter Dominion to Western Australia at the end of our 3 year tender period. This enables our Club to work with our industry partners to promote a great carnival featuring our flagship race, and the Board is excited with the opportunities provided by this change of dates for the Miracle Mile carnival which will be complemented by a number of other Group One races during the carnival.

As noted in the Chief Executive Officer's Report the Club has once again returned a profit with a significant improvement in the trading result. This result is due to the efforts of a strong management team which works tirelessly in the best interests of your Club. The purchase of the Kirribilli Club and the transfer of the remainder of the investment fund to the UBS Defensive Fund have been important decisions for our investment portfolio. In a difficult economic environment, the Board is committed to meeting the challenges this presents in order to ensure the protection of the investment fund while we continue to provide a substantial injection of funds into the harness racing industry in addition to the revenue stream from wagering. This is evidenced by the recent increase to midweek prizemoney. The Board is committed to work with HRNSW to promote harness racing in this state and to maintain the Club's status on the national harness racing scene and its role as an industry leader. The proposed increase in wagering income from the much anticipated tax parity harmonization will also provide a significant positive impetus to the industry, although it is likely that this will take several years to be fully phased in.

The development of the racing stable complex by HRNSW on the adjoining land owned by the Club and required roadworks for the new access to this precinct is almost

completed and it is anticipated that occupation of the first stage will commence from early next year. This is an important component of the Club's vision for the overall development of the Menangle Park area and the project developed in conjunction with HRNSW will provide industry participants with state of the art stabling and training facilities adjacent to the principal track.

During the year the Board introduced a dining option into the Members Bar. This has been well-received and has seen a gradual increase in attendance by Members at race meetings. The Members Nights were also very successful and I invite all members to take advantage of the opportunities that their membership provides.

I would like to take this opportunity to thank my Board members who have worked tirelessly and provided invaluable assistance and support during the year. In particular I would express my best wishes to Robert Turner (Deputy Chairman) and David Douglas who are not seeking re-election to the Board. Both Robert and David have been directors for many years and have made significant contributions to the Club and the industry during this period which has witnessed the sale of Harold Park, redevelopment of Menangle and establishment of our business plans and investment strategy. I would also thank the management team led by Bruce Christison and all staff members who have worked with dedication and loyalty to make this another successful year. I also thank all Members for supporting the Club during the year.

## VALE TO MEMBERS

**During the year the Club was advised of and recorded the passing of Mr Raymond Taylor, Mr Kel Nagle, Mr Barry Noble, Mr Stan Hedges, Mr Charles Camilleri and Mr John Gibson. They will be remembered as valued members of the Club and I offer the condolences of the Club to all their families.**

## ANNUAL GENERAL MEETING

Finally I encourage all members to attend the AGM and to take the opportunity to have your say in the Club's affairs.

**Ray Sharman, Chairman**



# Directors' REPORT

The directors of New South Wales Harness Racing Club submit herewith the annual financial report of the company for the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names of the directors of the company during or since the end of the financial year are:

## **RAY SHARMAN - 22 YEARS A DIRECTOR - CHAIRMAN**

Deputy Chairman (2007-2013). Executive Director (2001-2007). Licensee of a conveyancing practice in south-west Sydney; Hospital Scientist; Bachelor of Science; Diploma of Law; former Delegate to Harness Racing Australia; former Director of Racingcorp Pty Ltd; Director NSWHRC Syndications; Representative Harness Industry Consultative Group. Member of the Media and Communications Work Group.

## **ROBERT TURNER - 10 YEARS A DIRECTOR - DEPUTY CHAIRMAN**

Former General Manager (Property and Development) for Liquorland Australia; former Managing Director of Pelican Resorts, involved in the construction and operation of two award-winning Resorts; former Director of Hahn Brewing Company; former Director and Vice President NSW Harness Racing Club 1994 to 2001; Director NSWHRC Syndications; Chairman of the Finance and Development Work Group; Member of the Membership & Registered Club Work Group; Member of the Marketing, Catering and Events Work Group.

## **PETER PLUMMER - 9 YEARS A DIRECTOR - EXECUTIVE DIRECTOR**

Former Chairman Harness Racing Clubs Committee; Delegate for Harness Racing Clubs Committee; Committee Member NSW Owners Association; former Vice President NSW Breeders Association; Director NSWHRC Syndications; Chairman of the Racing Workgroup; Member of Facilities, Track and Infrastructure Work Group.

## **DAVID DOUGLAS - 12 YEARS A DIRECTOR**

Managing Director of Douglas Box Pty Ltd; Deputy Chairman Australian Pacing Gold Ltd; former Vice President of the Penrith District A H & I Society Ltd; Chairman of the Membership & Registered Club Work Group; Director NSWHRC Syndications.

## **PETER SULLIVAN - 7 YEARS A DIRECTOR**

Company Director; Director of Australian Pacing Gold; Chairman of the Facilities, Track and Infrastructure Work Group.

## **MICHAEL BROWN - 2 YEARS A DIRECTOR**

Director of Michael Brown Planning Strategies Pty Ltd; Qualified Mediator (Australian Commercial Disputes Centre); Bachelor of Applied Science (Environmental Planning); Diploma in Local Government Management; Associate Diploma in Town and Country Planning; Delegate for Harness Racing Clubs Committee; Chairman of the Marketing, Catering and Events Work Group; Member of the Facilities, Track and Infrastructure Work Group.



*Chris Bolenski (Finance Manager), Michael Brown, David Douglas, Robert Marshall, Ray Sharman (Chairman), Bruce Christison (Chief Executive), Robert Turner (Deputy Chairman), Rob Nalder, Peter Sullivan, Peter Plummer (Executive Director), David Wonson (Racing Manager).*

## ROBERT MARSHALL - 2 YEARS A DIRECTOR

Latin Master at Kambala School; Master of Arts Degree (University of Sydney); Diploma in Education; Senior Partner in 'Roads to Rome' Educational Consultancy; NSWHR Delegate to Harness Racing Australia; Member of the Media and Communications Work Group; Member of the Racing Work Group; Member of the Marketing, Catering and Events Work Group; Former Chairman of the Inter Dominion Harness Racing Council; Former Member of Harness Racing NSW; Former Member of the Greyhound and Harness Racing Regulatory Authority; Former Executive Member of the NSW Harness Racing Club.

## ROBERT NALDER - DIRECTOR APPOINTED 26TH OCTOBER 2014

Owner/Operator of Independent Portable Buildings; Former Board Member of Harness Racing NSW; Former Committee Member of NSW Harness Breeders Association; Member of the Racing Work Group; Member of the Membership & Registered Club Work Group.

## BRUCE CHRISTISON - CHIEF EXECUTIVE & COMPANY SECRETARY APPOINTED 1ST SEPTEMBER 2014

Former Operations Manager (2004-2014) and Financial Controller (1994-2004) – NSW Harness Racing Club; Former Secretary Australian Pacing Gold (2004-2009); Former Assistant Financial Controller Westpac Travel (1991-1994). Director of Racing Corp Pty Ltd; Secretary NSWHR Syndications; Member of the Finance and Development Work Group; Member of the Marketing, Catering and Events Work Group; Member of the Media and Communications Work Group.

## JOHN DUMESNY - 11 YEARS CHIEF EXECUTIVE & COMPANY SECRETARY RESIGNED 29TH AUGUST 2014

Director of Racingcorp Pty Ltd; Director and Secretary of Superannuation Fund; Former Secretary Australian Pacing Gold; Former Delegate to the Harness Racing Clubs Committee; Former Chief Executive (2004-2014) and Racing Administrator (1988-2004) – NSW Harness Racing Club.

### DIRECTORS' MEETINGS

The following table sets out the number of full directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, 15 board meetings were held.

DIRECTORS	MEETINGS HELD	MEETINGS ATTENDED
R G SHARMAN	15	15
R A TURNER	15	15
P F PLUMMER	15	15
D D DOUGLAS	15	15
P R SULLIVAN	15	15
M J BROWN	15	15
R J MARSHALL	15	15
R J NALDER	11	10

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Information about the remuneration of directors and senior management are set out in the full Financial Report.

### PRINCIPAL ACTIVITIES

The principal activity of the company is to conduct and promote Harness Racing at Tabcorp Park Menangle. During the financial year there were no significant changes in the nature of those activities.

### REVIEW OF OPERATIONS

The net profit for the year amounted to \$4,899,060 (2014: \$618,084). The net operating profit includes an amount of \$1,914,089 (2014: \$1,552,667) for depreciation and amortisation of non-current assets.

### CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial year other than that referred to in the financial statements or notes thereto.

### SUBSEQUENT EVENTS

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

### FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

### DIVIDENDS

In accordance with the constitution, the company is a public company limited by guarantee and, not having share capital, pays no dividends.

### INDEMNIFICATION OF OFFICERS AND AUDITORS

During or since the financial year the company paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary and all the executive officers of the company and any related body corporate against a liability incurred as such director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company or any related body corporate against a liability incurred as such an officer or auditor.

### AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration is included below.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001 this 17th day of September 2015.

On behalf of the Directors  
R G Sharman, Chairman

## AUDITOR'S INDEPENDENCE DECLARATION

Dear Board Members New South Wales Harness Racing Club Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of New South Wales Harness Racing Club Limited.

As lead audit partner for the audit of the financial statements of New South Wales Harness Racing Club Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully  
DELOITTE TOUCHE TOHMATSU  
Nathan Balban Partner, Chartered Accountants, 17th September 2015

Liability limited by a scheme approved under Professional Standards Legislation. Member of Deloitte Touche Tohmatsu Limited.

# Chief Executive's REPORT

## Bruce Christison



**The operating profit for the financial year was \$4,899,060 compared to a profit of \$618,084 the previous year. The reason for the significant change is the accounting treatment for the change of investment fund during the financial year which will be further explained later in this report. Given this change a better comparison of trade is the result excluding investment items, which has improved by 697,000 on the previous year. Depreciation and amortisation totalled \$1,914,089, which is an increase of \$361,422 on the previous year. This is due to a full year of depreciation with the finished complex.**

As advised last year the Club made the decision to diversify its Investment holdings by purchasing the Kirribilli Club property and leasing the building back to the Club. This decision has already proven beneficial with annual rental revenue of \$1.1M. This has exceeded the return on the UBS investment fund over the same period. At 30 June 2015 the Club Investment value is \$115.9M which is made up of \$100.4M invested with UBS and \$15.5M for the Kirribilli Club. This is a slight reduction from the \$116.1M at 30 June 2014. This is a result of the clubs prizemoney commitments exceeding the return on investment.

The investment performance is due to the difficult economic climate both locally and globally. The Club in consultation with UBS made the decision in December 2014 to move the investment fund to a defensive unit fund. The previous investment structure had seen a reliance on fixed interest investments such as bonds. With the continued decline in interest rates and no material increases expected in the foreseeable future it was agreed that a move to the defensive fund was needed for the club to meet its required rate of return. As the name suggests, the Defensive fund is still a conservative fund however does offer the fund manager more investment flexibility to react to market changes.

The purchase of the units in the defensive fund necessitated the sale of the various bonds and share holdings at the time. As a result there has been significant movement between the statement of profit and loss and the investment revaluation reserve in the statement of financial position.

Revenue excluding investments has increased by \$982,095 to \$21.8M. This is due to an increase in TAB Distribution through a strong Wagering and Incentive Fee component and additional revenue in Catering and Sponsorship.

It is also pleasing to note that despite operating the entire complex for the first full year since its completion that total expenditure excluding prizemoney and depreciation actually fell slightly from \$8.8M in 2014 to \$8.7M in the current year.

Prizemoney remained constant at \$15.8M. It should be noted that this figure is \$5.9M more than financial year 2011, which was the last year before the proceeds from the Harold Park Sale began to flow through. Over the next four years this Club has paid out over \$20M more in prizemoney than the requirement from TAB Distribution and Racefields Revenue.

Just prior to the printing of this report the Club also announced that it would increase midweek prizemoney by 14% to a base of \$8,000 making it the highest standard non-metropolitan prizemoney in the country. This decision was made in anticipation of expected increases in revenue from the recently announced State Government move towards wagering tax parity with Victoria.

This is very positive news for the Industry however as the tax reduction is to be staged over 5 years the benefits will take some time to flow through. Your Club decided to fund this prizemoney increase until the additional funds are received. It is our ultimate aim to increase midweek prizemoney levels to \$10,000.

The Club has also commenced a branding and marketing strategy project that will give clear product and marketing direction going forward. Having already received national and international recognition as a racing venue the Club is now working hard to establish itself as an entertainment complex. Major events such as the Beersheba Day Breakfast, the Drive in Movie Night, the Caravan Camping & 4WD Show, the inaugural Menangle Park Show and Oktoberfest have all been aimed at attracting different markets to our venue. These events combined with the hosting of the local Chamber of Commerce Groups have assisted in establishing Tabcorp Park Menangle as a feature of the Macarthur district.

The Club also continues to look at business and investment opportunities that will protect the business going forward. The Club is well aware of the industries over reliance on wagering revenue and the need to diversify its revenue base.

Having now being in the role of Chief Executive for twelve months I would like to thank all levels of the Industry for the assistance I have been offered. This includes the racing participants and members of the Club. I would also like to acknowledge the role played by Harness Racing NSW under the leadership of Rex Horne and his Board and Chief Executive John Dumesny.

On behalf of the staff I would like to thank the members of the Board for their tireless efforts in pursuit of the best interests of this Club. There have been some challenging times which have required additional meetings and Directors have made many personal sacrifices by putting the Club first. I would particularly like to thank the Chairman, Ray Sharman and the executive for the time and assistance they have offered.

The Chairman has already mentioned in his report the retirement of Deputy Chairman, Robert Turner and Director David Douglas. I would like to add my thanks for the incredible work these two men have contributed over such a long period of time. Robert Turner has served on the Board for 17 years and David Douglas for 12. During this time both have been a part of some of the most important decisions in the Clubs history.

I would particularly like to mention the contribution of Robert Turner in relation to the financial affairs of the Club. As the head of the finance work group for the majority of his 17 years on the Board he has been a leader in the key financial decisions. This includes the sale of Harold Park the funding of the construction of the new Menangle Park complex and the establishment of the investment fund.

Finally I would like to thank the staff for the enormous contribution they have made to the success of the Club. Many outsiders are surprised by how small our team is when they see the scale of the events that we conduct. I am proud to lead a team that is so professional and hard working in every endeavor they undertake.

**Bruce Christison, Chief Executive**

# Inter Dominion



*Beautide and trainer-driver James Rattray winning the 2015 TAB.COM.AU Inter Dominion at Tabcorp Park Menangle.*



*Deputy Premier Troy Grant*



*A delighted team of officials and connections following Beautide's 1:55.8 Inter Dominion win at Tabcorp Park Menangle.*



*The world's best reinsmen gather with officials following the conclusion of the World Drivers Championship at Tabcorp Park Menangle.*



*Tim Tetrick (US), Dexter Dunn (NZ) and Tony Le Beller (France) finished on top of the best drivers in the world.*



*New Zealand's Dexter Dunn was a deserved (and dominant) winner of the World Drivers Championship.*



*A line-up of the world's best drivers enters the Menangle straight during the final heat of the World Drivers Championship.*



*A smiling Natalie Rasmussen returns after star mare Adore Me became the fastest standardbred in the Southern Hemisphere with her 1:47.7 win at Menangle.*



*Ace reinsman Gavin Lang brings Ideal For Real with a withering burst to win the Camarda and Cantrill NSW Derby at Tabcorp Park Menangle.*



*Fashions on the field were a big hit on Inter Dominion Day with Rod Smith from Lexus of Parramatta presenting the prizes.*



*Mini trot drivers held their own Inter Dominion with a host of winners of all ages at Menangle on Grand Final day.*



*Zac Butcher salutes the crowd as Our Sky Major wins the \$200,000 Chariots of Fire at Tabcorp Park Menangle.*



*Natalie Rasmussen chucks up another success as Fight For Glory streaks away from Delight Me to win the Form 700 NSW Oaks.*



*Fashions on the Field were a big hit on ladies day at Menangle.*



*Big crowds packed Tabcorp Park Menangle to witness some world-class harness racing on Inter Dominion Grand Final day at Menangle.*

# Indigenous Drivers' Stakes



A star-studded field of drivers lined up for the Michael Brown Planning Strategies Indigenous Invitational race at Tabcorp Park Menangle. The drivers are pictured with Tabcorp Park Menangle directors Peter Plummer and Michael Brown.



Indigenous drivers head for the stables after being introduced to the crowd.



Race sponsor Michael Brown (left) and NSWHR Chief Executive Bruce Christison with Indigenous drivers stalwart Uncle Ivan.

# Farewell Smoken Up



The mighty Smoken Up's farewell appearance at Menangle resulted in defeat but proved a sentimental day for his owners and all those in attendance.

# SEW Eurodrive Miracle Mile



Christen Me (No. 4) holds off Beautide (obscured) and Guaranteed (No. 7) to win the 2014 SEW Eurodrive Miracle Mile.



Courage To Rule and Luke McCarthy took out one of the early features on Miracle Mile night.



James Rattray with Devendra after his win in the Smoken Up Championship final on Miracle Mile night.



Les Camarda hands Gavin Lang his trophy after winning the C-Lite Robin Dundee Stakes with Beauty Secret.



NSWHRC director Peter Sullivan with just some of the fashions on display during a colourful night for all who were trackside.



The field turns into the straight during one of the many features on Miracle Mile night.

# Tabcorp **Len Smith Mile**



*Smolda scored an exciting win for Natalie Rasmussen and Mark Purdon in the Len Smith Mile, beating Beautide and Lennytheshark.*



*The Newcastle-owned Smolda puts paid to Beautide in the Len Smith Mile, capping a great night for Natalie Rasmussen.*



*Luke McCarthy with officials and owners after All Eyes On Us took out the Lands Legal Carousel final on Len Smith Mile night.*



*Belinda McCarthy with the Carousel trophy after All Eyes On Us scored for the stable.*

# Breeders Challenge



Mark Purdon annexes another feature as Kept Under Wraps (No. 2) takes out the NSW Breeders Challenge Three-Year-Old Colts and Geldings final.



Gavin Lang (right) hit town and took Heavens Trend to a mighty win in the Two-Year-Old Fillies' final. Connections are pictured with Dave Douglas (NSWHRC director), Alex Smith (HRNSW) and Chris Edwards (HRNSW) at the presentation.



Young David Morris picked up his first Group One success when Luda took out the Four-Year-Old Mares' final for rookie trainer Daniel Neagoe (pictured third from right). NSWHR director Peter Plummer is on the right.



*John Tapp's retirement was a sentimental day at Tabcorp Park Menangle. Here he is with family and friends following the running of his tribute race.*



*The Rising Stars series for young drivers from all over the state was again a popular fixture with our young talent displaying their driving skills to the Menangle public.*



*John Tapp's final speech, as usual, captivated the audience.*



*Supersonic Miss took out the three-year-old fillies' final for Mark Purdon. Pictured with delighted connections are NSWHRC director Robert Turner (right) and HRNSW director Rod Smith (left).*



*Mark Purdon with Our Waikiki Beach winning the NSW Breeders Challenge Two-Year-Old Colts and Geldings final*

## Pink Bonnet



*Robert Morris and KerryAnn Turner were all smiles after their stable won the time-honoured \$30,000 Pink Bonnet Mile with Abbetorose, the Charity horse raced by the NSWHRC.*

# CONCISE FINANCIAL REPORT

## Statement of Profit or Loss and Other Comprehensive Income

for the Financial Year ended 30 June 2015

	YEAR ENDED 30 JUNE 2015 \$	YEAR ENDED 30 JUNE 2014 \$
REVENUE	21,770,944	20,788,849
INVESTMENT INCOME	10,411,052	5,953,980
OTHER GAINS AND LOSSES	5,661	-
MATERIALS AND CONSUMABLES USED	(658,702)	(612,589)
EMPLOYEE BENEFITS EXPENSE	(2,881,553)	(2,912,076)
DEPRECIATION EXPENSE	(1,850,396)	(1,488,974)
AMORTISATION OF INTANGIBLE ASSETS	(63,693)	(63,693)
PRIZEMONEY	(15,801,036)	(15,819,428)
RACING EXPENSES	(1,554,606)	(1,604,677)
MARKETING EXPENSES	(1,194,045)	(1,250,242)
RACECOURSE MAINTENANCE	(755,583)	(699,789)
ADMINISTRATIVE EXPENSES	(815,118)	(767,785)
PUBLICATION EXPENSES	(736,210)	(786,848)
FAIR VALUE MOVEMENT OF INVESTMENT PROPERTY	(873,113)	-
OTHER EXPENSES	(104,542)	(118,644)
<b>PROFIT BEFORE INCOME TAX EXPENSE</b>	<b>4,899,060</b>	<b>618,084</b>
INCOME TAX EXPENSE	-	-
<b>NET PROFIT</b>	<b>4,899,060</b>	<b>618,084</b>
<b>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS</b>		
NET FAIR VALUE GAIN ON AVAILABLE-FOR-SALE FINANCIAL ASSETS DURING THE YEAR	2,434,278	2,182,753
RECLASSIFICATION ADJUSTMENTS RELATING TO AVAILABLE-FOR-SALE FINANCIAL ASSETS DISPOSED OF IN THE YEAR	(6,905,306)	-
<b>OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>	<b>(4,471,028)</b>	<b>2,182,753</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>428,032</b>	<b>2,800,837</b>

## Statement of Changes in Equity

for the Financial Year ended 30 June 2015

	INVESTMENTS REVALUATION RESERVE \$	RETAINED EARNINGS \$	TOTAL \$
<b>BALANCE AT 1 JULY 2013</b>	<b>4,270,766</b>	<b>165,780,892</b>	<b>170,051,658</b>
PROFIT FOR THE YEAR	-	618,084	618,084
OTHER COMPREHENSIVE INCOME FOR THE YEAR	2,182,753	-	2,182,753
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	2,182,753	618,084	2,800,837
<b>BALANCE AT 30 JUNE 2014</b>	<b>6,453,519</b>	<b>166,398,976</b>	<b>172,852,495</b>
PROFIT FOR THE YEAR	-	4,899,060	4,899,060
NET FAIR VALUE GAIN ON AVAILABLE-FOR-SALE FINANCIAL ASSETS DURING THE YEAR	2,434,278	-	2,434,278
RECLASSIFICATION ADJUSTMENTS RELATING TO AVAILABLE-FOR-SALE FINANCIAL ASSETS DISPOSED OF IN THE YEAR	(6,905,306)	-	(6,905,306)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(4,471,028)	4,899,060	428,032
<b>BALANCE AT 30 JUNE 2015</b>	<b>1,982,491</b>	<b>171,298,036</b>	<b>173,280,527</b>

Notes to the financial statement are included on page 19

# CONCISE FINANCIAL REPORT

## Statement of Financial Position

as at 30 June 2015

	30 JUNE 2015 \$	30 JUNE 2014 \$
<b>CURRENT ASSETS</b>		
CASH AND CASH EQUIVALENTS	373,333	217,173
TRADE AND OTHER RECEIVABLES	5,032,177	4,884,903
INVESTMENTS	100,397,719	116,081,561
INVENTORIES	99,828	148,920
OTHER	22,523	69,428
<b>TOTAL CURRENT ASSETS</b>	<b>105,925,580</b>	<b>121,401,985</b>
<b>NON-CURRENT ASSETS</b>		
PROPERTY, PLANT AND EQUIPMENT	56,175,685	57,406,730
INVESTMENT PROPERTY	15,500,000	-
INTANGIBLES	382,158	445,851
<b>TOTAL NON-CURRENT ASSETS</b>	<b>72,057,843</b>	<b>57,852,581</b>
<b>TOTAL ASSETS</b>	<b>177,983,423</b>	<b>179,254,566</b>
<b>CURRENT LIABILITIES</b>		
TRADE AND OTHER PAYABLES	3,446,960	4,948,489
OTHER LIABILITIES	170,000	170,000
PROVISIONS	492,731	527,793
<b>TOTAL CURRENT LIABILITIES</b>	<b>4,109,691</b>	<b>5,646,282</b>
<b>NON-CURRENT LIABILITIES</b>		
OTHER LIABILITIES	510,000	680,000
PROVISIONS	83,205	75,789
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>593,205</b>	<b>755,789</b>
<b>TOTAL LIABILITIES</b>	<b>4,702,896</b>	<b>6,402,071</b>
<b>NET ASSETS</b>	<b>173,280,527</b>	<b>172,852,495</b>
<b>EQUITY</b>		
RESERVES	1,982,491	6,453,519
RETAINED EARNINGS	171,298,036	166,398,976
<b>TOTAL EQUITY</b>	<b>173,280,527</b>	<b>172,852,495</b>

## Statement of Cash Flows

for the Financial Year ended 30 June 2015

	YEAR ENDED 30 JUNE 2015 \$	YEAR ENDED 30 JUNE 2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
RECEIPTS FROM CUSTOMERS	23,480,771	23,054,460
PAYMENTS TO SUPPLIERS AND EMPLOYEES	(27,745,667)	(26,823,653)
<b>NET CASH (USED IN) OPERATING ACTIVITIES</b>	<b>(4,264,896)</b>	<b>(3,769,193)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT	(633,690)	(15,172,836)
PROCEEDS ON SALE OF PROPERTY, PLANT AND EQUIPMENT	20,000	-
INVESTMENT INCOME	1,113,300	6,070,885
INVESTMENT MANAGEMENT FEES AND TAXES	(134,599)	(235,596)
NET PAYMENTS TO ACQUIRE INVESTMENTS	(4,869,242)	(5,404,592)
PURCHASE OF KIRRIBILLI PROPERTY	(16,373,113)	-
NET PROCEEDS FROM WITHDRAWAL OF INVESTMENTS	25,298,400	16,325,000
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>4,421,056</b>	<b>1,582,861</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>156,160</b>	<b>(2,186,332)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR</b>	<b>217,173</b>	<b>2,403,505</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>	<b>373,333</b>	<b>217,173</b>

# CONCISE FINANCIAL REPORT

## Discussion and Analysis

### DISCUSSION AND ANALYSIS OF THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The entity's total revenue (excluding investments and other income) for 2015 increased by \$982,095 compared to the prior year.

This increase is largely attributable to additional funding received from TAB Distribution. When comparing the total TAB and racefields distributions received, there is \$993,938 in additional income over the prior year.

Further strengthening the result was the growth of income generated from our catering operations. The grandstand facilities were completed in October 2013, so this was the first full year that we were able to enjoy the benefits of the new facility. This, in addition to a strong Inter Dominion Carnival, contributed to an additional \$155,721 in catering revenue over the prior year.

Unfortunately, newspaper and advertising sales associated with the publication of Trotguide and Harness Racing Weekly experienced a downturn during the year. Total publication revenue fell by \$156,023 compared to the prior year. Management and members of the Media and Communications work group are investigating methods to increase revenue in this area; such as introducing a stronger online presence.

The 2015 financial year saw an increasingly volatile investment market, combined with falling interest rates and returns. This made it especially challenging to maintain existing levels of investment income. In an effort to overcome diminishing returns, management decided to diversify the investment portfolio. Investments predominately held in fixed interest and equity funds were sold during the year and reinvested into property and a diversified fund with UBS. The sale of these investments realised a large portion of profit held within the Investment revaluation reserve and contributed to the substantial increase in investment income over the prior year. On the other hand, the release of these profits from the reserves saw an opposite effect on other comprehensive income for the year. Also impacting the profit and loss is an \$873,113 adjustment associated with the purchase of the Kirribilli property. This represents stamp duty and other purchase costs expensed.

The operation of the grandstand facilities for a full financial year has also contributed to an increase in expenses in some areas. The most significant increase is in depreciation, which has increased by \$361,422 over the prior year. Additional insurance costs over the complex, as well as ongoing costs to maintain the new facilities have contributed to increases in Administrative and Racecourse maintenance expenses.

### DISCUSSION AND ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

Net assets of the entity have increased by \$428,032 over the prior year. This has been attributable to a decrease in liabilities of \$1.7 million, while total assets have only fallen by \$1.3 million.

The decrease in liabilities is largely influenced by the decrease in trade and other payables. At the end of the prior year \$417,000 was still owed for work carried out on the redevelopment. With no more liabilities outstanding for the construction work at the end of this year, trade and other payables have fallen. The recognition of income received in advance has also contributed to a decrease in this balance.

The movement in assets has largely been influenced by a decrease in property, plant and equipment. The depreciation of property, plant and equipment has contributed to the main decrease in the value of this item over the year. This is despite purchases of \$633,690 in works to finalise outstanding items of the redevelopment.

Although the total value of investments has remained relatively unchanged, during the year the portfolio of the investment assets were restructured and funds were withdrawn to purchase an investment property at Kirribilli in Sydney. This represents the \$15.5 million increase in investment within non-current assets. Similarly, a corresponding fall of current investments was made to fund this purchase.

The Investment revaluation reserve has decreased by \$4.4 million over the prior year. During the year investments managed by UBS were restructured and reinvested into a more diversified fund held by UBS. At this time, the sale of the investments released all unrealised gains held within the reserve. Realised gains were transferred into Investment income and resulted in a corresponding decrease in the reserve.

### DISCUSSION AND ANALYSIS OF THE STATEMENT OF CASH FLOWS

The entity's net cash and cash equivalents at the end of the reporting period increased by \$156,160.

Net cash used in operating activities amounted to \$4.3 million. This was an increase over the prior year as additional payments were made to suppliers to reducing the balance owing in trade and other payables.

To fund the operating requirements of the entity, the organisation relied on cash flows from investing activities to the value of \$4.4 million. Overall \$25 million was withdrawn from investments during the year, and \$1.1 million in cash was received from investments over the year. \$4.9 million was reinvested into investments with UBS over the period, and a large portion was reinvested back into the purchase of the Kirribilli Club.

# CONCISE FINANCIAL REPORT

## Notes to the Financial Statements

### 1. SUMMARY OF ACCOUNTING POLICIES

#### Basis of preparation

The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 'Concise Financial Reports'. The concise financial report, including the financial statements and specific disclosures included in the concise financial report, has been derived from the full financial report of NSW Harness Racing Club Limited.

All amounts are presented in Australian dollars.

A full description of the accounting policies adopted by the entity is provided in the notes to the financial statements which form part of the full financial report.

The concise financial report was authorised for issue by the Directors on 17 September 2015.

### 2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The following new and revised Standards and Interpretations have been adopted in the current year but have had no effect on the amounts reported in the current year.

- AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'
- Interpretation 21 'Levies'
- AASB 1031 'Materiality', AASB 2013-9 'Amendments to Australian Accounting Standards' – Conceptual Framework, Materiality and Financial Instruments' (Part B: Materiality), AASB 2014- 1 'Amendments to Australian Accounting Standards' (Part C: Materiality)

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective and are not expected to have any material impact of the financial report of the entity.

- AASB 9 'Financial Instruments', and the relevant amending standards.
- AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'
- AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'
- AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'
- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'
- AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'

### 3. SEGMENT INFORMATION

The company derives revenue primarily from the sponsorship and development of the Harness Racing Industry. The company's operations are carried out in Australia.

### 4. SUBSEQUENT EVENTS

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

## Other information - unaudited

### CORE PROPERTY

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2015:

- a) The following properties are core property of the Club;
  - i. The defined premises of the Registered Club located at Tabcorp Park Menangle, Racecourse Avenue, Menangle Park, NSW.
- b) The following properties are non-core properties:
  - i. All other properties not included in a) i. above located at Tabcorp Park Menangle, Racecourse Avenue, Menangle Park, NSW.

Refer to notes to members below.

### Notes to Members

1. Section 41J (2) of the Registered Clubs Act requires the Annual Report to

specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.

2. Core property is any real property owned or occupied by the Club that comprises:
  - (a) the defined premises of the Club; or
  - (b) any facility provided by the Club for use of its members and their guests; or
  - (c) any other property declared by a Resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.

4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:

- (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
- (b) the disposal has been approved at a general meeting of the Ordinary members of the Club at which the majority of the votes cast support the approval; and
- (c) any sale is by way of public action or open tender conducted by an independent real estate agent or auctioneer.

These disposal provisions are to some extent modified by regulations made under the Registered Clubs Act which provide for a number of exceptions and by Section 41J itself.

# CONCISE FINANCIAL REPORT

## Independent Auditor's Report

to the Members of New South Wales Harness Racing Club Limited

We have audited the accompanying concise financial report of New South Wales Harness Racing Club Limited which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and related notes, derived from the audited financial report of New South Wales Harness Racing Club Limited for the year ended 30 June 2015 and the discussion and analysis as set out on pages 16 to 19. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

### DIRECTORS' RESPONSIBILITY FOR THE CONCISE FINANCIAL REPORT

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports and the Corporations Act 2001, and for such internal control as the directors determine are necessary to enable the preparation of the concise financial report.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with

Australian Auditing Standards, of the financial report of New South Wales Harness Racing Club Limited for the year ended 30 June 2015. We expressed an unmodified audit opinion on that financial report in our report dated 17 September 2015. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report

for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039 Concise Financial Reports.

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

### INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of New South Wales Harness Racing Club Limited would be in the same terms if given to the directors as at the time of this auditor's report.

### OPINION

In our opinion, the concise financial report, including the discussion and analysis of New South Wales Harness Racing Club Limited for the year ended 30 June 2015 complies with Accounting Standard AASB 1039 Concise Financial Reports.

**DELOITTE TOUCHE TOHMATSU**  
**NATHAN BALBAN**  
**PARTNER**  
**CHARTERED ACCOUNTANTS**  
**PARRAMATTA, 17 SEPTEMBER 2015**

Liability limited by a scheme approved under Professional Standards Legislation. Member of Deloitte Touche Tohmatsu Limited

## Directors' Declaration

The directors declare that

- (a) in the directors' opinion, the attached financial statements and notes thereto comply with Accounting Standard AASB 1039 'Concise Financial Reports'; and
- (b) the attached financial statements and notes thereto have been derived from the full financial report of the company.

Signed in accordance with a Resolution of the Directors.

**ON BEHALF OF THE DIRECTORS**  
**R G SHARMAN, CHAIRMAN**  
**SYDNEY, 17 SEPTEMBER 2015**

