

WYONG RACE CLUB LIMITED

2013 - 2014

# *Annual* REPORTS

AND FINANCIAL STATEMENTS





**PATRONS:**

R. Tilley & R. Graham

**LIFE MEMBERS:**

Mrs G. O'Sullivan

Mrs J. Smith

Mrs J. Langbridge

W. Clayton

J. Wilkinson

**ADMINISTRATOR:**

J. G. Rouse

**CHIEF EXECUTIVE:**

D. M. Jewell

**Wyong Race Club Limited**

71 Howarth Street, Wyong, NSW 2259

PO Box 28 Wyong, NSW 2259

**Phone:** (02) 4352 1083

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**Website:** [www.wyongraceclub.com.au](http://www.wyongraceclub.com.au)

## NOTICE OF 2014 ANNUAL GENERAL MEETING

**NOTICE IS HERBY GIVEN THAT:** The 2014 Annual General Meeting of Wyong Race Club Limited will be held on Monday 17 November 2014 in the Murray Doyle Lounge of the Paul Levick Stand, Wyong Racecourse, Howarth St, Wyong, commencing at 6.00pm

### AGENDA

The business of the Annual General Meeting to be chaired by the Administrator shall be as follows:-

**1. Confirm the Minutes of the 2013 Annual General Meeting.**

**2. Receive and consider Annual Financial Report including –**

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Changes in Equity

**3. Receive the Auditor's Report.**

**4. Special Resolution: Motion to Amend Constitution (Clause 11)**

*The Administrator is recommending that subject to Racing NSW approval of the Wyong Race Club's application for capital funding that the Board of the Wyong Race Club be restructured to provide for four elected and three independent directors.*

The Special Resolution information included with the earlier Notice of Meeting as **Appendix One** details the recommended marked up changes to Clause 11 of the Club Constitution "Officers and Board" required to amend the Constitution. *Members should note a change to the Constitution by Special Resolution requires a 75% vote at the AGM.*

**5. Election of Board members.**

**Note** - *it is intended to only elect FOUR members to the Board assuming that the amendments to the Constitution as detailed in this Notice of Meeting are passed at the AGM.*

*In respect of the four Elected Directors elected at the 2014 Annual General Meeting, with the exception of convening the meeting referred to in clause 11.13, and the one selected director sitting on the Selection Panel, those Elected Directors will perform no role, and will not take office, until the appointment of the three Independent Directors by Racing NSW have been affirmed.*

*If the amendment to the Constitution is not approved by Members at the AGM an election for up to EIGHT members of the Board will be held at that time.*

**6. Elect two (2) Patrons for the ensuing year.**

**7. Further Notices of Motion:**

- A. "That Members approve and agree to expenditure by the Club until the next Annual General Meeting of the Club of reasonable expenses incurred by directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by directors including attending functions at other clubs to represent the Club, such activities and expenses as may be approved by the meeting."
- B. "That Members approve and agree to the availability until the next Annual General Meeting of the Club a reserved car space at Club race meetings for directors."
- C. "That Members approve and agree to expenditure by the Club until the next Annual General Meeting of the Club of reasonable cost of refreshments after Board meetings."

**8. Appoint the Auditor for the ensuing year.**

**9. Transact, in accordance with the Constitution, as amended, ordinary business that may be brought forward.**

*It would be appreciated if members who wish to raise queries or seek information about any matters appearing in the Annual Report, give at least (10) days written notice to the Chief Executive. This will allow sufficient time for proper research and preparation of the replies for the benefit of all Members.*

## **Please note**

Members wishing to nominate for the Board of Directors are required to lodge their nominations on the prescribed form with the Company's Chief Executive at the General Office, Howarth Street, Wyong **NOT LATER THAN 12 noon on Thursday 30 October 2014**. Nomination forms are available from the Club's Office during normal business hours.

**Members and Proxies attending the AGM will be required to prove their identity with photo ID such as a driver's licence, a passport, or similar. A Member's card by itself will be insufficient proof of identity.**

**David Jewell**  
Chief Executive

## Election of the Board

The election of the Board shall take place in the following manner:

- a) Any two Ordinary or Life Members of the Club shall be at liberty to nominate any other Ordinary or Life member or a person who has been a member of the Board to serve as an officer or other member of the Board.
- b) The nomination which will be writing and signed by the member and his proposer and seconder shall be lodged with the secretary at least fourteen days before the meeting at which the election is to take place.
- c) A list of such nominations, with proposer's and seconder's names, shall be posted at club's registered offices at least seven days immediately preceding the meeting at which the elections take place and will be made available on the Wyong RC website [www.wyongraceclub.com.au](http://www.wyongraceclub.com.au), not later than Monday 3 November 2014.

## Current Board Members

In accordance with the direction issued by Racing NSW on 26 June, 2014. *"As Racing NSW has lost confidence in the current Board, the Administrator should remain in place until a new Board is elected that is constituted by persons other than persons whose conduct has led to the appointment of the administrator, namely members of the Board between 2010 and now."*

Racing NSW subsequently issued a variance to the findings noted above in paragraph 37 (c) in respect of Mrs Marion Langlar, who was first elected to the Board in November 2013, which would allow Mrs Langlar to seek re-election to the Board of Wyong Race Club.

## ADMINISTRATOR'S REPORT TO MEMBERS

Members will understand that this has been a turbulent year for the Club. It is not my intent to go into lengthy detail here as to the performance of the Club. Instead, I will leave it to the Chief Executive to comment on both the financials and racing activities of the Club for 2013-14.

I would, however, like to place on record the events that led to my appointment by Racing NSW as Administrator on 27 June, 2014.

On 24 June 2013 Racing NSW had issued the Wyong Race Club with its first show cause notice. As a result of their ongoing concerns, which primarily related to employment issues, the condition of the sand training tracks and governance matters including related party transactions, Racing NSW stood down the Wyong Board and confirmed my appointment as temporary Administrator on 5 February, 2014.

A second show cause notice was then issued on 12 February, 2014 and a hearing date was set down for Tuesday 18 February, 2014. This was subsequently adjourned to 25 March, 2014.

Racing NSW then issued a further amended show cause notice on 20 March, 2014 as a result of their investigation into the Club's affairs. The Wyong RC Board of directors, sought a further adjournment to consider the amended show cause information.

It was agreed that these matters would be considered by a sub-committee of the Racing NSW Board on Tuesday 7 May, 2014. That hearing took place in front of three Racing NSW Board members – Ken Brown (Chairman), Kevin Greene and Tony Hodgson. They were assisted by Peter Sweney, Racing NSW General Counsel.

Racing NSW delivered their findings in a detailed report that was issued on Friday 27 June, 2014. The release, together with the sub committee's 12 page findings, were made publically available on both the Wyong Race Club and Racing NSW websites.

In summary the report concluded that Racing NSW had lost confidence in the Board of Wyong Race Club as a governing body.

Racing NSW confirmed my appointment as Administrator of the Club from 27 June and I have assumed all of the functions of the Board since that date.

Racing NSW had determined that a new Wyong Race Club Board should be elected constituted by persons other than persons whose conduct had led to my appointment as the administrator, namely members of the Wyong Race Club Board between 2010 and now. Racing NSW subsequently notified a variance to this advice to allow Mrs Marion Langlar, who had only been appointed to the WRC Board in November 2013, the opportunity to seek re-election.

After the Racing NSW findings were announced in June all eight Wyong RC directors subsequently tendered their resignations in writing. In terms of the Club's day to day affairs it has largely been business as usual since the Board were stood down by Racing NSW in February. In the absence of the Club's former Chief Executive Tony Drew, who had been on extended leave since last July and

officially resigned just prior to last year's Annual General meeting, the Club's Racing and Operations Manager Dean Grogan had served as the acting CEO until David Jewell took charge in late March this year.

I wish to acknowledge the good work undertaken by the Club's management team, along with the tracks staff, in what has been an extremely difficult and demanding period for all involved with the Wyong Race Club.

I would also like to acknowledge the commitment which David Jewell has demonstrated since taking up the role here. I genuinely believe that the Wyong Race Club is very fortunate to have a CEO with the extensive industry management experience and skills which David has brought to this job.

The CEO's role had been advertised last November and David, along with a number of other well-credentialed candidates, had been interviewed by the Wyong Race Club Board in late January. While David was their preferred candidate, his appointment had not been confirmed in writing when the Board was suspended in early February. I subsequently interviewed David and undertook extensive referee checks before offering him the Chief Executive position. David is working diligently to ensure that the Club's race meetings, along with the financial and business activities, are being appropriately administered.

An extra ordinary General Meeting was held on 24 February, 2014 and more recently a public information meeting was conducted on Monday 11 August, 2014 to update those present as to the process being undertaken to elect a new Board at this year's Annual General Meeting.

In advance of the vote for the new Board positions, members at the AGM will be asked to support a Special Resolution to amend the Club's Constitution.

In recommending this amendment to restructure the Board to provide for four elected and three independent directors, Members need to be cognisance of the fact that Racing NSW now requires all Clubs receiving funding for major capital projects to adopt this governance model as a condition of being granted industry financial support.

The Australian Turf Club, along with Newcastle, Hawkesbury and Illawarra Clubs, all have amended their Constitutions to comply with this direction by Racing NSW. In my view it is opportune that Wyong Race Club also adopt this governance model.

In conclusion, I would like to thank Members, the Club's sponsors, supporters and industry participants for their patience and goodwill in working through all of the issues which have had to be addressed since February. I am confident that the Club has a bright and positive future and I wish your new Board and everyone involved all the best going forward.



**John Rouse**  
Administrator Wyong Race Club

## CHIEF EXECUTIVE'S REPORT TO MEMBERS

In what has certainly been a very challenging year, it has fallen on me to report to members on the Club's activities for the 2013-14 racing season including our financial performance.

As members will be aware the administration of the Club has undergone significant changes following the previous CEO Tony Drew's resignation last October; the dismissal of the Club's course curator Bernie Evans in December; Racing NSW's decision to stand down the Board in February and their appointment of the temporary Administrator and finally the release of the show cause findings in June, which has resulted in the Board of the Wyong Race Club resigning.

Wyong Race Club has been making news headlines for all the wrong reasons. The challenge ahead of us all now is to elect the new Board in November and work proactively with Racing NSW and our key stakeholders, including the local trainers, to rebuild the Club's good name.

While the events of the past year have been disappointing for the Club, I have been encouraged by the goodwill and support that has been extended to me personally.

Since taking up the CEO role here at the end of March I have reported to the Club's Administrator John Rouse. Prior to my arrival John was spending several days a week in the Wyong Race Club office. Since early April John has only spent four or five days a month directly involved in the Club's affairs. This has included fortnightly administration meetings. John and I are also in regular communication by email and phone on almost a daily basis.

The Wyong Board has not met since the end of January. An Extraordinary General Meeting was held on the 24 February, 2014 for Members to discuss a range of issues relating to the Show Cause notification and Racing NSW's decision to stand the Board down and appoint the temporary Administrator.

A public information meeting was also held on 11 August, 2014 where members and other interested parties were provided with a detailed update of the Club's financial position and advised of the process that was expected to be followed for the election of the new Board.

At that meeting concern was expressed that there should have been better communication with members. While the Club has upgraded and is now providing regular racing and news updates on its website [www.wyongraceclub.com.au](http://www.wyongraceclub.com.au) the point about more regular communication with members was well made. It is my intent to endeavour to keep members fully informed in the future.

In terms of our racing activities, the Club has generally had a positive year. We have witnessed some outstanding performances on the track including the impressive Unencumbered's win in the 2013 Magic Millions Classic and more recently champion trainer Chris Waller's fourth Carlton Mid Wyong Gold Cup with Multilateral.

The Club did lose four of the eight races at their October meeting last year due to issues with the track, but in terms of benchmarking Wyong Race Club's overall performance against the other Provincial Clubs our racing statistics are quite good.



Wyong produced a record number of 2,155 starters in 2013/14 (1,651 previous year) – the second highest number of the five Provincial centres behind only Newcastle (3,407). The 30% increase in starters reflects the investment the Club has made in stabling and training facilities here and highlights the strategic importance of the centre as one of Racing NSW's principal training venues outside of the metropolitan area.

Wyong distributed \$4.13m in prize money last season (\$4.182m previous year) and generated \$31.43m in TAB and fixed odds turnover across 169 races conducted – the average field size was 9.46 per race run at Wyong. This is slightly down on the 9.7 average across the 1,045 races run by the five Provincial Clubs. Total TAB turnover for the year was down \$1.05m (3%) despite actually conducting 4 more races – 169 vs 165 – the TAB turnover decline is in line with wider industry wagering trends.

There were still a number of race meetings run in August, October, January, February, March and June where starter numbers were quite poor. This is an area that the Club can address by ensuring that the track performs to its optimum in the future. There are also wider industry concerns around field sizes and the number of race meetings being scheduled at certain times of the year that needs to be reviewed by Racing NSW.

In terms of investment in facilities there has not been a significant amount of capital spent in the past year. The Club did install at its own expense (\$101,092) a new lightweight Mawsafe running rail in December as has been adopted throughout the state. The major safety improvement with the Mawsafe PVC rail is that it does not break on impact. Instead, it flexes under the weight of the horse allowing the rider to guide his mount back onto the field. The new rail is also quicker and easier to shift and set-up.

The Club also constructed a new stipendiary tower down the back straight and completed the refurbishment of the public grandstand bistro during the early part of the season.

Management has identified three major capital projects that we are looking to initiate this season – a new pump and irrigation system for the course proper, the construction of an equine pool and the replacement of both the fast and slow sand training tracks.

Application has been made to Racing NSW for funding support for all three projects. Further information on these projects was included in the notes which accompanied the notice of meeting sent to members earlier this month. An update will be provided at the AGM.

Management estimates that these three projects will cost around \$1.6 million to complete. Wyong will be reliant on Racing NSW support to fund these projects given the Club does not have sufficient capital at this time to undertake these projects on its own.

While the increases in provincial minimum prize money levels in recent years has been well received by owners, in my discussions with the other Provincial Racing Clubs it is evident that a large number of Country and Provincial Clubs are under the same financial pressure as Wyong. All Clubs are having to work much harder to minimise costs and maximise revenues because industry returns from TAB wagering have been declining, while their cost of doing business has continued to rise.

## FINANCIAL REPORT

The Club has reported another disappointing loss of \$228,816 for the 2013-14 financial year.

This result is after depreciation and amortisation of \$749,219. While this result is an improvement on the \$359,039 loss recorded the previous year, the Club's long term financial position is of some concern as we are budgeting for further losses this year.

There are a number of extra-ordinary costs that have contributed to this year's loss such as the show cause hearing and legal costs, the appointment of the Administrator and employment related issues. Operating expenditure for the year was generally in line with budget, with no significant cost increases.

Depreciation (\$749,219) was slightly higher and the Club has also reviewed its asset schedule and taken the opportunity to write off \$47,047 in fixed assets as a cost against profit.

Total Revenue for the year was \$9,066,675 compared with \$9,219,155 in 2012-13. Total revenue received includes an additional \$157,205 of new PGI (Premier Gateway International income) made available by Racing NSW from Tabcorp's international joint venture wagering business. The \$157,205 payment was attributable to the 2012-13 financial year. However, because it was only received in late October 2013, it was not able to be included in the 2012-13 accounts. The Club has also received three part payments of its 2013-14 PGI revenue this year.

As detailed in the accounts bar sales revenue of \$403,462 was down 9.7% (cost of sales were also down), which reflects a decline in raceday and function sales. Racing Income (excluding the additional PGI amount) of \$8,073,706 was down \$385,576 (4.5%).

While the financial result could have been better, it should be noted that the Club has achieved an operating profit before depreciation and write-offs of \$567,450. As a result the Club's cash position as at 30 June, 2014 had improved and the Club has repaid the \$101,083 in Bank borrowings drawn down the previous year to support the Club's cash flow at that time.

In 2015 the Club must focus on boosting revenues by targeting an increase in patronage and spend by developing our key event days. The Club must also be looking to generate more revenue from our non-raceday event activities.

Our contract with H&H Catering has recently been renewed for a further three years, with their rental having been increased. The Club has also taken back control of the management and promotion of the function centre and we will be looking to be more proactive in marketing the facility in partnership with the caterers. Your support in promoting the venue for weddings, meetings, conferences and events throughout the year would be very much appreciated.

The year has not been without its tragedies. Shortly after I arrived local track work rider, Mick Maloney, was struck and killed by a train. The Wyong racing community rallied to support Mick's family, in particular his two young boys who witnessed the accident. The Wyong Race Club was pleased to be able to assist in organising a memorial service here and providing some future financial support for the boys. We also lost two very well respected and talented horsemen, who both had a strong affiliation with Wyong. Young jockey Nathan Berry, who rode Unencumbered to win the \$200,000 Magic Millions Classic here last December and popular Sydney trainer Guy Walter both sadly passed away during year. They will all be missed.

To the local trainers and members of the Club I would like to express the management team's appreciation for your continued support. I understand that it has not been an easy year for everyone involved.

I also want to acknowledge the combined efforts of Dean, Kylie, John, Rob and all of the Wyong permanent and part-time staff and their commitment to the Club, which has ensured that our 22 race meetings and our day to day business activities were not compromised.

I would also like to take the opportunity to acknowledge all of our sponsorship partners that have remained loyal to the Club. Our sponsors play an important part in supporting our financial model.

It was particularly pleasing to be able to extend the Club's valuable sponsorship agreement with Carlton & United for a further five years. Both CUB and Magic Millions make a significant investment in our two major racing events. It is great that they see the value in associating their brand and working closely with us to promote racing here at Wyong. The Club also appreciated Arrowfield Stud's decision to sponsor the Listed Mona Lisa Stakes at short notice on Cup day this year.

Having been involved in racing administration for more than 20 years and having worked in the racing industry all of my life, I would like to assure Members that I am fully committed to the challenge ahead of developing Wyong into one of Australia's premier provincial race clubs. With your continued support I am confident that we can achieve this.

A handwritten signature in black ink, appearing to read 'David Jewell', with a stylized, cursive script.

**David Jewell**  
Chief Executive

## 2013-14 RACING REPORT

The Club conducted 22 race meetings during the 2013-14 racing season.

Four races were lost at the Club's Thursday 3 October meeting when racing was abandoned after the first four races had been run due to rider concerns given the slippery nature of the track. The loss of that meeting was put down to light rain falling on the day on a firm track surface and the amount of poa (winter grass) that was present at that time. Since the appointment of the new Track Manager Chris Allen in April 2014 the majority of the poa has been eradicated. The Wyong track has come through a recent busy winter racing period in much better condition than it was a year ago.

During the year the Club purchased and installed a new plastic Mawsafe running rail. The new running rail has been in use since the Club's Magic Millions raceday last December.

### Feature race results:

#### **2014 \$150,000 Carlton Mid Wyong Gold Cup (Listed)**

MULTILATERAL 6yo gr g. Trained by Chris Waller and ridden by James McDonald

#### **2014 \$100,000 Arrowfield Stud Mona Lisa Stakes (Listed)**

BOUZY ROUGE 7yo ch m. Trained by Luke Griffin and ridden by Winona Costin (a)

#### **2013 \$200,000 Magic Millions Two Year Old Classic (Listed)**

UNENCUMBERED 2yo br c. Trained by Bjorn Baker and ridden by Nathan Berry

#### **2013 \$100,000 Magic Millions Three Year old Stakes**

SWEET IDEA 3yo ch f. Trained by Gai Waterhouse and ridden by James McDonald

### Wyong Race Meetings Premierships

Congratulations to the following recipients –

Leading Trainer at Wyong	<b>Joe Pride</b>
Leading Jockey at Wyong	<b>James McDonald</b>
Leading Apprentice	<b>Jess Taylor</b>

### Local Trainers

The 2013-14 racing season proved to be another successful year for our Wyong based trainers with a record 176 Wyong trained winners, which was an increase of 8 winners over the previous year. Wyong trained runners earned \$4.178m, with Allan Denham again being the centre's leading trainer with 28 winners. Kristen Buchanan was the most successful metropolitan trainer with five city winners.

### Dean Grogan

Racing & Operations Manager

## **FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2014**

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## ADMINISTRATOR'S REPORT

Your Administrator presents this report on the company for the financial year ended 30 June 2014.

### DIRECTORS

The names of the directors in office at any time during, or since the end of the year are:

Mr Stuart Clancy (Resigned 27/6/14)  
Mr Rodney Wicks (Resigned 26/6/14)  
Mr Anthony Halpin (Resigned 6/8/14)  
Mr John McDonald (Resigned 27/6/14)  
Mr Kenneth Vaughan (Resigned 27/6/14)  
Mr Paul Mutton (Resigned 18/11/13)  
Mr Colin Pike (Resigned 27/6/14)  
Mr Steve Hart (Resigned 8/7/14)  
Mrs Marion Langlar (Appointed 18/11/13, Resigned 8/7/14)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### OPERATING RESULTS

The loss of the company for the financial year after providing for income tax amounted to \$228,816 (2013: loss of \$359,039).

### OBJECTIVES

To assist in and promote the carrying on of thoroughbred horse racing and all forms of sport, gaming, amusement, entertainment and recreation;

To carry on the business of thoroughbred horse racing in all its branches in accordance with the Australian Rules of Racing as enforced by Racing NSW;

To develop any such land as a Racecourse and for such other sporting or income producing activities as the Board thinks fit; and

To conduct any other activities in accordance with the Memorandum and Articles of Association.

### STRATEGIES

Conduct a minimum 22 thoroughbred race meetings per year in accordance with the Australian Rules of Racing.

Participation in the Provincial Racing Association of NSW

Promotion of the sport of thoroughbred horse racing through all appropriate media outlets.

Detailed budgeting process to ensure financial growth in future periods.

The Club's policy is to support local charities & not for profit groups. These include:

- Samaritans Christmas Function;
- Volunteer Rescue Association Land Usage;
- Land & Building Poultry Association;
- Central Coast Pigeon Club;
- To provide a venue for Wyong Lions Club.

## ADMINISTRATOR'S REPORT

### KEY PERFORMANCE INDICATORS

Monthly Board meetings and regular sub-committee meetings to review horse racing activity, financial performance against budget and the Scheme of Distribution performance.

Continue to revise the return to participants and to ensure Wyong Race Club remains at the forefront of this Key Performance Indicator.

Regularly analyse structural and income producing growth strategies for the Club.

Regularly benchmarking performance against similar racing entities.

Regularly review the investment strategy and policy by the Board.

Establishment and review of a Policy & Procedures Manual within the Club.

### SIGNIFICANT CHANGES

In February 2014, Racing NSW stood down the Board of Wyong Race Club Limited and Mr John Rouse was appointed as a temporary Administrator. As a result of a "show cause" hearing by Racing NSW in May 2014 and their findings issued in June 2014, Racing NSW confirmed Mr John Rouse as Administrator of the Club. The Board then resigned from their positions between June and August 2014.

Mr Tony Drew (CEO) ceased his employment with the Club in October 2013. In March 2014 Mr David Jewell was appointed CEO by the temporary Administrator.

No other significant changes have occurred during the year.

### EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the financial year which 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

The Club has requested funding from Racing NSW for the following items:

- Construction of a equine swimming pool;
- Replacement of course irrigation system;
- Replacement of sand training tracks.

### ENVIRONMENTAL ISSUES

The Administrator believes the company has complied with all significant environmental regulations under a law of the Commonwealth or of a state or territory.

### DIVIDENDS

The Corporations Law prohibits a Company Limited by Guarantee from paying dividends.

### SHARES IN COMPANIES

The company does not hold shares in any related company or corporation.

## ADMINISTRATOR'S REPORT

### INDEMNIFYING OFFICER OR AUDITOR

During the year, the company effected a directors & officer's liability policy. The insurance policy provides cover for the directors named in this report, the company secretary, officers and former directors & officers of the company.

This policy prohibits the disclosure of the nature of the Indemnification and the insurance cover, and the amount of the premium.

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

### INFORMATION ON DIRECTORS FOR THE PERIOD 1 JULY 2013 TO 5 FEBRUARY 2014

#### Mr Stuart Clancy (Resigned 27/6/14)

**Qualifications:** Electrical Contractor

**Responsibilities:** Vice Chairman

Meetings	Board	Promotions	Track
Attendance	12	1	3
Possible	15	5	3

#### Mr Rodney Wicks (Resigned 26/6/14)

**Qualifications:** Lawyer

**Responsibilities:** Chairman

Meetings	Board	Promotions	Track
Attendance	14	-	-
Possible	15	-	-

#### Mr Anthony Halpin (Resigned 6/8/14)

**Qualifications:** Retired

**Responsibilities:** Board

Meetings	Board	Promotions	Track
Attendance	13	-	-
Possible	15	-	-

#### Mr John McDonald (Resigned 27/6/14)

**Qualifications:** Business Owner

**Responsibilities:** Treasurer

Meetings	Board	Promotions	Track
Attendance	14	2	-
Possible	15	5	-



## ADMINISTRATOR'S REPORT

### Mr Kenneth Vaughan (Resigned 27/6/14)

**Qualifications:** Company Director

**Responsibilities:** Deputy Vice Chair

Meetings	Board	Promotions	Track
Attendance	13	-	2
Possible	15	-	3

### Mr Paul Mutton (Resigned 18/11/13)

**Qualifications:** Retired

**Responsibilities:** Board

Meetings	Board	Promotions	Track
Attendance	5	-	-
Possible	9	-	-

### Mr Colin Pike (Resigned 27/6/14)

**Qualifications:** Retired

**Responsibilities:** Board

Meetings	Board	Promotions	Track
Attendance	12	5	-
Possible	15	5	-

### Mr Steve Hart (Resigned 8/7/14)

**Qualifications:** Photographer

**Responsibilities:** Board

Meetings	Board	Promotions	Track
Attendance	14	5	3
Possible	15	5	3

### Mrs Marion Langlar (Appointed 18/11/13, Resigned 8/7/14)

**Qualifications:** Retired

**Responsibilities:** Board

Meetings	Board	Promotions	Track
Attendance	2	4	-
Possible	3	5	-

## ADMINISTRATOR'S REPORT

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 17.

Signed by;



Racing NSW  
Appointed  
Administrator:

\_\_\_\_\_  
Mr John Rouse

Dated this 23rd day of September 2014



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Tuggerah NSW 2259

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**AUDIT PTY LTD**

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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE ADMINISTRATOR OF  
WYONG RACE CLUB LIMITED**

We hereby declare, that to the best of our knowledge and belief, during the year ended 30 June 2014 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Name of Firm:** Bishop Collins Audit Pty Limited  
Chartered Accountants

**Name of Director:**

  
David McClelland

**Auditor's Registration  
No.**

431227

**Address:**

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated this 23rd day of September 2014**

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue	2	9,066,875	9,219,155
Cost of goods sold	3	(146,814)	(176,506)
Administrator costs		(39,941)	-
Advertising expenses		(45,919)	(85,455)
Ambulance		(76,971)	(83,396)
Auditors' remuneration	4	(35,450)	(26,649)
Bad and doubtful debt expenses	3	(2,577)	(7,168)
Barrier trial fees		(103,799)	(111,245)
Cleaning		(35,126)	(41,801)
Computer expenses		(18,181)	(14,780)
Conference, seminars and training		(9,151)	(5,101)
Depreciation and amortisation expenses	3	(749,219)	(722,209)
Directors' expenses		(645)	(833)
Employee benefits expenses		(1,350,172)	(1,363,253)
Entertainment expenses		(73,154)	(88,302)
Fair value change on shares		(4,118)	(10,663)
Finance costs	3	(1,454)	(449)
Fringe benefits tax		(15,915)	(22,310)
Hire of equipment		(29,366)	(38,446)
Insurance		(342,450)	(380,020)
Jockeys riding fees		(322,738)	(330,477)
Legal expenses	3	(61,199)	(5,709)
Loss on sale of fixed assets	3	(47,047)	(12,611)
Payroll tax		(42,980)	(37,915)
Prize money		(4,131,010)	(4,335,489)
Promotions		(65,297)	(70,619)
Race day packages and lunch vouchers		(103,183)	(103,947)
Race day production		(68,413)	(74,527)
Race day sponsorship		(105,230)	(72,945)
Repairs and maintenance		(344,830)	(508,576)
Security expenses		(40,315)	(46,314)
Telecasting expenses		(182,219)	(172,517)
Utilities		(239,657)	(218,571)
Other expenses		(440,951)	(409,391)
<b>Loss before income tax</b>	3	<b>(228,816)</b>	<b>(359,039)</b>
<b>Loss attributable to members of the company</b>		<b>(228,816)</b>	<b>(359,039)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>		<b>(228,816)</b>	<b>(359,039)</b>
<b>Total comprehensive income attributable to members of the entity</b>		<b>(228,816)</b>	<b>(359,039)</b>

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	319,375	143,627
Trade and other receivables	6	1,590,611	1,728,350
Financial assets	7	139,940	139,140
Inventories	8	44,777	48,136
<b>TOTAL CURRENT ASSETS</b>		<b>2,094,703</b>	<b>2,059,253</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets	7	19,262	24,181
Property, plant and equipment	9	9,949,567	10,552,108
Investment property	10	257,924	260,297
<b>TOTAL NON-CURRENT ASSETS</b>		<b>10,226,753</b>	<b>10,836,586</b>
<b>TOTAL ASSETS</b>		<b>12,321,456</b>	<b>12,895,839</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	441,455	586,032
Financial liabilities	12	2,129	103,573
Provisions	13	90,008	191,076
<b>TOTAL CURRENT LIABILITIES</b>		<b>533,592</b>	<b>880,681</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	20,925	19,403
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>20,925</b>	<b>19,403</b>
<b>TOTAL LIABILITIES</b>		<b>554,517</b>	<b>900,084</b>
<b>NET ASSETS</b>		<b>11,766,939</b>	<b>11,995,755</b>
<b>EQUITY</b>			
Retained earnings	14	11,766,939	11,995,755
<b>TOTAL EQUITY</b>		<b>11,766,939</b>	<b>11,995,755</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Note	Retained earnings \$	Total \$
Balance at 1 July 2012		12,354,794	12,354,794
Loss attributable to members		(359,039)	(359,039)
Balance at 30 June 2013		11,995,755	11,995,755
Loss attributable to members		(228,816)	(228,816)
Balance at 30 June 2014		11,766,939	11,766,939

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

		2014 \$	2013 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		9,774,941	9,623,570
Payments to suppliers and employees		(9,314,055)	(9,142,429)
Interest received		9,111	12,931
Interest paid		(1,454)	(449)
<b>Net cash provided by operating activities</b>	<b>18</b>	<u>468,543</u>	<u>493,623</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of plant and equipment		12,406	-
Payments for property, plant and equipment		(203,757)	(886,445)
<b>Net cash used in investing activities</b>		<u>(191,351)</u>	<u>(886,445)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	101,083
Repayment of borrowings		(101,444)	-
<b>Net cash provided by (used in) financing activities</b>		<u>(101,444)</u>	<u>101,083</u>
Net increase (decrease) in cash held		175,748	(291,739)
Cash at beginning of financial year		143,627	435,366
Cash at end of financial year	<b>5</b>	<u>319,375</u>	<u>143,627</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### **1 Statement of Significant Accounting Policies**

The financial statements are for Wyong Race Club Limited (A company limited by guarantee) as an individual entity. Wyong Race Club Limited is a company limited by guarantee, incorporated and domiciled in Australia.

#### **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements are presented in the entities functional currency being the Australian Dollar.

#### **Accounting Policies**

##### **Going Concern**

The Financial Report has been prepared on the Going Concern Basis.

##### **Inventories**

Inventories are measured at the lower of cost and net realisable value.

##### **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

##### **Property**

Freehold land and buildings are shown at cost, less subsequent depreciation for buildings.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors, the Administrator or management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

### Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Building Improvements	5 - 40%
Grandstand	2.5%
Plant and Equipment	10 - 40%
Motor Vehicles	22.5%
Ground Improvements	2.5 - 20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement.

### Investment Property

Investment property comprising freehold rental properties are held to generate long term rental yield. All term leases were made on an arm's length basis. Investment property is carried at cost less any accumulated depreciation on buildings and impairment losses.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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### Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

### Financial Instruments

#### Initial Recognition and Measurement

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

#### Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

#### Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### Financial Assets

Financial assets are initially recognised on the cost basis, including acquisition charges associated with the financial asset. The carrying amounts of financial assets are reviewed annually by the directors, the Administrator or management. The recoverable amounts are assessed from the quoted market value for shares in listed companies or the underlying net assets for other non listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts, unless otherwise stated.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date, in accordance with the Employees Award. Employee benefits that are expected to be settled within one year, together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount.

Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability for employee entitlements, consideration has been given to future increases in wages and salary rates, and the Company's experience with staff departures. Related on-costs have also been included in the liability.

### Superannuation

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred. The entity has no legal obligation to provide benefits to employees on retirement.

### Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting year. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of other comprehensive income.

### Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

### Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Revenue from the rendering of a good or service is recognised upon the delivery of the good or service to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Distributions from Racing NSW are recognised on a proportional basis taking into account the Scheme of Distribution requirements.

Membership revenue is recorded on a cash basis when monies are received as there is no right of repayment after receipt by the company.

Commissions are recorded on a cash basis when received.

In October 2013, Racing NSW distributed \$157,205 of PGI funding to Wyong Race Club that related to the 30 June 2013 year. At the time of the advice and receipt of this payment the financial statements had been finalised and published to members. The money has been included in this years revenue. No receipted PGI funding since 30 June 2014 to the date of this report has been received.

### Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

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

### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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### **Economic Dependency**

The continuing operation of Wyong Race Club Limited is dependent on the continuance of funding from Racing NSW.

### **Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

### **Critical Accounting Estimates and Judgements**

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events and are believed to be reasonable under the circumstances. The company makes judgements, estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The matters that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### *Key estimates - Provisions*

The company calculates the carrying amount of provisions under AASB 137 based on a variety of available information. The estimation of the provision is based on the net present value and the probability of the employee completing the required number of years to become entitled to the entitlement.

#### *Key estimates - Income Tax Exemption*

The company is expecting the income tax exemption under Section 50-45 of the Income Tax Assessment Act 1997 to continue.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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### *Key judgments - Continued Viability of Wyong Race Club*

Allocation of race meetings is determined by Racing NSW. For the Race Club to be viable there needs to be 22 race meetings per year.

### *Key judgments - Racing NSW Interminable Loan*

Beginning from October 1974 up until 1990 Wyong Race Club Limited has received funds from the Race Course Development Committee totalling \$6,500,620. These funds have been used to develop and improve thoroughbred, harness and greyhound racing at Wyong. These funds are not subject to recall whilst ever Wyong Race Club carries out its racing activities in such a manner as to not jeopardise its financial stability and/or does not dispose of the freehold property on which the improvements were located.

In prior years, Harness Racing NSW and Greyhound Racing Australia withdrew racing of their codes from Wyong. As the controlling bodies, their decision in the opinion of the board, does not trigger a repayment of funds which total \$165,000 and therefore these funds are not considered as a contingent or actual liability.

Thoroughbred racing continues at Wyong under the control of Racing NSW. Whilst this continues the repayment of the remaining funds for thoroughbred racing totalling \$5,335,620 are not deemed to be repayable. The difference between the funds received from the Racecourse Development Committee and the Interminable Loan represents repayments totalling \$1 million which occurred over 4 years at the beginning of the loan agreement.

Wyong Race Club Limited is determined to continue thoroughbred racing at Wyong and to carry out its racing activities in such a manner as to ensure the financial stability of the Wyong Race Club.

Refer to Note 15 - Contingent Liabilities.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>2 Revenue</b>		
<b>Operating activities</b>		
Bar revenue	403,462	447,051
Racing income	8,073,706	8,459,282
PGI income Note 1	157,205	-
Rental income - investment property	16,190	15,300
Rental income - meetings, functions and stables	295,596	260,351
RNSW on course turnover incentive	50,960	-
Advertising rights	22,250	-
Interest revenue	14,715	12,931
Dividend revenue	134	500
Other revenue	32,457	23,740
<b>Total revenue</b>	<b>9,066,675</b>	<b>9,219,155</b>
<b>Total Revenue</b>	<b>9,066,675</b>	<b>9,219,155</b>
<b>Interest revenue from:</b>		
Interest received - financial institutions	14,715	12,931
<b>Total interest revenue</b>	<b>14,715</b>	<b>12,931</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>3 Loss</b>		
<b>Expenses</b>		
Cost of sales	146,814	176,506
Interest paid - ATO	1,454	449
Depreciation and amortisation of non current assets	749,219	722,209
Loss on sale of property, plant and equipment		
Loss on Sale of Fixed Asset	2,254	12,611
Loss from Scrapping	44,793	-
	<u>47,047</u>	<u>12,611</u>
Bad and doubtful debts	2,577	7,168
Operating expenses arising from investment property that generated rental income during the period	4,112	2,294
<b>Legal Expenses</b>		
Legal Costs - General	13,036	5,709
Legal Costs - Show Cause	27,406	-
Legal Costs - Employment Issues	20,757	-
	<u>61,199</u>	<u>5,709</u>
<b>Revenue and Other Income</b>		
Interest received - financial institutions	14,715	12,931
<b>4 Auditor's Remuneration</b>		
Financial Statements	5,800	5,800
Other Services	2,040	2,100
Other Services - Review Engagement	3,900	225
Audit Fees - 2012 Year	-	10,500
Audit Fees - 2013 Year	12,490	8,024
Audit Fees - 2014 Year	11,220	-
	<u>35,450</u>	<u>26,649</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>5 Cash and Cash Equivalents</b>		
Current		
Cash on Hand	7,260	6,260
Cash at Bank	312,115	113,196
BT Portfolio Wrap Cash Account	-	24,171
	<u>319,375</u>	<u>143,627</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	<u>319,375</u>	<u>143,627</u>
	<u>319,375</u>	<u>143,627</u>
<b>6 Trade and Other Receivables</b>		
Current		
Trade Debtors	223,129	221,100
Less: Provision for Impairment	<u>(3,783)</u>	<u>(1,482)</u>
	219,346	219,618
Other Debtors	<u>1,371,265</u>	<u>1,508,732</u>
	<u>1,590,611</u>	<u>1,728,350</u>
<b>7 Financial Assets</b>		
Current		
Man Series Shares		
Shares Held at Fair Value	<u>139,940</u>	<u>139,140</u>
Non-Current		
Wyong Town Financial Services (at cost)	5,000	5,000
BT Portfolio Wrap (at fair value)	<u>14,262</u>	<u>19,181</u>
	<u>19,262</u>	<u>24,181</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>8 Inventories</b>		
Current		
At cost:		
Finished goods - Bar stocks	<u>44,777</u>	<u>48,135</u>
The valuation policy adopted in respect of inventories is set out in note 1.		
<b>9 Property, Plant and Equipment</b>		
<b>Land and Buildings</b>		
Freehold Land at cost	<u>298,803</u>	<u>298,803</u>
Land Improvements at cost	<u>3,269,948</u>	<u>3,269,948</u>
Less: Accumulated Depreciation	<u>(264,798)</u>	<u>(204,540)</u>
	<u>3,005,150</u>	<u>3,065,408</u>
Grandstand at cost	<u>5,565,911</u>	<u>5,565,911</u>
Less: Accumulated Depreciation	<u>(3,182,672)</u>	<u>(3,021,340)</u>
	<u>2,383,239</u>	<u>2,544,571</u>
Building Improvements at cost	<u>4,914,321</u>	<u>4,915,188</u>
Less: Accumulated Depreciation	<u>(1,988,488)</u>	<u>(1,767,474)</u>
	<u>2,925,833</u>	<u>3,147,714</u>
<b>Total Land and Buildings</b>	<u>8,613,025</u>	<u>9,056,496</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>Plant and Equipment</b>		
Plant & Equipment at cost	4,320,190	4,320,109
Less: Accumulated Depreciation	(3,615,883)	(3,423,142)
	<u>704,307</u>	<u>896,967</u>
Motor Vehicles at cost	132,880	170,345
Less: Accumulated Depreciation	(96,741)	(102,549)
	<u>36,139</u>	<u>67,796</u>
Ground Improvements at cost	946,499	815,903
Less: Accumulated Depreciation	(350,403)	(285,054)
	<u>596,096</u>	<u>530,849</u>
<b>Total Plant and Equipment</b>	<u>1,336,542</u>	<u>1,495,612</u>
<b>Total Property, Plant and Equipment</b>	<u>9,949,567</u>	<u>10,552,108</u>

### Movements in Carrying Amounts

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

	Land & Land Improvements \$	Grandstand & Building Improvements \$	Plant, Equipment & Motor Vehicles \$	Ground Improvements \$	Total \$
Carrying amount at 1 July 2012	3,424,469	5,383,736	1,082,473	597,430	10,398,108
Additions	2,961	674,487	125,557	83,441	886,446
Disposals	-	(11,245)	(1,366)	-	(12,611)
Depreciation expense	(63,219)	(354,694)	(241,902)	(60,022)	(719,837)
Carrying amount at 30 June 2013	<u>3,364,211</u>	<u>5,692,284</u>	<u>964,762</u>	<u>530,849</u>	<u>10,552,106</u>
Additions	-	57,525	15,636	130,596	203,757
Disposals	-	(40,343)	(19,106)	-	(59,451)
Depreciation expense	(66,258)	(400,394)	(220,844)	(65,349)	(746,845)
Carrying amount at 30 June 2014	<u>3,303,953</u>	<u>5,309,072</u>	<u>740,446</u>	<u>596,096</u>	<u>9,949,567</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>10 Investment Property</b>		
Property 69 Howarth Street (at cost)	280,131	280,131
Less: Accumulated Depreciation	(22,207)	(19,834)
	<u>257,924</u>	<u>260,297</u>

### Movements in Carrying Amounts

Movement in the carrying amounts for each class of investment property between the beginning and the end of the current financial year.

	Investment Property \$
Carrying amount at 1 July 2012	262,670
Depreciation expense	(2,373)
Carrying amount at 30 June 2013	<u>260,297</u>
Depreciation expense	(2,373)
Carrying amount at 30 June 2014	<u>257,924</u>

The Administrator is of the opinion that the fair value of the investment property equates to its carrying value.

## 11 Trade and Other Payables

### Current

Trade Creditors	317,418	474,733
Other Creditors	180,655	25,612
Input Tax Credits	(20,812)	(59,527)
GST Payable	(35,806)	145,214
	<u>441,455</u>	<u>586,032</u>

## 12 Borrowings

### Current

NAB Short Term Loan	-	100,000
Credit Card - Short Term Borrowing	2,129	3,573
Total current borrowings	<u>2,129</u>	<u>103,573</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>13 Provisions</b>		
Provision for Holiday Pay	54,571	126,639
Provision for Long Service Leave - Current	35,437	64,437
Provision for Long Service Leave - Non-Current	20,925	19,403
<b>Total provisions</b>	<b>110,933</b>	<b>210,479</b>
<b>Analysis of Total Provisions</b>		
Current	90,008	191,076
Non-current	20,925	19,403
	<b>110,933</b>	<b>210,479</b>
<b>Reconciliation of Provisions for Employee Entitlements</b>		
Opening balance as at beginning of financial year	210,479	165,541
Additional charge	57,024	84,199
Less leave paid	(156,570)	(39,261)
Closing balance at end of the financial year	<b>110,933</b>	<b>210,479</b>
<b>14 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	11,995,755	12,354,794
Net loss attributable to members of the company	(228,818)	(359,039)
Retained earnings at the end of the financial year	<b>11,766,939</b>	<b>11,995,755</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>15 Contingent Liabilities</b>		
Estimates of the potential financial effect of contingent liabilities that may become payable:		
<b>Contingent Liabilities</b>		
<b>Racing NSW Loan</b>		
Beginning from October 1974 up until 1990 Wyong Race Club Limited has received funds from the Race Course Development Committee totalling \$6,500,620. These funds have been used to develop and improve thoroughbred, harness and greyhound racing at Wyong. These funds are not subject to recall whilst ever Wyong Race Club carries out its racing activities in such a manner as to not jeopardise its financial stability and/or does not dispose of the freehold property on which the improvements were located.		
In prior years, Harness Racing NSW and Greyhound Racing Australia withdrew racing of their codes from Wyong. As the controlling bodies, their decision in the opinion of the board, does not trigger a repayment of funds which total \$165,000 and therefore these funds are not considered as a contingent or actual liability.		
Thoroughbred racing continues at Wyong under the control of Racing NSW. Whilst this continues the repayment of the remaining funds for thoroughbred racing totalling \$5,335,620 are not deemed to be repayable. The difference between the funds received for the racecourse and the interminable loan represents repayments of \$1 million which occurred over 4 years at the beginning of the loan agreement.		
Wyong Race Club Limited is determined to continue thoroughbred racing at Wyong and to carry out its racing activities in such a manner as to ensure the financial stability of the Wyong Race Club.		
	(5,500,620)	(5,500,620)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>16 Key Management Personnel</b>		
Total compensation	<u>331,729</u>	<u>315,175</u>
<b>17 Related Party Transactions</b>		
Transactions between related parties are on normal commercial terms and conditions. These terms and conditions are no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties up until the Board was stood down by Racing NSW in February 2014:		
Rod Wicks is a Director of Aubrey Brown Partners Pty Ltd, the company's solicitors. The total value spent with Aubrey Brown Partners was	<u>473</u>	<u>2,097</u>
Ken Vaughan is a Director of Lakes Printers Pty Ltd, who provides printing and stationery services to the company including all race book printing. The total value spent with Lakes Printers was	<u>7,530</u>	<u>41,740</u>
Lakes Printers Pty Ltd also sponsored the September 12 Meeting	<u>-</u>	<u>10,250</u>
Steve Hart provided photography services to the company for marketing, website and advertising use for the 2013 Wyong Gold Cup.	<u>1,650</u>	<u>-</u>
Stuart Clancy is a director of Altona Electrics Pty Ltd who supplies the following services as well as electrical contract work for various capital projects:		
- General repairs	<u>1,524</u>	<u>48,663</u>
- Wyong Gold Cup 2013 preparation (includes equipment purchased for the company)	<u>6,946</u>	<u>-</u>
- Track repairs & maintenance	<u>-</u>	<u>13,592</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
- Stables repairs & maintenance	-	16,121
- New stables	-	11,590
- Sub station	-	68,961
- Bistro repairs & maintenance	-	12,632
Altona Electrics Pty Ltd also sponsored the Springtime Stakes Wyong Gold Cup	-	3,000
John McDonald is a Director of Water to Go which supplies water to the company. The total spent with Water to Go was:	205	1,840
David Jewell, CEO, purchased a motor vehicle from the company at market value	13,644	-
The Directors shared equally in the following benefits:		
- Directors were provided with refreshments after Board meetings	200	200
- Directors were provided with food and beverage during the Gold Cup Carnival to a value of	300	660
- Directors are provided with designated car parking spaces.	-	-



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<b>18 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Loss after income tax	(228,816)	(359,039)
<b>Non-cash flows in profit</b>		
Loss on sale of non-current assets	47,047	12,611
Amortisation	2,373	2,373
Bad debts (recovered) / written off	2,301	(2,273)
Depreciation	746,846	719,836
Decrease in Managed Investments	4,118	10,823
<b>Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries</b>		
(Increase) Decrease in current inventories	3,359	(18,602)
(Increase) Decrease in current receivables	135,438	(224,869)
Increase (Decrease) in trade creditors	(144,577)	307,825
Increase (Decrease) in current provisions	(99,546)	44,938
	<u>468,543</u>	<u>493,623</u>

## 19 Financial Risk Management

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements are as follows:

		2014 \$	2013 \$
<b>Financial Assets</b>			
Cash and cash equivalents	5	319,375	143,627
Investments	7	159,202	163,321
Trade and other receivables	6	<u>1,590,611</u>	<u>1,728,351</u>
<b>Total Financial Assets</b>		<u>2,069,188</u>	<u>2,035,299</u>
<b>Financial Liabilities</b>			
Trade and other payables	11	(441,455)	(586,034)
Borrowings	12	<u>(2,129)</u>	<u>(103,573)</u>
<b>Total Financial Liabilities</b>		<u>(443,584)</u>	<u>(689,607)</u>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

2014  
\$

2013  
\$

### 20 Company Details

Wyong Race Club Limited  
(A company limited by guarantee)

The registered office of the company is:

71 Howarth Street  
Wyong NSW 2259

The principal place of business is:

71 Howarth Street  
Wyong NSW 2259

## ADMINISTRATOR'S DECLARATION

The Administrator of the company declares that:

1. The financial statements and notes are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards; and
  - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company.
2. In the Administrator's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made by;



Racing NSW  
Appointed  
Administrator:

Mr John Rouse

Dated this 23rd day of September 2014



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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF WYONG RACE CLUB LIMITED  
(A COMPANY LIMITED BY GUARANTEE)  
A.B.N. 54 943 635 817**

**Report on the Financial Report**

We have audited the accompanying financial report of Wyong Race Club Limited (A company limited by guarantee) which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes, and the Administrator's declaration.

**Administrator's Responsibility for the Financial Report**

The Administrator of the company is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These 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 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Administrator, as well as evaluating the overall presentation of the financial report.

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



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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYONG RACE CLUB LIMITED (A COMPANY LIMITED BY GUARANTEE) A.B.N. 54 943 635 817

#### 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, provided to the Administrator of Wyong Race Club Limited (A company limited by guarantee) on 23rd September 2014, would be in the same terms if provided to the Administrator as at the date of this auditors' report.

#### Auditors' Opinion

In our opinion:

- (a) the financial report of Wyong Race Club Limited (A company limited by guarantee) is in accordance with the Corporations Act 2001, including:
- (i) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

**Name of Firm:** Bishop Collins Audit Pty Limited  
Chartered Accountants

**Name of Director:**

  
David McClelland

**Auditor's  
Registration No.** 431227

**Address:** Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated this 23rd day of September 2014**

## NOTES





Wyong Race Club Limited – ABN 54 943 635 817

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