



# WRC *...the Colour of Racing*

WYONG RACE CLUB

## ANNUAL REPORT & FINANCIAL STATEMENTS 2014-2015



**PATRON:**

R. Graham

**LIFE MEMBERS:**

Mrs G. O'Sullivan

Mrs J. Smith

Mrs J. Langbridge

W. Clayton

J. Wilkinson

**DIRECTORS:**

Garry Whitaker (Chairman)

Marion Langlar (Vice Chairman)

Craig Ellis

Denis Hanley

Andrew Paton-Smith

John Waghorn

Mark Waugh

**CHIEF EXECUTIVE:**

D. M. Jewell

**Wyong Race Club Limited**

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## NOTICE OF 2015 ANNUAL GENERAL MEETING

NOTICE IS HERBY GIVEN THAT: The 2015 Annual General Meeting of Wyong Race Club Limited will be held on Monday 16 November 2015 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 (AGM) shall be as follows:-

**1. Confirm the Minutes of the 2014 Annual General Meeting.**

**2. Receive & consider Annual Financial Report for year ended 30 June 2015 including –**

- Directors' Report
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Cash Flows
- Statement of Changes in Equity
- Notes to the Financial Statements
- Auditor's Reports

**3. Special Resolution: Motion to Repeal Constitution**

Members are advised that the Board is proposing the following special recommendations to be considered at the Annual General Meeting:

- That the Club repeal its existing and current Constitution
- That once the existing and current Constitution is repealed that the Club adopts the new Constitution tabled at the Annual Meeting of which previous notice has been given as required by Corporations Act.
- That the Club's directors do all things and execute all documents necessary to give effect to the adoption of the new Constitution.

**4. Election of One Board member.**

WRC elected Board Member John Waghorn retires by rotation in accordance with the current rules and being eligible will be offering himself for re-election. The other three elected directors and the three appointed directors do not come up for re-election this year.

**5. 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."
- 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."

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

**7. Election of Patron.**

## NOTICE OF 2015 ANNUAL GENERAL MEETING *continued*

### **8. Transact, in accordance with the Constitution any other ordinary business that may be lawfully brought forward.**

**David Jewell**

*Chief Executive*

***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 One (1) elected position on 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 Friday 30 October 2015. Nomination forms are available from the Club's Office during normal business hours.

The 2015 Annual Report and Club's proposed new Constitution will be posted to all financial Members on or before 23 October 2015 in accordance with the Rules.

As advised at the 2014 AGM the Board have undertaken a review of the Club's Constitution to ensure that the Constitution was consistent with other Racing Clubs and appropriate for our Club. Accordingly, the Board will be recommending to Members the adoption of a new Constitution at the AGM. 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.

#### **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 Thursday 5 November 2015.

**Appointing a Proxy:** if you are a Member entitled to attend and vote at this AGM, you may appoint a person as your proxy to attend and vote for you at the meeting. A proxy need not be a member of the company. For the appointment of a proxy to be effective the required form (available from the Racing Club office) will need to be completed and returned by Thursday 12 November 2015.

## CHAIRMAN'S REPORT TO MEMBERS

It is my pleasure to present our 2015 Annual Report to Members in this my first year as the Club's Chairman. I have to say at the start that joining the Board and serving as Chairman has been a great joy for me and I am honoured to have been given that privilege.

With the change to the club's constitution last year, we now have four elected club directors and three independent appointed directors. In terms of a race club governance model, this is consistent with the majority of the other Provincial Clubs and the Australian Turf Club, and it is my view the new governance model will serve Wyong Race Club well in the future.

As Members have previously been advised, while the four elected members of the Board were known following last year's Annual General meeting, the appointment process for the three independent Board directors was not finalised by Racing NSW until February. The full Wyong Board of directors officially met for the first time on 24 February, 2015 and has been meeting regularly since that date.

I would like to assure Members that the club is fortunate to have such a highly skilled, knowledgeable and enthusiastic group of directors sitting around the table. Each of the Directors brings with them a range of specialist skills and all are working hard to ensure that this Club has a long and bright future.

It takes time to design and build a plan for growth especially with a group of people who have never worked together before but I can confidently say that the club is making tremendous progress. The Board has determined our Strategic Vision for the future and we have identified the challenges that both Wyong and the wider racing industry face. We have outlined ideas for creating a more sustainable business and will develop these further in coming months. We have signed off on a budget for the coming year and the Club, financially, is in a strong position as a result of a profitable last 12 months trading.

A Race Club is quite an unusual type of business to operate. It has taken us a little time to fully comprehend that our ability to directly influence what happens to our business is somewhat limited. For example, the amount of funding we receive from Racing NSW to run our race days, and the allocation of our race dates and racing programmes sit squarely with Racing NSW.

Therefore as a club and a board, we need to focus on those elements of the business that we can measure and control, and this has been an important part of our thinking in finalising our vision.

Our future success as a Board will be measured against how well we achieve our stated vision of becoming "A Racing and Training Centre of Excellence Incorporating High Quality Member and Community Facilities."

We see that vision coming to fruition over the next 4-5 years as we look to build on the solid foundation which more than 100 years of Racing at Wyong has created. We not only want to meet Members and racing industry stakeholder expectations, but in time we want Wyong to become the benchmark against which other Provincial Clubs can be measured.

While we do not boast the same large numbers of horses in training, or the expansive Members' and public facilities, or the prizemoney offering, or the level of racing activity that the Sydney metropolitan Clubs provide, our goal as clearly stated in our vision is to be recognised as a Racing & Training Centre of Excellence.

In the short term we will be looking to grow the business through the efforts of a strong leadership team. We are fortunate that we have a very experienced and hard-working CEO in David Jewell, who together with the Administrator, John Rouse, did an excellent job of managing the business over a 15 month period until the new Board was in place. I would like to take this opportunity to extend our thanks to John Rouse for the important role that he played. It could not have been an easy task.

Your Board is looking to proactively engage with the wider Central Coast business. That work has started. It will also be critical that we proactively engage and align ourselves with all industry stakeholders and

## CHAIRMAN'S REPORT TO MEMBERS *continued*

in particular with Racing NSW. We are looking at how we can achieve our goals sooner, and more effectively, by forming collaborative partnerships with other businesses and all tiers of government.

I will leave it to the CEO to provide the detail around the Club's financial performance in the past year and to expand more fully on the activities that have been undertaken but, with regard to the financial performance the club, I will say here that we have no debt, and we have a strong balance sheet and positive cash flow. This year's profit of \$524,645 represents a significant turnaround on the \$228,816 loss reported in 2013-14 and a \$359,039 loss in 2012-13.

The improved financial result was largely driven by a significant increase in Racing NSW funding to the Provincial clubs including a couple of one-off payments such as the new Sky broadcast fee. The reality is that this industry is very reliant on Racing NSW being able to continue to increase returns to stakeholders, including the clubs, at a time when costs are increasing and wagering revenues are under pressure.

This year the Club has undertaken two major capital works projects – the new equine swimming pool and the installation of a new pump and irrigation system for the course proper. Both of these projects have been largely funded by a Racing NSW infrastructure funding grant. We are indebted to Racing NSW for this significant investment in our facilities. RNSW has provided \$650,000 towards the cost of the pool and \$450,000 towards the cost of the new irrigation system. Both projects are expected to be completed by the time Members receive this report.

We will update Members as to the final costs of both projects at the Annual General meeting.

With the pool and irrigation projects completed, our focus turns to a major upgrade of our training tracks and a number of other capital projects including improvements to the lady jockeys room; replacement of the infield big screen; and some refurbishment of our members' facilities.

Our vision is to have a training centre of excellence – the Board is confident this can be achieved but how many trainers and horses we can accommodate in the future is an issue for which both the Club and the wider industry needs to plan carefully .

The Club is having some preliminary discussions with both Racing NSW and the other Provincial Racing Clubs around the strategic development of key training venues.

In regard to our longer term strategy, the Board is keen to investigate opportunities to unlock the asset value of the facility. While the focus will clearly be on our racing and training activities, the Board is very conscious of the need to also invest in non-racing opportunities to create new revenue streams. Relying solely on twenty two race days a year is not really maximising the investment that has been made here.

The environment we operate in today makes it even more critical that our club continues to manage its costs prudently and we look to generate further revenue outside of racing to sustain our business model.

In closing I would like to thank each of my fellow directors for their efforts over the past six months and their ongoing commitment to the club. I would also like to congratulate and thank our CEO and all of the administration and track staff for their good work. It is important that we also acknowledge the valuable contribution being made by all the part time and casual staff that work here on race day and at other times of the year.

The next 12 months will, no doubt, bring us new challenges, but I am confident that your Board has the ability to continue to develop and grow this fine club.



**Garry Whitaker**  
Chairman

## CHIEF EXECUTIVES REPORT

I am pleased to report that with a new board back in control since March the club has moved on from the issues of the past two years and we have again been able to focus on growing the business.

Financially the club has had a productive year. Higher than anticipated funding from Racing New South Wales and a timely one off Sky Broadcast payment has seen a significant \$753,461 turn-around in our financial performance – with the club posting a \$524,645 surplus compared with a \$228,816 deficit for the previous year.

The payout from Racing NSW for 2014-15 shared by the five Provincial Clubs, was the highest in more than a decade. While there is still some uncertainty around the longer term sustainability of wagering returns and the actual level of funding from Racing NSW that finally gets distributed to Clubs, Racing NSW must be congratulated on the very significant revenues that are being returned to the industry through Race Fields fees, the new Sky broadcast agreement and now the tax parity legislation.

Against a background of considerable change within the Australian racing industry, Racing NSW's ongoing commitment to increasing returns to owners, investment in racing infrastructure, improving workplace health and safety, together and their strong stand on regulatory and integrity issues has been welcomed by all industry participants. Racing NSW has also acknowledged in its 2014 Strategic Plan the need to improve the viability of race clubs.

One of the major challenges we face as a Club and as an industry, is how racing can better engage with a broader audience. If Racing NSW is to effectively address industry concerns around the general decline in race day attendance and race horse ownership, there needs to be a greater emphasis on the marketing and branding of the raceday experience. This needs to be driven by Racing NSW, in partnership with the clubs.

The introduction of the very successful Provincial and Country Championships Series this year is indicative of an exciting new race day opportunity that was a winner for the clubs and the wider industry. The Championships provided a tremendous focus for Provincial and Country owners and trainers, with the competitive series of \$100,000 qualifying heats and the two \$300,000 finals at Randwick delivering great fields, increased wagering and providing the participating Clubs, including Wyong, the opportunity to market a valuable new feature event.

Wyong had the honour of hosting the first qualifying heat in the 2015 Provincial Championships, with the Wyong winner Sure and Fast, trained by Bede Murray, going on to win the \$300,000 final, while the Kim Waugh Wyong trained Oxford Poet, represented the centre proudly with a very creditable third in the final. Wyong is again looking forward to being part of the 2016 Provincial Championship Series.

In the past year the club has looked to introduce a number of new key event race day themed events designed to increase attendance and boost club revenues. The Provincial Championship meeting was one such day, along with the recent Star 104.5 Ladies Day meeting in August, where attendance and bar sales were up almost 30% on the previous year. The Give Me 5 for Kids Charity race day, the novel Clubs' Challenge day and our two Christmas at the Races meetings have all been introduced in the past year so that the club can engage with the Central Coast community and showcase our product to a wider (non-racing) audience.

A key focus of the Board and management in the coming 12 months will be the ongoing marketing and promotion of our feature meetings across the whole year, rather than just being reliant on Carlton MID Wyong Gold Cup day as our one major event.

While the club strives to improve its business and boost its bottom line, the most significant news in 2015 was the NSW Governments agreement to introduce new legislation this year to reduce the tax

## CHIEF EXECUTIVES REPORT

on wagering to provide parity with Victoria. This change, when fully implemented, is expected to inject around \$80m per annum to the NSW thoroughbred industry.

This new funding will allow Racing NSW to not only increase minimum prizemoney levels, and continue to develop the Autumn Championships, but the significant injection of funds will also need to support long term structural changes to secure Racing's future.

NSW racing is a \$3 billion industry, employing more than 56,000 people. As signalled by Racing NSW Chairman John Messara, the new tax parity revenues, invested wisely, will flow through to Provincial and Country race clubs for the benefit of the wider racing industry.

In terms of our management focus, with the Wyong Board not officially in place until late February, the first nine months of the 2014-15 year was primarily about ensuring the day to day operations, including our busy schedule of race meetings and trials, were not compromised.

A considerable amount of time and effort was invested in the planning and the initial project management of our two major capital projects – the new equine pool and the replacement course proper pump and irrigation system.

By the time this report is received by members both these projects will be completed. Work on the pool began in early March and finished in early October. The wet winter delayed the original early June start date for the irrigation system, resulting in the work on the inside of the course proper having to be temporarily suspended in the lead-up to the Cup carnival to avoid any risk of damage to the track. The new system will be fully operational in October, in plenty of time for the summer racing season.

To date we have received almost \$1m of the \$1.5m total infrastructure funding approved by Racing NSW, with a further \$400,000 set aside for the sand training track upgrades when this project is ready to proceed.

Members should note that the inclusion of \$273,447 of infrastructure funding paid to Wyong by Racing NSW in the financial year ended 30 June as a capital contribution towards the construction of the new horse pool has to be accounted for as income by the club in 2014-15. The balance of the Racing NSW infrastructure funding will be accounted for in the current 2015-16 financial year.

### **CLUB MEMBERSHIP**

High on the list of Board objectives this year is to increase club membership, with numbers having fallen to around 300 in the past 12 months. The target is to grow membership by 50% to 450 in the coming year. More than 100 new members had already joined the club prior to the 2015 Cup carnival and we will be undertaking further membership promotions in the coming year to achieve our target of having 450 members in 2016.

The reduction in membership fees, together with the new benefits being offered to members, including a 10% reduction on all drink purchases on raceday and special race day member's hospitality pricing options, has been well received. As was our popular Members' race day function in July. In terms of communication, the club has tried to keep members better informed through regular electronic newsletters. While I appreciate that not every member uses Facebook, the Club's Facebook pages are being updated several times a week, with some of our posts being seen by more than 5000 followers. This can be a very effective method of promoting Wyong Race Club's activities to a wider audience.

## **SPONSORS**

The Club is indebted to all of its sponsors and business partners for their ongoing support.

The 2015 Carlton MID Wyong Gold Cup carnival is our major event of the year and once again we were delighted to work with CUB in the promotion of this meeting. Cup day 2015 proved very successful, not only did we witness some great racing, but attendance was up around 20% on the previous year.

Carlton MID Wyong Gold Cup is a significant social event on the local sporting calendar and despite a cool, showery start to the day, we were fortunate that the sun arrived around lunchtime and a good sized crowd was on hand to witness the Chris Waller trained Beyond Thankful win the \$150,000 Listed Gold Cup in emphatic style. Chris Waller has now won five of the last six renewals of the Wyong Gold Cup – a remarkable training achievement.

Cup Day was fully sponsored this year with the day's other feature, the \$100,000 Arrowfield Stud Mona Lisa Stakes taken out by the Anthony Cummings trained Vergara.

We have had a number of new race day sponsors come on board in the past year and management would welcome further enquiries from businesses and individuals who might wish to become involved in the future.

## **TRACK AND TRAINING OPERATION**

The club has continued to make pleasing progress with the preparation of the course proper for racing purposes and there has been a general improvement in the performance of the training tracks at Wyong.

During the past 12 months Wyong was the only Provincial club not to lose races or a race meeting to bad weather. It was also pleasing that across the year our race day starter average numbers improved relative to the other four Provincial clubs.

Wyong conducted 172 races in 2014/15 – three more than the previous year and distributed \$4.18 million in prizemoney. However, in total there were 40 less races (3.8%) and five less race days (3.7%) held in 2014-15 across the five Provincial clubs, resulting in a significant decline in total provincial starters from 10,168 in 2013-14 to 9,287 in 2014-15 – a reduction of 881 (8.6%) in the total number of provincial runners which is of concern.

Despite the overall decline in starters across the provincial meetings, the total number of starters at Wyong actually increased by 3 to 1,603 across 22 race days, while our average starter numbers of 9.32 per race, was the second highest of the Provincial clubs, behind only Newcastle (9.36) and ahead of Kembla, Hawkesbury and Gosford.

The feedback we have had from jockeys, trainers and Racing NSW officials is that the Wyong track has raced more consistently over the past 12 months.

Our two sand training tracks have also generally performed well, with the numbers of horses in training at Wyong at record levels. The training tracks are operating close to capacity. One of the challenges for both the Club and Racing NSW will be how we look to accommodate more horses at Wyong in the future if the need to further expand our track and training facilities becomes an issue.

The Board and management are resolute in creating a successful and sustainable future for the Wyong Race Club and I would like to take this opportunity to thank members for their patience and loyalty to the club.

I would also like to acknowledge the ongoing support I have received from my management team and all of the Wyong Race Club staff, together with the assistance and guidance of the other Provincial Racing Club's CEO's, Racing NSW officials and industry stakeholders, including our local trainers.

## CHIEF EXECUTIVES REPORT *continued*

### FINANCIAL

As advised the club has seen a marked turn-around in its financial performance.

Total operational revenue of \$9.529 million was \$460,850 (5%) ahead of the previous year excluding the \$273,447 RNSW infrastructure part payment received towards the construction cost of the new horse pool.

Excluding the \$273,447 RNSW infrastructure funding revenues, the operational profit for the 2014-15 year was \$251,198 after allowing for \$713,779 in depreciation and amortisation expenses. This compares with a \$228,816 operational loss in 2013-14 after depreciation.

As a result of the profit turn-around the Club's cash position has improved significantly with \$1,058,023 cash at bank at 30 June, 2015 (\$312,115), which was further increased to \$1.4m in August with receipt of the RNSW year end payments which are recorded as part of the end of year trade receivables figure.

The bulk of the Club's revenue is generated through the RNSW Provincial scheme of distribution (\$7.32m) which includes a number of payment streams including –quarterly and six monthly wagering fees, stakes funding support, media rights, Tabcorp sponsorship, product fees and international product payments. In 2014-15 there was a marked uplift in the RNSW six monthly wagering and incentive fees (WIF) which flows through to clubs, with Wyong's total WIF funding increasing from \$1.678m in 2013-14 to \$2.264m this year. The increase in the WIF payment was pleasing and more than offset the reduction in the Quarterly Product fees and International Product fees, which were both lower.

It should be noted that variances in the wagering revenues distributed by Racing NSW to the clubs means it can be quite difficult for the clubs to budget with any certainty. The actual year end RNSW distribution is not determined until the end of each racing season and is always going to be subject to TAB wagering and race field's income paid to Racing NSW across the year.

During the year RNSW on behalf of the Clubs signed off a new broadcast deal with Tabcorp, which included an additional one-off sign on fee, which was distributed by Racing NSW to the provincial and country clubs.

Excluding Racing NSW distributions, the Club's racing and other revenue in the past year were in line with budget and prior periods excluding bar sales, which have been trending down with a reduction in non raceday functions.

Expenditure was generally in line with budget – the major expense items are prizemoney \$4,189,108 (\$4,131,010) and Wages \$1,220,075 (\$1,081,482). The increase in the wages in part can be attributed to staffing costs for the CEO and Track Manager for a full year, where there was an extended period in the previous financial year when these roles were vacant. Jockey riding fees were comparable \$327,956 (\$322,738), with a reduction in broadcast costs \$153,534 (\$182,219) and a small saving in power costs \$134,036 (\$143,745). Legal costs were significantly less, \$8,890 (\$61,199).

During the year the Board also disposed of its investment in Man Series shares which realised \$179,560 and generated a profit on the sale of \$41,595.

Financially the club is in a much stronger position that a couple of years ago, with sufficient cash reserves to ensure that a sudden reduction in Racing NSW funding would not compromise the business in the short term. The club remains focussed on managing its costs and maximising its race day returns. Long term the challenge remains to make greater use of the facilities and develop new revenue streams.



**David Jewell**  
Chief Executive

## 2014-15 RACING REPORT

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

In a year where all of the other Provincial Racing Club's lost one or more of their race days due to bad weather and tracking conditions, Wyong was able to schedule and run all of its meetings and races – which in part is testimony to the overall performance of the Wyong track or the past year, as well as a little bit of luck with the weather and timing of our meetings.

Wyong achieved the second highest average starter ratio of the five Provincial Clubs last season – with an average of 9.32 starters across 172 races – just behind Newcastle (9.36av) and ahead of Illawarra (9.25), Hawkesbury (9.19) and Gosford (9.01) which was a pleasing result.

### FEATURE RACE RESULTS:

#### **2015 \$150,000 Carlton MID Wyong Gold Cup (Listed)**

*BEYOND THANKFUL 6yo br.g. Trained by Chris Waller and ridden by High Bowman*

#### **2015 \$100,000 Arrowfield Stud Mona Lisa Stakes (Listed)**

*VERGARA 5yo b.m. Trained by Anthony Cummings and ridden by Christian Reith*

#### **2014 \$200,000 Magic Millions Two Year Old Classic (Listed)**

*ZOUTENANT 2yo b.c. Trained by Kevin Moses and ridden by Glyn Schofield*

#### **2014 \$100,000 Wyong Magic Millions Three Year old Stakes**

*AEROBAR 3yo b.f. Trained by Gerald Ryan and ridden by James McDonald*

### **2014-15 Wyong Race Meetings Premierships**

Congratulations to the following premierships recipients –

Leading Trainer at Wyong

**Joe Pride 10 wins**

Leading Jockey at Wyong

**Brenton Avdulla 12 wins**

Leading Apprentice

**Winona Costin 10 wins**

### **LOCAL TRAINERS**

The 2014-15 racing season was another big year for our Wyong based trainers with a record 191 Wyong trained winners in NSW, which was an increase of 13 winners on the 2013-14 racing's season record tally. Wyong trained runners earned \$4.178m, with Allan Denham again being the centre's leading trainer with 37.5 winners. Kim Waugh was runner-up with 31 wins and was the most successful metropolitan trainer with eight city winners.

A special congratulation is extended to Wyong trainer Jeff Englebrecht for his success with Lady Jivago in the \$250,000 Inglis Classic at Rosehill in February, a restricted race for two years as part of the lucrative Inglis Bloodstock sales series. Lady Jivago, who cost \$14,000 as a yearling, earned her connections a \$150,000 in prize money plus a \$20,000 BOBS bonus for that win.

### **Dean Grogan**

*Racing & Operations Manager*

**Wyong Race Club Limited**

**ABN 54 943 635 817**

**Annual Report - 30 June 2015**

**Wyong Race Club Limited**  
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**30 June 2015**

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**Wyong Race Club Limited**  
**Directors' report**  
**30 June 2015**

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2015.

**Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Garry Whitaker (appointed 24 February 2015)  
Marion Langlar (appointed 24 February 2015)  
John Waghorn (appointed 24 February 2015)  
Craig Ellis (appointed 24 February 2015)  
Denis Hanley (appointed 24 February 2015)  
Andrew Paton-Smith (appointed 24 February 2015)  
Mark Waugh (appointed 24 February 2015)

**Objectives**

The objectives of the company are:

- 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 of 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.

**Strategy for achieving the objectives**

Conduct thoroughbred race meetings in accordance with the Australian Rules of Racing and licences issued by Racing NSW

Participation in the Provincial Racing Association of NSW and the local community

Promotion of the sport of thoroughbred horse racing by growing participation and interest in racing

Detailed budgeting process to ensure financial viability in future periods

The Club's policy is to support local charities and not for profit groups, in the past year these have included:

- Give Me 5 for Kids;
- Samaritans Christmas Function;
- National Jockeys Trust;
- Volunteer Rescue Association Land Usage;
- Land & Building Poultry Association;
- Central Coast Pigeon Club;
- Provision of a venue for RYDA and the Wyong Lions Club;
- Donation of race day packages to organisations including: Wyong Neighbourhood Centre, Westpac Rescue Helicopter, St Vincent De Paul's Rise to the Challenge CEO sleepout; Toowoomba Bay SLSC Charity golf day, Oriando Craig fundraiser, Central Coast Academy of Sport, Wyong Pre-school, Tuggerah Shores Lions Club, Opal Norah Head Aged Care facility, Soldiers Beach SLSC, and Wyong High School Special Education Unit.

**Principal activities**

During the financial year the principal continuing activities of the company consisted of:

- Assisting in the promotion and conduct of thoroughbred horse racing and associated training activities at Wyong.

**Operating Results**

The surplus of the company for the financial year after providing for income tax amounted to \$524,645 (2014:\$228,816 deficit) after including \$273,447 of RNSW infrastructure grants as revenue.

**Wyong Race Club Limited  
Directors' report  
30 June 2015**

**Performance measures**

- Monthly Board meetings and director subcommittee meetings as required to review financial performance, horse racing and operational activities and the development of the Club's Strategic plan;
- Continue to review returns to participants to ensure that the Wyong Race Club is both competitive and financially sustainable;
- Analyse structural and income producing growth strategies for the Club;
- Benchmark performance against similar racing entities;
- Review the investment strategy and policy of the Club; and
- Monitor the performance of the CEO including compliance, implementation of Board strategies and to ensure that the Policies and Procedures within the Club are being followed.

**Significant changes**

In February 2014 Racing NSW stood down the Board of Wyong Race Club Ltd and Mr John Rouse was appointed as a temporary administrator. Following a "show cause" hearing by Racing NSW in May 2014 and the findings issued in June 2014 by Racing NSW Mr John Rouse was confirmed as the Club's Administrator and the Board resigned their positions.

At the Club's Annual General Meeting in November 2014 Members voted to adopt a Special Resolution to Amend the Constitution (Clause 11) for the Board to be restructured to provide for four elected and three independent directors.

The four directors elected by Members at the Annual General Meeting were Mr Garry Whitaker, Mrs Marion Langlar, Mr Mark Waugh and Mr John Waghorn. The Club then advertised the three independent director positions and a special panel was appointed to select the three successful candidates. The appointment of the three independent directors – Mr Craig Ellis, Mr Denis Hanley and Mr Andrew Paton-Smith was confirmed by Racing NSW in February 2015.

The Wyong Race Club Board met with the Administrator for the first time on 24 February, 2015. At that meeting Mr Rouse stood down as the Administrator and the Board took control. The Board elected Mr Garry Whitaker as its chairman at that meeting with Mrs Marion Langlar elected as Vice President. The Wyong Board has been meeting regularly since that time.

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 requested funding from Racing NSW for the following items:

- construction of an equine swimming pool;
- replacement of course irrigation system; and
- replacement of sand training tracks.

These are currently being constructed and project managed for completion in the 2015-16 financial year.

**Environmental issues**

The Directors believe 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.

**Wyong Race Club Limited  
Directors' report  
30 June 2015**

**Indemnifying officer or auditor**

During the year, the company effected 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**

Name:	Garry Whitaker
Title:	Director
Experience and expertise:	Consultant
Name:	Marion Langlar
Title:	Director
Experience and expertise:	Retired (Company Director)
Name:	John Waghorn
Title:	Director
Experience and expertise:	Management Consultant
Name:	Craig Ellis
Title:	Director
Qualifications:	B.Sc, MBA, Grad Dip ACG, AGIA, ACI's, MAICD
Experience and expertise:	Golf Club General Manager
Name:	Denis Hanley
Title:	Director
Qualifications:	AM, FAICD, FCPA, MBA
Experience and expertise:	Company Director
Name:	Andrew Paton-Smith
Title:	Director
Qualifications:	AFAIM, MBT, BA (Hons)
Experience and expertise:	Company Director
Name:	Mark Waugh
Title:	Director
Qualifications:	AM
Experience and expertise:	Cricket Australia Selector/ Sports Commentator

**Wyong Race Club Limited**  
**Directors' report**  
**30 June 2015**

**Meetings of directors**

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Attended	Held
Garry Whitaker	6	6
Marion Langlar	5	6
John Waghorn	5	6
Craig Ellis	6	6
Denis Hanley	6	6
Andrew Paton-Smith	6	6
Mark Waugh	5	6

Held: represents the number of meetings held during the time the director held office.

**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 the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

Garry Whitaker  
Director

29 September 2015

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**INDEPENDENT AUDITOR'S DECLARATION  
TO THE MEMBERS OF WYONG RACE CLUB LIMITED**

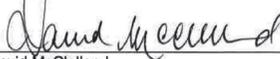
We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2015, there have been:

- (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 Ltd  
Chartered Accountants

**Name of Registered Company Auditor**

  
David McClelland

**Auditor's Registration No.**

431227

**Address**

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated 29 September 2015**



CHARTERED ACCOUNTANTS  
AUSTRALIA - NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION





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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYONG RACE CLUB LIMITED

#### Report on the Financial Report

We have audited the accompanying financial report of Wyong Race Club Limited which comprises the statement of financial position as at 30 June 2015, statement of profit or loss and comprehensive Income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

#### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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.

#### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



CHARTERED ACCOUNTANTS  
AUSTRALIA - NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION





**Auditors' Opinion**

In our opinion:

- (a) the financial report of Wyong Race Club Limited 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 2015 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 Ltd  
Chartered Accountants

**Name of Registered Company Auditor**

  
\_\_\_\_\_  
David McClelland

**Auditor's Registration No.**

431227

**Address**

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated 29 September 2015**

# ANNUAL REPORT 2014-2015

**Wyong Race Club Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>Revenue</b>	4	9,529,265	9,068,415
Racing NSW infrastructure revenue	5	273,447	-
<b>Expenses</b>			
Consultancy expenses		(35,130)	(48,966)
Race day production		(81,538)	(88,413)
Conference, seminars and training		(11,071)	(9,151)
Payroll tax		(36,057)	(42,980)
Fringe benefits tax		(7,166)	(15,915)
Race day packages and lunch vouchers		(91,359)	(103,183)
Race day sponsorship		(132,106)	(105,230)
Legal expenses		(8,890)	(61,199)
Security costs		(53,667)	(40,315)
Telecasting expenses		(153,524)	(182,219)
Cost of goods sold		(128,801)	(146,814)
Advertising expenses		(69,305)	(85,860)
Auditor's remuneration		(20,564)	(35,450)
Bad and doubtful debts expenses		3,783	(2,577)
Employee benefits expense		(1,514,198)	(1,350,172)
Barrier trial fees		(121,102)	(103,799)
Depreciation and amortisation expense		(713,779)	(749,219)
Ambulance expenses		(68,983)	(76,971)
Utilities expenses		(221,362)	(239,657)
Directors' expenses		(379)	(645)
Loss on sale of fixed assets		(45,750)	(47,047)
Insurance		(338,365)	(342,450)
Jockeys riding fees		(327,956)	(322,738)
Prize money		(4,189,108)	(4,131,010)
Entertainment expenses		(78,447)	(73,154)
Promotions		(63,978)	(65,297)
Repairs and maintenance expenses		(333,974)	(344,830)
Fair value change on shares		41,595	(4,118)
Other expenses		(476,886)	(476,398)
Finance costs		-	(1,454)
<b>Surplus/(deficit) before income tax expense</b>		<b>524,645</b>	<b>(228,816)</b>
Income tax expense		-	-
<b>Surplus/(deficit) after income tax expense for the year attributable to the members of Wyong Race Club Limited</b>	25	<b>524,645</b>	<b>(228,816)</b>
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year attributable to the members of Wyong Race Club Limited</b>		<b>524,645</b>	<b>(228,816)</b>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Wyong Race Club Limited**  
**Statement of financial position**  
**As at 30 June 2015**

	Note	2015 \$	2014 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,064,083	319,375
Trade and other receivables	7	2,083,287	1,647,229
Inventories	8	26,699	44,777
Financial assets		-	139,940
Total current assets		<u>3,174,069</u>	<u>2,151,321</u>
<b>Non-current assets</b>			
Financial assets		15,820	19,262
Investment properties		255,599	257,924
Property, plant and equipment	11	9,908,868	9,949,567
Total non-current assets		<u>10,180,287</u>	<u>10,226,753</u>
<b>Total assets</b>		<u>13,354,356</u>	<u>12,378,074</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	905,463	498,073
Borrowings	16	4,885	2,129
Employee benefits	17	128,116	90,008
Total current liabilities		<u>1,038,464</u>	<u>590,210</u>
<b>Non-current liabilities</b>			
Employee benefits	21	24,308	20,925
Total non-current liabilities		<u>24,308</u>	<u>20,925</u>
<b>Total liabilities</b>		<u>1,062,772</u>	<u>611,135</u>
<b>Net assets</b>		<u>12,291,584</u>	<u>11,766,939</u>
<b>Equity</b>			
Retained surpluses	25	12,291,584	11,766,939
<b>Total equity</b>		<u>12,291,584</u>	<u>11,766,939</u>

The above statement of financial position should be read in conjunction with the accompanying notes

# ANNUAL REPORT 2014-2015

**Wyong Race Club Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2015**

	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2013	11,995,755	11,995,755
Deficit after income tax expense for the year	(228,816)	(228,816)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(228,816)</u>	<u>(228,816)</u>
Balance at 30 June 2014	<u>11,766,939</u>	<u>11,766,939</u>
	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2014	11,766,939	11,766,939
Surplus after income tax expense for the year	524,645	524,645
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>524,645</u>	<u>524,645</u>
Balance at 30 June 2015	<u>12,291,584</u>	<u>12,291,584</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Wyong Race Club Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2015**

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		9,987,591	9,774,941
Payments to suppliers and employees (inclusive of GST)		<u>(8,723,473)</u>	<u>(9,314,055)</u>
Interest received		1,264,118	460,886
Interest and other finance costs paid		15,771	9,111
		<u>-</u>	<u>(1,454)</u>
Net cash from operating activities	28	<u>1,279,889</u>	<u>468,543</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(714,741)	(203,757)
Proceeds from disposal of financial assets		179,560	-
Proceeds from disposal of property, plant and equipment		<u>-</u>	<u>12,406</u>
Net cash used in investing activities		<u>(535,181)</u>	<u>(191,351)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		<u>-</u>	<u>(101,444)</u>
Net cash used in financing activities		<u>-</u>	<u>(101,444)</u>
Net increase in cash and cash equivalents		744,708	175,748
Cash and cash equivalents at the beginning of the financial year		<u>319,375</u>	<u>143,627</u>
Cash and cash equivalents at the end of the financial year	6	<u>1,064,083</u>	<u>319,375</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 1. General information**

The financial statements cover Wyong Race Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Wyong Race Club Limited's functional and presentation currency.

Wyong Race Club Limited is a not-for-profit unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2015. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

*Sale of goods*

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

*Racing NSW distributions*

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

*Membership fees*

Membership revenue is recognised when it is received or when the right to receive payment is established.

*Commission revenue*

Commission revenue is recognised when it is received or when the right to receive payment is established.

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 2. Significant accounting policies (continued)**

*Interest revenue*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Rent*

Rent revenue from investment properties is recognised on a straight-line basis over the lease term.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Income tax**

The company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

**Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 2. Significant accounting policies (continued)**

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

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

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

*Impairment of financial assets*

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

**Investment properties**

Investment properties principally comprise of freehold land and buildings held for long-term rental and capital appreciation that are not occupied by the company. Investment properties are initially recognised at cost, including transaction costs, and are subsequently remeasured every 3-5 years at fair value. Movements in fair value are recognised directly to profit or loss.

Investment properties are derecognised when disposed of or when there is no future economic benefit expected.

Transfers to and from investment properties to property, plant and equipment are determined by a change in use of owner-occupation. The fair value on the date of change of use from investment properties to property, plant and equipment are used as deemed cost for the subsequent accounting. The existing carrying amount of property, plant and equipment is used for the subsequent accounting cost of investment properties on the date of change of use.

**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.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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.

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 2. Significant accounting policies (continued)**

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The depreciation rates used for each class of depreciable assets are:

Buildings improvements	5 - 40%
Grandstand	2.5%
Plant and equipment	10-40%
Motor vehicles	10-20%
Ground improvements	2.5 - 20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for long service leave not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 2. Significant accounting policies (continued)**

*Superannuation*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Continued viability of Wyong Race Club*

Racing NSW has ultimate control over the allocation of race meetings to be held at Wyong Race Club and this affects the performance of the Club. The Club is committed to conducting thoroughbred race meetings.

*Economic dependence*

The company is dependent upon the ongoing funding from Racing NSW to ensure continued operations.

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Racing NSW interminable loan*

Beginning from October 1974 to this year, 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 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 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 \$5,609,067 (which includes \$273,447 received to 30 June 2015) 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 for the grandstand development.

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.

*Provision for impairment of inventories*

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Impairment of non-financial assets*

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

# ANNUAL REPORT 2014-2015

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 4. Revenue**

	2015 \$	2014 \$
<i>Revenue</i>		
Bar revenue	334,997	403,462
Advertising rights	-	22,250
Racing income	8,721,931	8,075,446
Rental income - investment property	16,014	16,190
Rental income - meetings, functions and stables	349,754	295,596
RNSW on course turnover incentive	33,925	50,960
PGI income	-	157,205
	<u>9,456,621</u>	<u>9,021,109</u>
<i>Other revenue</i>		
Dividend revenue	-	134
Interest revenue	15,771	14,715
Other revenue	56,873	32,457
	<u>72,644</u>	<u>47,306</u>
Revenue	<u>9,529,265</u>	<u>9,068,415</u>

**Note 5. Racing NSW infrastructure revenue**

	2015 \$	2014 \$
Racing NSW - infrastructure revenue	<u>273,447</u>	<u>-</u>

**Note 6. Current assets - cash and cash equivalents**

	2015 \$	2014 \$
Cash on hand	6,060	7,260
Cash at bank	1,058,023	312,115
	<u>1,064,083</u>	<u>319,375</u>

**Note 7. Current assets - trade and other receivables**

	2015 \$	2014 \$
Trade debtors	498,386	223,129
Less: Provision for impairment	-	(3,783)
	<u>498,386</u>	<u>219,346</u>
Other debtors	1,584,901	1,371,265
BAS receivable	-	56,618
	<u>2,083,287</u>	<u>1,647,229</u>

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 8. Current assets - inventories**

	2015 \$	2014 \$
Stock on hand - at cost	<u>26,699</u>	<u>44,777</u>

**Note 9. Current assets - financial assets**

	2015 \$	2014 \$
Man Series shares held at fair value through profit and loss	<u>-</u>	<u>139,940</u>

**Note 10. Non-current assets - financial assets**

	2015 \$	2014 \$
Wyong Town Financial Services shares held at cost	5,000	5,000
BT Portfolio Wrap held at fair value through profit and loss	<u>10,820</u>	<u>14,262</u>
	<u>15,820</u>	<u>19,262</u>

**Note 11. Non-current assets - investment properties**

	2015 \$	2014 \$
69 Howarth Street - at cost	280,131	280,131
Less: Accumulated depreciation	<u>(24,532)</u>	<u>(22,207)</u>
	<u>255,599</u>	<u>257,924</u>

*Reconciliation*

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	257,924	260,297
Depreciation expense	<u>(2,325)</u>	<u>(2,373)</u>
Closing fair value	<u>255,599</u>	<u>257,924</u>

*Valuations of investment properties*

The basis of the valuation of investment properties is at cost.

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 12. Non-current assets - property, plant and equipment**

	2015 \$	2014 \$
Freehold land - at cost	<u>298,803</u>	<u>298,803</u>
Building improvements - at cost	5,321,493	4,914,321
Less: Accumulated depreciation	<u>(2,198,377)</u>	<u>(1,988,488)</u>
	<u>3,123,116</u>	<u>2,925,833</u>
Land improvements - at cost	3,291,088	3,269,948
Less: Accumulated depreciation	<u>(323,787)</u>	<u>(264,798)</u>
	<u>2,967,301</u>	<u>3,005,150</u>
Plant and equipment - at cost	4,298,570	4,320,190
Less: Accumulated depreciation	<u>(3,688,990)</u>	<u>(3,615,883)</u>
	<u>609,580</u>	<u>704,307</u>
Motor vehicles - at cost	185,048	132,880
Less: Accumulated depreciation	<u>(115,571)</u>	<u>(96,741)</u>
	<u>69,477</u>	<u>36,139</u>
Grandstand - at cost	5,630,964	5,565,911
Less: Accumulated depreciation	<u>(3,337,658)</u>	<u>(3,182,672)</u>
	<u>2,293,306</u>	<u>2,383,239</u>
Ground Improvements - at cost	949,372	946,499
Less: Accumulated depreciation	<u>(402,087)</u>	<u>(350,403)</u>
	<u>547,285</u>	<u>596,096</u>
	<u><u>9,908,868</u></u>	<u><u>9,949,567</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and land improvements \$	Grandstand and building improvements \$	Plant, equipment and motor vehicles \$	Ground improvements \$	Total \$
Balance at 1 July 2014	3,303,953	5,309,072	740,446	596,096	9,949,567
Additions	23,315	506,080	157,032	28,312	714,739
Disposals	-	(14,852)	(21,596)	(7,537)	(43,985)
Depreciation expense	<u>(61,164)</u>	<u>(383,877)</u>	<u>(196,826)</u>	<u>(69,586)</u>	<u>(711,453)</u>
Balance at 30 June 2015	<u><u>3,266,104</u></u>	<u><u>5,416,423</u></u>	<u><u>679,056</u></u>	<u><u>547,285</u></u>	<u><u>9,908,868</u></u>

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 13. Current liabilities - trade and other payables**

	2015 \$	2014 \$
Trade Creditors	642,336	317,418
BAS payable	106,141	-
Other Creditors	156,986	180,655
	<u>905,463</u>	<u>498,073</u>

**Note 14. Current liabilities - borrowings**

	2015 \$	2014 \$
Credit card	4,885	2,129
	<u>4,885</u>	<u>2,129</u>

**Note 15. Current liabilities - employee benefits**

	2015 \$	2014 \$
Annual leave	82,700	54,571
Long service leave	45,416	35,437
	<u>128,116</u>	<u>90,008</u>

**Note 16. Non-current liabilities - employee benefits**

	2015 \$	2014 \$
Long service leave	24,308	20,925
	<u>24,308</u>	<u>20,925</u>

**Note 17. Equity - retained surpluses**

	2015 \$	2014 \$
Retained surpluses at the beginning of the financial year	11,766,939	11,995,755
Surplus/(deficit) after income tax expense for the year	524,645	(228,816)
Retained surpluses at the end of the financial year	<u>12,291,584</u>	<u>11,766,939</u>

**Note 18. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to directors and other members of key management personnel of the company is set out below:

	2015 \$	2014 \$
Aggregate compensation	276,373	331,729
	<u>276,373</u>	<u>331,729</u>

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 18. Key management personnel disclosures (continued)**

	2015 \$	2014 \$
<b>Directors compensation</b>		
Garry Whitaker	NIL	-
Marion Langlar	NIL	-
John Waghorn	NIL	-
Craig Ellis	NIL	-
Denis Hanley	NIL	-
Andrew Paton-Smith	NIL	-
Mark Waugh	NIL	-
	-	-
	-	-

**Note 19. Contingent liabilities**

Estimates of the potential financial effect of contingent liabilities that may become payable:

**Contingent liabilities**

**Racing NSW loan**

Beginning from October 1974 to this year, 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 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 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 \$5,609,067 (which includes \$273,447 received to 30 June 2015) 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 for the grandstand development.

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.

	2015 \$	2014 \$
Wyong Race Club Limited is determined to continue thoroughbred racing at Wyong and carry out its racing activities in such a manner as to ensure the financial stability of the Wyong Race Club.	(5,609,067)	(5,335,620)
	(5,609,067)	(5,335,620)

**Note 20. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 18.

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 20. Related party transactions (continued)**

*Transactions with related parties*

The following transactions occurred with related parties:

	2015 \$	2014 \$
Other transactions:		
Rod Wicks is Director of Aubrey Brown Partners Pty Ltd, the company's solicitors. The total value spent with Aubrey Brown partners was	-	473
Ken Vaughan is Director of Lakes Printers Pty Ltd, who provides printing and stationary services to the company including all race book printing. The total value spent with Lakes Printers was	-	7,530
Steve Hart provided photography services to the company for marketing, website and advertising use for the 2013 Wyong Gold Cup	-	1,650
Stuart Clancy is a Director of Altona Electrics Pty Ltd who supplies services as well as electrical contract work for various capital projects: -General repairs	-	1,524
-Stuart Clancy prepared for the Wyong Gold Cup 2013 (includes equipment purchased for the company)	-	6,946
John McDoanld is a Director of Water to Go which supplies water to the company. The total spent with Water to Go was:	-	205
David Jewell, CEO, purchased a motor vehicle from the company at market value	-	13,644
Directors share equally in refreshments after board meetings	-	200
Directors share equally in food and beverage during the Gold Cup Carnival.	-	300

*Receivable from and payable to related parties*

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 21. Events after the reporting period**

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Wyong Race Club Limited**  
**Directors' declaration**  
**30 June 2015**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



---

Garry Whitaker  
Director

29 September 2015







**WYONG RACE CLUB LTD**

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