

PATRON:

R. Graham

LIFE MEMBERS:

Mrs G. O'Sullivan Mrs J. Smith Mrs J. Langbridge J. Wilkinson

DIRECTORS:

Garry Whitaker (Chairman) Marion Langlar (Vice Chair) Craig Ellis Denis Hanley Andrew Paton-Smith John Waghorn Mark Waugh

CHIEF EXECUTIVE: D. M. Jewell

Racing & Operations Manager: D Grogan

Track Manager: C Allen

Finance Manager: E Fitzgerald

Membership Administration: K McAlister

Sales & Marketing: B Nichols

Wyong Race Club Limited

71 Howarth Street, Wyong, NSW 2259 PO Box 28 Wyong, NSW 2259

Phone: (02) 4352 1083

Email: info@wyongraceclub.com.au Website: **www.wyongraceclub.com.au**











NOTICE OF 2016 ANNUAL GENERAL MEETING

NOTICE IS HERBY GIVEN THAT: The 2016 Annual General Meeting of Wyong Race Club Limited will be held on Monday 14 November 2016 in the Magic Millions Lounge (middle floor), 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 2015 Annual General Meeting.
- 2. Receive & consider Annual Financial Report for year ended 30 June 2016 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. Election of One Board member.

WRC elected Board Member Mark Waugh retires by rotation in accordance with the current rules and being eligible will be offering himself for re-election.

Please note - the other three elected directors and the three appointed directors do not come up for re-election this year.

4. 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."
- 5. Appoint the Auditor for the ensuing year.
- 6. Election of Patron.
- 7. 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.

NOTICE OF 2016 ANNUAL GENERAL MEETING cont

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 28 October 2016.** Nomination forms are available from the Club's Office during normal business hours.

The 2016 Annual Report will be posted to all financial Members on or before 20 October 2016 in accordance with the Rules.

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 by close of business 28 October, 2016.
- c) A list of such nominations, with proposer's and seconder's names, shall be posted at the 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, not later than Thursday 3 November 2016.

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 4pm Thursday 10 November 2016.





CHAIRMAN'S REPORT TO MEMBERS

Wyong Race Club has had a very successful 12 months on all fronts. In my report this year I will firstly revisit our corporate vision, and then show how our activities over the past year are contributing to the achievement of those long term goals.

As advised at last year's Annual General Meeting your Board has established a vision for the Club, "to be a Racing and Training Centre of Excellence, incorporating high quality Member and community facilities". While we recognise that there is still a considerable amount of work ahead of us, the Board and the management team are committed to this vision, and have been steadily working towards its fulfilment.

The key to our long term success will be the delivery of our major goals and objectives, as set out in the Business plan signed off by the Board during the year:

- Growing the business through developing the facilities, meeting customer and industry stakeholder expectations and consistently delivering a high class racing product on and off the track.
- Building a strong leadership team through sound management and effective governance
- Engagement and alignment with all racing industry stakeholders working proactively with Racing NSW and all sectors of the industry.
- Grow membership and race day attendance by developing our brand and the oncourse experience.
- Meet and exceed industry KPI's become the benchmark for Provincial Racing Clubs in NSW
- 12 month calendar of events by looking at all options outside of our core activities to maximise use of the clubs extensive facilities year-round.
- Reinvest in facilities both racing and non-racing to create new revenue streams developing and implementing a well thought out master plan that meets the club's future needs.
- Continue to enhance the race-day offer and customer experience by raising community awareness
 of the Racing Club, better understanding our customer's expectations and consistently working to
 exceed their needs.
- Deliver first class training facilities ensure the maintenance and presentation of the training facilities consistently delivers a superior operational environment, that is at least consistent with RNSW guidelines and ideally surpasses trainers requirements.
- Unlock the unrealised asset value of the facility investigate and implement innovative strategies
 that will maximise the use of the venue long term. Invest in new facilities that both add value to the
 business and increase in club revenues.

Capital Investments

Over the past 12 months we have invested \$1.774m on a schedule of major works which we expect will pay dividends to the Club for many years to come. The capital work undertaken includes:

- \$338,000 to complete the new horse pool (total cost of the horse pool was just over \$800,000)
- \$524,000 on new submersible pumps and course proper irrigation system
- \$360,000 on installation of the new 82sgm infield video screen
- \$103,000 building new female jockey changing rooms

Other capital investments completed by the Club, include:

- extending the walk-off track for trainers to improve safety for both horses and riders in the early morning
- replacing part of the Howarth Street boundary fence
- development of the new marquee site alongside the pool
- purchase of a new Holden Colorado work vehicle

CHAIRMAN'S REPORT TO MEMBERS cont

Horse Pool and Irrigation

We are indebted to the Racing NSW Board for their significant funding support towards the horse pool (\$650,000) and the new irrigation system (\$450,000).

We now have between 1100-1200 horses using the pool each month and, as we anticipated, the availability of a pool is proving to be a tremendous asset for the thoroughbred training side of our business.

We do not have a great deal to actually "see" for the \$524,000 investment on the new submersible pumps and course proper irrigation system, as most of this infrastructure is below the ground. However, we are confident that the improved presentation of the track thanks to the state of the art computer controlled irrigation system will prove to be one of the best spends we have made.

The investment in the horse pool, enhancements to the training tracks, the new irrigation system and the commendable work being done by our Track Manager, Chris Allen and his team in the presentation of both the course proper, as well as the training tracks and grounds, is testimony to the efforts being made to enhance Wyong's reputation as a Racing and Training Centre of Excellence.

Female Jockey Room and Big Screen

Work done on the female jockey facilities enables us to properly accommodate the growing numbers of talented women competing in the riding ranks, and I'm sure every member and racegoer will agree with me that the new screen has significantly enhanced the oncourse racing experience at Wyong. The screen has also proved very popular with our sponsors, through the prominent promotion of their branding alongside their races.

Members Lounge Refurbishment and Permanent Marquee

Of course, the capital works programme has not stopped. In fact, the Board is just getting started.

Given our strong financial result the Board signed off on the refurbishment of the middle floor Members Lounge and the purchase of a permanent marquee. These two projects, costing around \$560,000 in total, will be accounted for in the new 2016-17 financial year.

The refurbished middle floor was unveiled just in time for our recent Wyong Gold Cup carnival and has met with very favourable comments from both members and owners. The upgraded cafeteria area, new lounge seating, carpets, new televisions, painting and lighting has created a much brighter and more welcoming environment for patrons on race day, where previously the lounge was quite dark and uninviting.

The Club is also making a significant investment in the new marquee, which was imported from Germany. Due to a delay is obtaining the Council Development Application consents we were not able to install the concrete slab in time for Cup week. We were able, however, to set up the new marquee on a temporary basis for Ladies Day and Cup Day, and we will now proceed to have the new slab and decking constructed after which the marquee will become a permanent feature. The new marquee will provide the club with the opportunity to attract larger race day and non-race day functions and events here in the future.

Non-Racing Initiatives

Long term financial sustainability means more than just excellence in racing and so the Board is also investigating opportunities to make better use of the racecourse facilities.

As our first non-racing initiative, the Club has entered into a new long term contract to have a Farmers Market operating here twice each month, delivering not only a new revenue stream, but raising awareness of our facilities in the local community. We have also held a number of meetings with the new Central Coast Council, and other interested parties, as we work through the early stages of putting in place a long term master plan for the venue.

Financial Outcomes

Members will probably be aware of Roads and Maritime Plans to upgrade the Pacific Highway through the Wyong town centre as well as major parking changes planned around the Wyong station. These developments should provide new opportunities for the Racing Club as the highway intersection is upgraded and traffic flow improved.

As part of this future development the Club was approached by RMS and agreed to sell a residential property we owned at 69 Howarth Street and a small parcel of land alongside. The sale of this property, which realised almost \$500,000, has been used by the Board to help fund the recent capital projects.

The \$231,844 profit on the sale of the house and land contributed to the strong financial result for the year, with the Club posting a \$1.112m profit inclusive of the \$834,053 Racing NSW capital grants.

Excluding the grant monies, the Club has reported a \$278,760 operational profit after providing for \$817,000 in depreciation. The CEO will go into more details of the result in his financial report, however it is important to note that the Club is in a strong financial position with no debt and upwards of \$2m cash in the bank at this time.

From an industry perspective this has also been a very successful year, with Racing NSW able to inject more than \$20m into prizemoney across Provincial and Country NSW Racing Clubs as a result of changes to tax structure introduced by the NSW State Government last year.

Close

In closing I would like to take this opportunity to acknowledge the efforts of my fellow Board members. When I gave my report last year we had only been in the job a few months and we were all on quite a steep learning curve. I am personally very pleased to have been a part of this exciting year and look forward to the Club's continuing success. I thank my fellow directors for their enthusiasm and positive contribution, and on the excellent progress that has been achieved over the past 12 months.

I also want to acknowledge and congratulate our Chief Executive David Jewell and all of his team on their hard work. David was recently elected Chairman of the Provincial Racing Association of Clubs and is their representative on the Racing Industry Consultative Group Board, which meets monthly with Racing NSW, positions that reflect favourably on both David's standing amongst his peers and our Club.

Best regards to all for the coming year, and happy racing!

delles.

Garry Whitaker Chairman, Wyong Race Club

CHIEF EXECUTIVE'S REPORT

In 2015-16 the Wyong Race Club has successfully undertaken a number of major projects and enjoyed a busy and rewarding racing year.

As highlighted to Members at last year's Annual General Meeting, after a year of what I loosely described as being a period of "caretaker management" with the new Board appointments confirmed in March 2015, I was looking forward to getting on with the business of rebuilding Wyong as one of Australia's premier Provincial Racing Clubs.

I am pleased to report that it has been an exciting 12 months and take this opportunity to acknowledge the ongoing support from Members.

We set ourselves a somewhat ambitious goal of increasing membership by 50% during the year. While we achieved our target by having 157 new members join the Club during the year, with resignations and retirements total membership increased from 298 to 425 (net 42% rise), which was still a remarkable result.

The ongoing retention of Members, together with continuing to increase our Membership base is a key strategy for the Club.

The recent improvements to the middle floor Lounge has been welcomed by members and owners and is the first stage of an ongoing plan to upgrade our facilities.

The provision of the new 82sqm infield big screen installed by the Club last March further enhanced the members' and racegoers viewing experience at Wyong.

It has been pleasing to see members taking advantage of the 10% discounted drinks option available across all race meetings. The Club has also extended its member discount pricing to include virtually all of the race day hospitality packages offered throughout the year.

Regular communication utilising our Property Market Members' newsletters and regular email updates has ensured that our membership have been kept better informed. For those Members who follow us on social media, the Club has been very active posting regular updates on its Facebook page and news articles and other information on our website www.wyongraceclub.com.au. Social media is a powerful and cost effective way for the Club to promote its activities.

During the recent Gold Cup carnival a promotion on Facebook to win free tickets to the Star 104.5 Marquee on Ladies Day reached over 21,000 people on the Central Coast, with more than 1000 engagements. Our Central Coast Holden Fashion on the Field competition promotion reached 5,948 potential customers, while another Cup carnival post was seen by 10,956 people.

Facility upgrades

The Club has made a significant investment in upgrading our facilities during the past year.

The Wyong horse pool was completed last November – an average of 1160 horses per month have been using the pool since it opened.

The new course proper pump and irrigation system was completed in March at a cost of \$524,000 ensuring our tracks could be better maintained throughout the year.

Another big ticket item was the construction of new change room facilities for the female jockeys, which was long overdue.

The ongoing upgrade of our track and training facilities remains a high priority. The extension of the walkoff area inside the sand tracks completed earlier this year at a cost of \$34,800 has helped reduce the risks to horses coming off the tracks in the morning after they have galloped. More recently the Club has installed a new set of covered horse scales alongside the tie-up stalls so that trainers can better monitor their horses' weight and fitness and we have extended the eaves on the tie-up stalls to provide better protection from the elements for both horses and attendants.

The Club also purchased a new work vehicle for the Track Manager and built the new marquee area alongside the pool. There has also been a focus on repairs and maintenance of the grounds, which is an ongoing expense. I would like to take this opportunity to acknowledge the impressive efforts of Marcus and Kylie McAlister, who are responsible for the superb presentation of the gardens, which they work tirelessly on maintaining for the Club most weekends.

Daily maintenance of the training tracks continues to be the main priority for the Club track staff. While the majority of the historic problems experienced with the sand tracks have been addressed, there are still some issues with the design and construction of the training tracks, which the club needs to remedy. There has been a number of discussions with Racing NSW officials about the long term plans for Wyong's training centre, particularly given the suggestion that Gosford Racing Club may close down its training operation.

Wyong is currently operating at near capacity with 240 horses in work. At present there is no available stabling to accommodate any additional horses and we have a waiting list of trainers wanting more boxes on course. Our training tracks, with no "B" grass training track available, are also under pressure. With no scope to build a grass training track, the Club is investigating various long term options to upgrade its training facilities, including the installation of a synthetic type training track, such as a ProRide surface, which is costly to install but requires less daily maintenance and provides safer, more consistent footing for fast gallops.

One of the impediments to building a ProRide type is minimising the flood risk to our training tracks. We are investigating how this can be resolved with our engineers and the Board will be making application to RNSW for funding for a synthetic training track in the near future.

Racing NSW

The opportunities for industry participants in NSW has never been better in terms of increased returns to stakeholders.

In recent months minimum prizemoney for all races at Wyong increased from \$22,000 a race to \$27,000 in July. From 1 October stakes will further rise to \$30,000. The \$8000 (36%) prize money increase is available for all Provincial race days and was part of a RNSW package that included an increase to \$20,000 for all Country racing and \$100,000 minimums for all Saturday Sydney meetings.

Across some 174 races at Wyong over the next year the increase from \$22,000 to \$30,000 represents a \$1.392 million injection in prizemoney to be shared by owners, trainers and jockeys.

The announcement by RNSW Chairman John Messara in September of a range of exciting new initiatives, including the establishment of a \$2m horse welfare fund, represents an investment by Racing NSW of more than \$53 million in the industry in the past 12 months since changes around achieving tax parity and race fields' fee structure has been achieved.

In 2012 total NSW prizemoney was \$118.9 million. With the latest announcements prizemoney will increase to \$204 million in the coming 12 months – a massive \$85m (72%) rise.

The Board of Racing NSW and its Chief Executive Peter V'landys are to be congratulated on what they have achieved over the past couple of years. Prizemoney increases, investment in track and training

CHIEF EXECUTIVE'S REPORT cont

facilities, the establishment of the horse welfare fund and new employment opportunities, which will see some 20 Clubs, including Wyong being supported to take on a new trainee track staff person. RNSW will fund 50% of the trainee's wages over the next three years.

Sponsors

The Club appreciates the ongoing generous assistance we receive from all of our sponsors and I would encourage Members, where possible, to reciprocate by supporting our sponsors when doing business.

Carlton United Breweries along with Magic Millions are our two major sponsors and we thank them for their support in not only helping to fund the \$160,000 Carlton MID Wyong Gold Cup and the \$200,000 Magic Millions Wyong 2YO Classic, but also their additional support in hosting their clients here on their race days. This year CUB had almost 400 guests in their marquee on Cup day, many travelling on a private train from Sydney organised by CUB. Despite a very wet Cup Day the atmosphere on track and in particular the CUB marquee was fantastic.

Cup Day was again fully sponsored and we welcomed Winning Appliances, from Sydney, as a new partner of the Club and thank them for their support of the \$120,000 Winning Appliances Mona Lisa Stakes. We had a number of new sponsors involved this past year including local real estate company The Property Market, the Wyong Chamber of Commerce and Turfcare. The majority of our race days are now fully sponsored, but we would welcome enquiries from any firm or individual interested in becoming involved as a supporting race or a race day sponsor in the future.

Future plans

The Club has recently appointed Bronwyn Nichols to the new position of Sales and Marketing with a brief to grow the club's raceday and non raceday revenues. We have a superb venue here, which we are looking to develop with upgrades to our facilities and we need to be maximising the income we can generate outside of our 22 race days each season.

In May this year the Farmers Market, which previously operated at The Entrance, relocated to Wyong racecourse. The markets are held on the first and third Saturdays of each month and are regularly attracting good sized crowds. The extensive car parking areas, covered betting ring and park like grounds are ideal for an activity such as the markets and we look forward to working with them to grow their business here.

As part of its strategy to unlock the unrealised asset value of the venue the Board is exploring a number of long term options to secure future revenues for the Club. We will shortly be advertising for a Commercial Manager to join the management team to work on this project.

During the year John Knight, who was the Payroll and Accounts Manager, retired having worked for the Club for some six years. Rob Guimelli, the Club's Financial Controller, also left this year. The Club has appointed Emma Fitzgerald, who had previously worked part time and assisted us in the race day office, to oversee our accounting and financial functions.

I would also like to acknowledge the efforts of both Dean Grogan and Kylie McAlister, who have both been with the Club sometime and thank them for their ongoing support. Chris Allen, the Club's Track Manager and his team including Phillip Robinson, his new 2IC, have done an outstanding job maintaining our racing and training tracks throughout the year. It would be remiss of me not to also acknowledge the significant contribution Lloyd Hunt, our Buildings and Maintenance Manager, has made this year having overseen the construction of the horse pool, the installation of both the irrigation system and new screen and more recently the refurbishment of middle floor lounge.

Financial

The Club's financial position has improved markedly in the past two years, as can be seen by the cash position – which stood at \$1.865m at 30 June, 2016 compared with just \$319,000 at the same time in June 2014.

The significant (\$1.5m) improvement in our financial position has been achieved despite investing some \$940,000 of our own funds as part of a \$1.77m investment in capital assets in the last financial year. Racing NSW contributed \$834,053 towards the capital costs of both the horse pool and the new irrigation system during the year, with the club funding the balance of those costs, plus the new video screen, upgrade in the jockey's room and the other capital projects that have been completed.

In the 2015-16 financial year to 30 June, 2016 the Club has reported a total profit of \$1,112,812 inclusive of the \$834,053 in Racing NSW capital grants.

Excluding the Racing NSW grants, the club has achieved a very satisfactory operating profit for the year of \$278,759 after providing for \$817,532 of depreciation and after taking into account a write down of \$187,649 where the Board took the opportunity to write-off the several redundant asset items including the old video and semaphore screens (\$61,140), the masterplan previously commissioned by the club to reconstruct the racecourse (\$66,295), an acid management report (\$28,691) along with a several other items.

While the profit makes for very positive reading, there were several one off items which significantly contributed to this result including prizemoney savings from the abandonment of the January race meeting, the \$231,844 profit on the sale of the Howarth Street property and some additional funding from Racing NSW.

Members should note that the Club had budgeted for an operational loss of \$217,000 last season (after depreciation) and the budget for the 2016-17 is for a loss of around \$121,000, although the Board will be looking to achieve a break even or nominal profit after depreciation is taken into account.

The bulk of the Club's revenue is generated through the Racing NSW scheme of distribution, which is difficult to accurately forecast as it is subject to the overall TAB wagering result and income from other new wagering sources. The final amount paid to the Clubs through the scheme of distribution is not available until a month or more after the end of the financial year.

As a result of some uncertainty as to our final industry funding each year, the Board has taken the view that it is appropriate for the Club to maintain cash reserves of around \$1m to offset any significant expenditure or a shortfall in our future revenues.

Our major expense for the year is prizemoney, with the Club distributing \$4.14m in stakes compared to \$4.189m the previous year – the difference being one less raceday with the January abandonment.

Expenditure, was generally in line with budget expectations, with some significant savings in insurance costs through Racing NSW. Club revenues were in line or ahead of budget, with both bar revenues and rentals/function income being higher than the previous year.

In closing I would like to thank the Chairman, Garry Whitaker and the Wyong Race Club Board, for their significant contribution to the management of the club over the past year. As noted in this report, we have achieved a great deal in the past 12 months and the club is in a strong financial position to continue to build on this in the next few years.

David Jewell Chief Executive

2015-16 RACING REPORT

The Club conducted 21 race meetings during the 2015-16 racing season and hosted an additional licence for the Australian Turf Club here in March.

Our January 5 race meeting was abandoned on race morning after heavy overnight rain and the forecast for further extensive racing throughout the day. We had some 139mm of rain in the week prior to this meeting and more than 250mm of rain for the month of January.

While we did lose the one meeting this year, the Wyong course proper has been praised in recent months by leading jockeys, trainers and Racing NSW officials as to how well it has raced throughout the winter and how quickly it has recovered and dried out in what has been a very testing racing year. The improvement in the track is testimony to the excellent work of our Track Manager Chris Allen and his team. The fact that we were able to get through our recent Wyong Gold Cup day, despite a significant amount of rain on the day, is further confirmation of how much better the track is holding up now.

The highlight of our racing year was the brilliant win by the Peter and Paul Snowden trained colt Capitalist in the \$200,000 Wyong Magic Millions 2YO Classic in December. Capitalist followed up his Wyong success with an impressive win in the \$2m Jeep Magic Millions 2YO Classic on the Gold Coast in January before winning the \$3.5 million Longines Golden Slipper Stakes in March to become Australia's Champion 2YO of the year.

FEATURE RACE RESULTS:

2016 \$160,000 Carlton MID Wyong Gold Cup (Listed)

SLOW PACE 9yo b.g. trained by Kris Lees and ridden by Robert Thompson

2016 \$120,000 Winning Appliances Mona Lisa Stakes (Listed)

FITOU 5yo b.m. trained by John O'Shea and ridden by James McDonald

2015 \$200,000 Magic Millions Two Year Old Classic (Listed)

CAPITALIST 2yo ch.c. trained by Peter & Paul Snowden and ridden by Blake Shinn

2015 \$100,000 Magic Millions Three & Four Year Old Stakes

FLIPPANT 3vo br.f. trained by Peter & Paul Snowden and ridden by Kerrin McEvov

2016 \$100,000 Wyong Provincial Championships

SUPREME EFFORT 5yo b.g. trained by Kim Waugh and ridden by James McDonald

2015-16 WYONG RACE MEETING PREMIERSHIPS

Congratulations to the following Premiership recipients -

Leading Trainer at Wyong
Leading Jockey at Wyong
Leading Apprentice at Wyong
Leading Apprentice at Wyong
Samantha Clenton 6 wins

Our local trainers enjoyed a record year producing 207 Wyong trained winners in 2015-16. This was the first time the centre had cracked the magical 200 winners mark in a season. Allan Denham (34 wins) was once again our most successful trainer finishing just ahead of Kim Waugh (29 wins).

There were a number of highlights for the locals that should be acknowledged – Kim Waugh qualified three runners for the \$400,000 Provincial Championships final after producing a quinella in the \$100,000 Wyong Provincial Championship qualifying race with Supreme Effort and His Majesty. The stable also won the \$150,000 Listed Winter Stakes at Rosehill with Oxford Poet, Forget won the \$150,000 Gr 3 Cameron Handicap at Newcastle, while His Majesty went on to finish 3rd in the \$400,000 Provincial Championship final.

Kristen Buchanan's training career highlight came when her very consistent mare Two Blue won the \$300,000 Gr 2 Sapphire Stakes at Randwick in April, while Allan Denham's well performed 6yo Mount Nebo won two Saturday city races at Randwick and won at Doomben during the year, boosting his career earnings to over \$400,000. Grand Punto also picked up a winter double at Rosehill late in the season for the Denham stable.

With minimum prizemoney at Wyong having increased to \$30,000 a race from the beginning of October the coming season promises to be another very good one for Wyong trainers and the Club.

Dean Grogan

Racing & Operations Manager



Wyong Race Club Limited

ABN 54 943 635 817

Annual Report - 30 June 2016

Wyong Race Club Limited Contents 30 June 2016

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Wyong Race Club Limited Directors' report 30 June 2016

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2016.

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 John Waghorn Craig Ellis Denis Hanley Andrew Paton-Smith Mark Waugh Marion Langlar

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;
 - Land & Building Volunteer Rescue Association Land Usage, Poultry Association, Central Coast Pigeon Club,
 - Provision of venue usage support for RYDA and the Wyong Lions Club, Wyong Chamber of Commerce, Motor Neurone Disease Association of Australia, Smith Family hamper distribution, Central Coast Doll show, Wallarah Zone Schools Cross Country;
 - 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; Toowoon Bay SLSC Charity golf day, Orlando Craig fundraiser, Central Coast Academy of Sport, Wyong Pre-school, Tuggerah Shores Lions Club, Opal Norah Head Aged Care facility, Northlakes Toukley Rotary Club, Gwandalan Lioness Club, Wyong Neighbourhood Centre, Caves

Beach SLSC, Rotary Club of Wyong, Breast Cancer Council, Central Academy of Sport, Wyong Pre-School

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 \$1,112,812 (2015:\$524,645) after including \$834,053 of RNSW infrastructure grants as revenue.



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

During the year the Club sold its adjacent Howarth Street residential property and a small parcel of adjoining racecourse land to Roads & Maritime Services. The Club had been contacted by RMS which had advised that it would be looking to acquire the club's property at 69 Howarth Street as part of the planned Pacific Highway upgrade works.

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 is in discussion with Racing NSW for the replacement of sand training tracks - no specific timeframe.

The Club at its own expense has completed a major refurbishment of the middle floor (Lord Hybrow) Lounge which was completed in September 2016. The Club has also purchased a new permanent marquee which will be installed on a concrete slab by November 2016.

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.

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)

Wyong Race Club Limited Directors' report 30 June 2016

Name: John Waghorn

Title: Director

Experience and expertise: Management Consultant

Name: Craig Ellis Title: Director

B.Sc, MBA, Grad Dip (ACG), AGIA, ACIS, MAICD Qualifications:

Experience and expertise: Self-employed

Name: Denis Hanley 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:

Cricket Australia Selector/ Sports Commentator Experience and expertise:

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2016, and the number of meetings attended by each director were:

| | Full Board | |
|--------------------|------------|------|
| | Attended | Held |
| Garry Whitaker | 12 | 12 |
| John Waghorn | 11 | 12 |
| Craig Ellis | 9 | 12 |
| Denis Hanley | 12 | 12 |
| Andrew Paton-Smith | 10 | 12 |
| Mark Waugh | 11 | 12 |
| Marion Langlar | 12 | 12 |

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 immediately after this directors' report.

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

Whitaker Director

27 September 2016



Suite 1, Level 11 49-51 York Street Sydney NSW 2000

T: (02) 9262 4420 F: (02) 9262 4739

w: www.bishopcollins.com.au

Tuggerah NSW 2259 T: (02) 4353 2333 F: (02) 4351 2477

e: mail@bishopcollins.com.au

Unit 1, 1 Pioneer Avenue PO Box 3399

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 2016, there have been:

no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

David McClelland

(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

ly celle Name of Registered Company Auditor

Auditor's Registration No. 431227

David A McClelland FCA

Address Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 27 September 2016



Registered Company Auditors:



Glenn A Harris CA

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Unit 1, 1 Pioneer Avenue PO Box 3399 Tuggerah NSW 2259

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e: mail@bishopcollins.com.au



Suite 1, Level 11 49-51 York Street Sydney NSW 2000

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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 2016, statement of profit or loss and other 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 auditor's 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 auditor considers 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.





LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Auditor's Opinion

In our opinion:

- (a) the financial report of Wyong Race Club Limited is in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the company's financial position as at 30 June 2016 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 27 September 2016

Wyong Race Club Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2016

| · | Note | 2016 \$ | 2015 \$ |
|--|------|--|--|
| Revenue | 5 | 10,055,155 | 9,529,265 |
| Racing NSW infrastructure revenue | 6 | 834,053 | 273,447 |
| Expenses Cost of goods sold Advertising expenses Ambulance expenses Ambulance expenses Audit fees Barrier trial expenses Cleaning and waste removal expenses Computer expenses Consultancy fees Conference, seminars and training expenses Depreciation and amortisation expenses Employee benefit expenses Entertainment expenses Fair value change on shares Fringe benefit tax expense Insurance expenses Jockey riding fees Legal fees Loss on disposal of assets Payroll tax expense Prize money Promotional expenses Repairs and maintenance expenses Race day packages and function expenses Race day production expenses Race day sponsorship expenses Security expenses Telecasting expenses Utilities expenses | | (150,090) (65,296) (87,828) (28,245) (134,949) (106,537) (22,823) (32,738) (14,330) (94,520) (9,344) (11,345) (253,510) (311,363) (9,209) (187,649) (52,977) (4,140,442) (57,061) (411,787) (109,399) (81,503) (135,892) (44,697) (139,980) (221,310) | (128,801) (69,306) (68,983) (20,564) (121,102) (87,601) (20,804) (35,130) (11,071) (713,779) (1,514,198) (78,447) 41,595 (7,166) (338,364) (327,956) (45,750) (36,057) (4,189,108) (63,978) (333,975) (91,359) (81,538) (132,106) (53,667) (153,667) (153,524) |
| Other expenses | | (363,576) | (365,076) |
| Surplus before income tax expense | | 1,112,812 | 524,645 |
| Income tax expense | | <u> </u> | |
| Surplus after income tax expense for the year | 17 | 1,112,812 | 524,645 |
| Other comprehensive income for the year, net of tax | | | |
| Total comprehensive income for the year | : | 1,112,812 | 524,645 |

Wyong Race Club Limited Statement of financial position As at 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|--|----------------|--|---|
| Assets | | | |
| Current assets Cash and cash equivalents Trade and other receivables Inventories Total current assets | 7 8 9 | 1,865,646 2,438,165 23,223 4,327,034 | 1,064,083 2,083,287 26,699 3,174,069 |
| Non-current assets Financial assets Investment properties Property, plant and equipment Total non-current assets Total assets | 10 11 12 | 6,475 - 10,677,421 10,683,896 15,010,930 | 15,820 255,599 9,908,868 10,180,287 |
| Liabilities | | | |
| Current liabilities Trade and other payables Borrowings Employee benefits Total current liabilities | 13 14 15 | 1,436,486 1,929 145,125 1,583,540 | 905,463 4,885 128,116 1,038,464 |
| Non-current liabilities Employee benefits Total non-current liabilities Total liabilities | 16 | 22,994 22,994 | 24,308 |
| Net assets | | 1,606,534 | 1,062,772 |
| Equity Retained surpluses | 17 | 13,404,396 | 12,291,584 |
| Total equity | | 13,404,396 | 12,291,584 |

Wyong Race Club Limited Statement of changes in equity For the year ended 30 June 2016

| | Retained surpluses \$ | Total equity \$ |
|--|-------------------------------|--------------------|
| Balance at 1 July 2014 | 11,766,939 | 11,766,939 |
| Surplus after income tax expense for the year Other comprehensive income for the year, net of tax | 524,645 | 524,645 |
| Total comprehensive income for the year | 524,645 | 524,645 |
| Balance at 30 June 2015 | 12,291,584 | 12,291,584 |
| | | |
| | Retained surpluses \$ | Total equity |
| Balance at 1 July 2015 | surpluses | |
| Balance at 1 July 2015 Surplus after income tax expense for the year Other comprehensive income for the year, net of tax | surpluses \$ | \$ |
| Surplus after income tax expense for the year | surpluses \$ 12,291,584 | \$ 12,291,584 |

Wyong Race Club Limited Statement of cash flows For the year ended 30 June 2016

| | Note | 2016 \$ | 2015 \$ |
|---|------|--|--|
| Cash flows from operating activities Receipts from customers (inclusive of GST) Payments to suppliers and employees (inclusive of GST) | | 11,279,984 (9,232,090) | 9,987,591 (8,723,473) |
| Interest received | | 2,047,894 39,960 | 1,264,118 15,771 |
| Net cash from operating activities | = | 2,087,854 | 1,279,889 |
| Cash flows from investing activities Payments for property, plant and equipment Proceeds from disposal of financial assets Proceeds from disposal of investment property Net cash used in investing activities | 12 | (1,773,734) - 487,443 (1,286,291) | (714,741) 179,560 - (535,181) |
| Cash flows from financing activities | | | |
| Net cash from financing activities | - | <u>-</u> _ | |
| Net increase in cash and cash equivalents Cash and cash equivalents at the beginning of the financial year | | 801,563 1,064,083 | 744,708 319,375 |
| Cash and cash equivalents at the end of the financial year | 7 | 1,865,646 | 1,064,083 |

Wyong Race Club Limited Notes to the financial statements 30 June 2016

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 27 September 2016. 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'), the 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 accrual 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.



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.

Ren

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 the company's 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 the company's 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 2016

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 owneroccupation. 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 and 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.



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 wholly 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 ismeasured 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.

Superannuation

Wyong Race Club Limited Notes to the financial statements 30 June 2016

Note 2. Significant accounting policies (continued)

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.



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 totaling \$6,443,120 (which includes \$273,447 received to 30 June 2015 and \$834,053 received to 30 June 2016) are not deemed to be repayable. The difference between the funds received from the Racecourse Development Committee and the interminable loan represents repayments totaling \$1.0 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.

Note 4. Restatement of comparatives

Reclassification

Certain comparative figures have been reclassified to conform to the current year's presentation.

Wyong Race Club Limited Notes to the financial statements 30 June 2016

Note 5. Revenue

| | 2016 \$ | 2015 \$ |
|---|---------------------------------------|-------------------|
| 8 | | |
| Revenue | 202.057 | 224 007 |
| Bar revenue | 393,057 | 334,997 |
| Racing income | 8,876,349 | 8,719,254 |
| Rental income - investment property Rental income - meetings, functions and stables | 9,286 382,108 | 16,014 349,749 |
| RNSW on course turnover incentive | 38,904 | 33,925 |
| KNOW on course turnover incentive | 9,699,704 | 9,453,939 |
| | 9,099,704 | 9,400,909 |
| Other revenue | | |
| Interest revenue | 39,960 | 15,771 |
| Profit on disposal of investment property | 231,844 | 10,771 |
| Insurance claim recoveries | 15,696 | _ |
| Other revenue | 67,951 | 59,555 |
| outer revenue | 355,451 | 75,326 |
| | 000,.0. | . 0,020 |
| Revenue | 10,055,155 | 9,529,265 |
| | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | -,,, |
| Note 6. Racing NSW infrastructure revenue | | |
| | | |
| | 2016 \$ | 2015 \$ |
| Racing NSW - infrastructure revenue | 834,053 | 273,447 |
| | | |
| Note 7. Current assets - cash and cash equivalents | | |
| | | |
| | 2016 | 2015 |
| | \$ | \$ |
| Cash at bank and on hand | 1,865,646 | 1,064,083 |
| outh at bank and on hand | 1,000,010 | 1,00-1,000 |
| Note 8. Current assets - trade and other receivables | | |
| | | |
| | 2016 | 2015 |
| | \$ | \$ |
| Trade debtors | 888,668 | 498,386 |
| Other debtors | 1,549,497 | 1,584,901 |
| Other debtero | 1,010,107 | 1,001,001 |
| | 2,438,165 | 2,083,287 |
| | - | |
| Note 9. Current assets - inventories | | |
| | | |
| | 2016 | 2015 |
| | \$ | \$ |
| Stock on hand - at cost | 22 222 | 26,699 |
| Stock on name - at cost | 23,223 | 20,099 |

Wyong Race Club Limited Notes to the financial statements 30 June 2016

Note 10. Non-current assets - financial assets

| | 2016 \$ | 2015 \$ |
|---|----------------------|---------------------|
| Wyong Town Financial Services shares held at cost BT Portfolio Wrap held at fair value through profit and loss | 5,000 1,475 | 5,000 10,820 |
| | 6,475 | 15,820 |
| Note 11. Non-current assets - investment properties | | |
| | 2016 \$ | 2015 \$ |
| 69 Howarth Street - at cost Less: Accumulated depreciation | | 280,131 (24,532) |
| | | 255,599 |
| 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 Disposals | 255,599 (255,599) | 257,924 |
| Depreciation expense | | (2,325) |
| Closing fair value | | 255,599 |

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 2016

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

| | 2016 \$ | 2015 \$ |
|---|---------------------------------------|---------------------------------------|
| Freehold land - at cost | 298,803 | 298,803 |
| Building improvements - at cost Less: Accumulated depreciation | 5,158,932 (2,138,042) 3,020,890 | 5,321,493 (2,198,377) 3,123,116 |
| Land improvements - at cost Less: Accumulated depreciation | 3,306,626 (402,783) 2,903,843 | 3,291,088 (323,787) 2,967,301 |
| Plant and equipment - at cost Less: Accumulated depreciation | 3,570,899 (3,114,903) 455,996 | 4,298,570 (3,688,990) 609,580 |
| Motor vehicles - at cost Less: Accumulated depreciation | 190,379 (110,532) 79.847 | 185,048 (115,571) 69,477 |
| Grandstand - at cost Less: Accumulated depreciation | 5,777,838 (3,449,291) 2,328,547 | 5,630,964 (3,337,658) 2,293,306 |
| Ground Improvements - at cost Less: Accumulated depreciation | 2,172,617 (831,409) 1,341,208 | 949,372 (402,087) 547,285 |
| Assets in progress | 248,287 | - |
| | 10,677,421 | 9,908,868 |

Reconciliations

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

| | Assets in Progress \$ | Land and land improvements \$ | Grandstand and building improvements \$ | Plant, equipment and motor vehicles \$ | Ground improvements \$ | Total \$ |
|--|-----------------------------|--|---|---|---|--|
| Balance at 1 July 2015 Additions Disposals Depreciation expense | 248,287 - - | 3,266,104 21,205 - (84,663) | 5,416,423 370,604 (37,108) (400,482) | 679,056 96,932 (60,074) (180,071) | 547,285 1,036,706 (90,467) (152,316) | 9,908,868 1,773,734 (187,649) (817,532) |
| Balance at 30 June 2016 | 248,287 | 3,202,646 | 5,349,437 | 535,843 | 1,341,208 | 10,677,421 |

Wyong Race Club Limited Notes to the financial statements 30 June 2016

Note 13. Current liabilities - trade and other payables

| | 2016 \$ | 2015 \$ |
|---|-------------------|--------------------|
| Trade Creditors | 1,270,197 | 642,333 |
| BAS payable Other Creditors | 29,735 136,554 | 106,141 156,989 |
| Other Orcalions | 100,004 | 100,000 |
| | 1,436,486 | 905,463 |
| Note 14. Current liabilities - borrowings | | |
| | 2016 | 2015 |
| | \$ | \$ |
| Credit card | 1,929 | 4,885 |
| | | |
| Note 15. Current liabilities - employee benefits | | |
| | 2016 | 2015 |
| | \$ | \$ |
| Annual leave | 94,092 | 82,700 |
| Long service leave | 51,033 | 45,416 |
| | 145,125 | 128,116 |
| | | |
| Note 16. Non-current liabilities - employee benefits | | |
| | 2016 \$ | 2015 \$ |
| Long service leave | 22,994 | 24,308 |
| | | |
| Note 17. Equity - retained surpluses | | |
| | 2016 \$ | 2015 \$ |
| Retained surpluses at the beginning of the financial year | 12,291,584 | 11,766,939 |
| Surplus after income tax expense for the year | 1,112,812 | 524,645 |
| Retained surpluses at the end of the financial year | 13,404,396 | 12,291,584 |

Wyong Race Club Limited Notes to the financial statements 30 June 2016

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:

| | 2016 \$ | 2015 \$ |
|--|------------|-----------------------|
| Aggregate compensation | 304,635 | 276,373 |
| | 2016 \$ | 2015 \$ |
| Directors compensation Garry Whitaker John Waghorn Craig Ellis Denis Hanley Andrew Paton-Smith Mark Waugh Marion Langlar | - | : : : : : |

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 \$6,443,120 (which includes \$273,447 received to 30 June 2015 and \$834,053 received to 30 June 2016) are not deemed to be repayable. The difference between the funds received from the Racecourse Development Committee and the interminable loan represents repayments totalling \$1.0 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.

| 2016 | 201 |
|------|-----|
| \$ | \$ |

(6,443,120) (5,609,067)

Wyong Race Club Limited Notes to the financial statements 30 June 2016

Note 20. Related party transactions

Key management personnel

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

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

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.

Note 21. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 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 2016

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 2016 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

27 September 2016























WYONG RACE CLUB LTD

ABN 54 943 635 817

Howarth St, Wyong 2259

P 02 4352 1083

F 02 4351 2317

info@wyongraceclub.com.au www.wyongraceclub.com.au