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Above and back cover: Artist's impressions of the Menangle Country Club to be opened in January 2020.

Front cover: Spankem and Thefixer quinella the 2019 Ainsworth Miracle Mile for the All Stars Stable.

NOTICE OF MEETING

Notice is hereby given that the 117th Annual General Meeting of the New South Wales Harness Racing Club Limited will be held on Level Two in the Members Lounge, Club Menangle, Racecourse Avenue, Menangle Park on Saturday, 19th October 2019, commencing at 4.00pm.

AGENDA

- 1 To confirm the Minutes of the previous Annual General Meeting held on Saturday, 20 October 2018.
- 2 To receive the Annual Report and the Club's Financial Report for the year ended 30 June, 2019.
- 3 To transact business that has been brought before the meeting under the Rules of the Club.
- 4 To declare those Members elected to the position of Director.

QUESTIONS

Members who intend to bring forward questions at the 2019 Annual General Meeting are requested to give notice of same to the undersigned at least forty-eight (48) hours prior to the meeting so that information required can be available at the meeting.

Notices of Motions

The following Notices of Motion have been received:

NOTICE OF ORDINARY RESOLUTIONS FOR ANNUAL GENERAL MEETING

Notice is hereby given that at the Annual General Meeting of NEW SOUTH WALES HARNESS RACING CLUB LIMITED to be held on Saturday 19th October 2019 commencing at 4.00pm at the premises of the Club, Racecourse Avenue, Menangle Park, New South Wales the members will be asked to consider and if thought fit pass the following ordinary resolutions, which have been given in accordance with Article 72 of the Clubs constitution.

The Board of Directors move:

FIRST ORDINARY RESOLUTION

That having regard to the Registered Clubs Act, the Board of Directors move that the Chairman of the Club receive an honorarium in recognition of his services as a member of the Board and Chairman of the Club in the sum of \$2,000 per month (or any remaining part of month during the term of his office) for the 2019/20 term of office.

SECOND ORDINARY RESOLUTION

That for the purposes of the Registered Clubs Act the members hereby approve expenditure by the Club in the sum not exceeding \$80,000, until the Annual General Meeting of the Club in 2020, for the following benefits which are to be made available to Directors of the Club.

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

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

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

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

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

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

THIRD ORDINARY RESOLUTION

That for the purposes of the Registered Clubs Act the members hereby approve expenditure by the Club in the sum not exceeding \$12,000, until the Annual General Meeting of the Club in 2020, for the following benefits to be made available to certain members of the Club.

(a) The reasonable costs of food for former Chairmen and their spouses and two of their guests when attending any of the non Marquee Metropolitan Race Meetings conducted by the Club.

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

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

NOTES TO MEMBERS

- Under the Registered Clubs Act ("the Act") a member of the Club, whether or not he or she is a member of the Board of Directors or of any committee of the Club is not entitled to derive directly or indirectly any profit, benefit or advantage that is not offered equally to every full member of the Club.
- However, there are exceptions to this in the Act. The most significant of these exceptions are:
 - the payment by the Club of out-of-pocket expenses incurred by Directors in the course of carrying out their duties in relation to the Club and which are approved by a current resolution of the board; and
 - benefits, not in the form of money, which are the subject of a current authorisation, given by general meeting of the members.
- The benefits referred to in the Second Ordinary Resolution, are mostly in the nature of out-of-pocket expenses to be incurred by Directors in the course of carrying out their duties in relation to the Club.
- Notwithstanding that most of the benefits in the Second Ordinary Resolution could be approved simply by way of a Board resolution, a custom and practice has developed in the club industry of having all such benefits approved by way of a resolution of the members at the Annual General Meeting. The Board of the Club is proposing to follow this custom and practice as it provides transparency to the membership.
- The benefits in the Third Ordinary Resolution can only be made available with the approval or authorisation of the members by way of that Resolution being passed at the meeting.

PROCEDURAL MATTERS FOR RESOLUTIONS

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

By direction of the Board



Bruce Christison
Chief Executive Officer

Directors' Report

The directors of New South Wales Harness Racing Club Limited submit herewith the annual financial report of the company for the financial year ended 30 June 2019. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

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

R G Sharman

26 years a Director – Chairman 6 years

Deputy Chairman (2007-2013). Executive Director (2001-2007). Licensee of a conveyancing practice in south-west Sydney; Hospital Scientist; Bachelor of Science; Diploma of Law; Delegate to Harness Racing Australia; former Director of Racingcorp Pty Ltd; Director NSWHRC Syndications; Representative Harness Racing Industry Consultative Group; Chairman of the Horse & Jockey & Registered Club work group; Member of the Finance & Development workgroup.

R J Marshall

6 years a Director – Deputy Chairman

Representative on Harness Racing Industry Consultative Group; Deputy Chairman of Australian Pacing Gold; Member of the Penalty Review Committee of Harness Racing NSW; Director of NSWHRC Syndications; Chairman of the CEO & Executive Management Review workgroup; Chairman of the Racing, Facilities, Track & Infrastructure workgroup; Member of the Media and Communications work group; Member of the Horse & Jockey & Registered Club workgroup; Former Chairman of the Inter Dominion Harness Racing Council; Former Member of Harness Racing NSW; Former Member of the Harness Racing Regulatory Authority; Former Executive Director of the NSW Harness Racing Club.

W E Ellis

4 years a Director – Executive Director

Journalist (Consolidated Press 1964-1972; News Limited 1972-2008 including Olympic News Team 2000 and editor harness racing content, Daily Telegraph); Trainer-driver 1969-2007 with A-Grade licences from 1975; Foundation member, NSW Harness Racing Media Guild and President from 1990-2008; Member former Harness Racing Advisory Council 1996; Advisor to NSW Harness Racing Appeals since 2012; Recipient of the HRA Meritorious Service Award; Delegate to the Harness Racing Clubs Committee; Director of Australian Pacing Gold; Member of the Marketing, Catering, Events & Membership workgroup; Chairman of the Media & Communications workgroup; Member of the CEO & Executive Management Review workgroup.

M J Brown

6 years a Director

Director of Michael Brown Planning Strategies Pty Ltd; Qualified Mediator (Australian Commercial Disputes Centre); Bachelor of Applied Science (Environmental Planning); Diploma in Local Government Management; Associate Diploma in Town and Country Planning; Delegate for Harness Racing Clubs Committee; Director NSWHRC Syndications; Chairman of the Marketing, Catering Events and Membership work group; Harness Racing NSW Volunteer Appreciation Award 2016. Initiated the Indigenous Drivers Series (JC Caffyn Plate). President of NSW Standardbred Owners Association and Delegate on the Harness Racing Industry Consultative Group.

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G J Campbell OAM

3 years a Director

Over 30 years experience in corporate consultancy services with particular emphasis on hotels and registered clubs. Current board appointments include; Executive Chairman Ainsworth Game Technology, Director of Liquor Marketing Group Limited (Bottle Mart); Non-executive Director of Lantern Hotels Group; and Chairman of the Audit Committee of Illawarra Catholic Club Group. Previous Board appointments include; Vice Chairman Harness Racing Australia; Chairman of Harness Racing NSW; Director of Central Coast Stadium; and Director of Blue Pyrenees Wines. Mr Campbell is a recipient of the J.P. Stratton award and the Ern Manea Gold Medal and was an inductee of the Inter Dominion Hall of Fame in February 2014. Awarded Order of Australia Medal in January 2018 for services to harness racing. Chairman of the Finance & Development workgroup; Member of the Horse & Jockey & Registered Club workgroup; Member of the CEO & Executive Management Review workgroup.

D Cordina

2 years a Director

Currently the General Manager of Cordina Chickens with decades of experience in senior corporate management. Lifetime of involvement in the harness racing industry as an owner, breeder and administrator. Current racing administrative involvement includes Director, NSW Standardbred Sales, Vice-President NSW Standardbred Owners Association, committee-member NSW Trotters Association. Also an active member of Harness Breeders NSW and Harness Breeders Victoria. Member of the Racing, Facilities, Track & Infrastructure workgroup; Member of the Marketing, Catering, Events & Membership workgroup; Member of the Media & Communications workgroup.

A S Smith AM

1 year a Director – Appointed 20 October 2018

Currently retired with over 40 years experience in the NSW Public sector. Alex's final appointment was to the NSW Department of Premier and Cabinet as Deputy Director General. Alex was made a Member of the Order of Australia in recognition of his service to public administration. Alex continues to provide consultancy services to the NSW public sector as Chair and members of various Audit and Risk Committees. Alex has many years experience in the harness racing industry. Post his public sector career, Alex served as a Member of HRNSW and is currently a member of Harness Breeders NSW and the NSW Owners Association. Member of the Racing, Facilities, Track & Infrastructure workgroup; Member of the Marketing, Catering, Events & Membership workgroup.

P F Plummer

13 years a Director – Resigned 20 October 2018

Former Chairman Harness Racing Clubs Committee; Former Delegate for Harness Racing Clubs Committee; Former Committee Member NSW Owners Association; former Vice President NSW Breeders Association; Former Director NSWHRC Syndications.

B H Christison

Chief Executive

Former Operations Manager (2004-2014) and Financial Controller (1994-2004) – NSW Harness Racing Club; Former Secretary Australian Pacing Gold (2004-2009); Former Assistant Financial Controller Westpac Travel (1991-1994); Director of Racingcorp Pty Ltd; Secretary NSWHRC Syndications; Member of the Finance and Development work group, Member of Marketing, Catering and Events work group; Member of Media and Communications work group; Member of the Horse & Jockey & Registered Club workgroup.

Directors' meetings

The following table sets out the number of full directors' meetings held during the financial year and the number of meetings attended by each director (while they were a director). During the financial year, 12 board meetings were held.

Directors	Meetings Held	Meetings Attended
R G Sharman	12	11
R J Marshall	12	12
W E Ellis	12	12
M J Brown	12	12
G J Campbell	12	12
D Cordina	12	12
A S Smith	8	7
P F Plummer	4	4

Remuneration of Directors and Senior Management

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

Principal activities

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

Vision and Strategic objectives

Our vision is to continue our development as the premier harness racing club in Australasia. The strategic objectives of the company are to:

- Market our overall business so that we are recognised as a preferred entertainment and events destination.
- Commercialise non-racing activities so that they form a profitable part of the business and support our racing activities.
- Build Club Menangle as a community destination.
- Grow community "togetherness" so that we are a respected major contributor to community stakeholders.
- Optimise our investments and assets to achieve a profitable return and meet budgetary commitments.

Performance measures

The company measures its performance from both the total income derived and the cost incurred in earning that income. In addition to financial measures a number of non-financial indicators are used. Key performance measures of the company include:

- Prizemoney distributed
- Investment return
- Membership numbers
- Sponsorship income
- Donations made and community projects
- Revenue derived from catering, functions and special events

Review of operations

The net profit for the year amounted to \$1,538,075 (2018: \$2,093,691). The net operating profit includes an amount of \$1,911,320 (2018: \$1,915,530) for depreciation of non-current assets. In the prior year there was a fair value upward movement in the investment property of \$1,065,000.

Changes in state of affairs

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

Future developments

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

Conditions on winding up

In the event of the company being wound up, each member undertakes to contribute an amount not exceeding two dollars (\$2.00) during the time that he or she is a member of the club; or within one year thereafter for the payment of the debts and liabilities of the company contracted before the member ceased to be a member; and costs, charges and expenses of winding up.

Indemnification of officers and auditors

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

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

Auditor's independence declaration

The Auditor's independence declaration is included on page 24 of this report.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001 this 19th day of September 2019.

On behalf of the Directors:



R G Sharman
Chairman



R J Marshall,
Deputy, Chairman

Chairman's Report

Ray Sharman



The past year has seen our Club continue to develop its harness racing activities to consolidate its position as the leading club in the Australian industry. We have also expanded our business activities and promoted our reputation as a leading entertainment and sporting venue in the Macarthur area with many functions including the Premier's Breakfast, Beersheba Day Breakfast, birthday parties, sporting and charity functions all of which complement our racing program. The monthly night food markets held in conjunction with the Saturday night race meetings have been extremely successful, drawing large crowds to the track and again highlights the opportunities available to our Club.

The development of the Menangle Park precinct and residential subdivision is progressing and the Club has continued to liaise with Campbelltown Council and the principal developer, Dahua Group to ensure that there is a commitment to incorporate the Club's business plans into the community development masterplanning processes, to provide the best outcome for the area. The developer has recently commenced construction of their sales office and have been marketing the first residential stage to prospective purchasers. The Club is well positioned to take advantage of the opportunities that will be presented by the significant future expansion on our doorstep.

The highlight of our racing year was the Miracle Mile Carnival, which again provided 3 nights of great racing at our track with many outstanding performances and resulted in a victory to Spankem in the Ainsworth Miracle Mile, with the Purdon stable dominating the race with the quinella and 3 of the first 4 placegetters. Harness Racing NSW supplemented the prizemoney for the Miracle Mile to enable us to conduct the first \$1 Million harness race in NSW.

In addition Harness Racing NSW increased the prizemoney for the Newcastle Mile to raise it to Group One status, and this race was included as an additional qualifying pathway for our flagship event, providing a significant stimulus for harness racing in the Hunter region. Other winners during the carnival included Poster Boy (Cordina Chicken Farms Chariots of Fire), Max Delight (APG NSW Derby), Our Princess Tiffany (John Gibson Memorial NSW Oaks) and Our Dream About Me (HQ Insurance Ladyship Mile). Your Board is committed to maintaining the status of our Group One carnival as this state's premier racing event, and to work with our industry partners to promote a great carnival featuring our flagship race.

The Club appreciates the contribution of HRNSW to the success of the Miracle Mile carnival to ensure that it is a truly memorable event and I look forward to their continuing involvement in the years ahead.

The Breeders Challenge Day which incorporates the Len Smith Mile and the Fishers Ghost meeting with the JC Caffyn Indigenous Drivers Series were also highlights of our racing calendar, while the Country Series provides an important opportunity for regional horses. Next year promises to be even more exciting for harness racing at our Club with the addition of the final of the new \$1 Million restricted pace funded by Tabcorp from its Odds and Evens betting promotion, while the Interdominion Series returns to NSW in December 2020.

The redevelopment of the venue previously known as the Horse and Jockey Inn is now well on track. Boden Constructions have been engaged as the builder and practical completion is expected by the end of November. The required licence application is also currently being



2019 Board of Directors: Michael Brown, Graeme Campbell OAM, Daniel Cordina, Bill Ellis, Ray Sharman (Chairman), Robert Marshall, Alex Smith AM and Bruce Christison (CEO).

processed through the Office of Liquor and Gaming. This is a significant property and business development standing on the doorstep to our racetrack and will be the cornerstone of our future business activities outside of our core of harness racing.

During the year the Club acquired the Southern Hemisphere breeding rights for the outstanding standardbred Lazarus, who will stand at Yirribee Stud. His racetrack performances and impeccable breeding lines should ensure that he will be a significant factor in the Australasian breeding industry in the years ahead. Your Board developed a carefully constructed business plan before entering into this agreement after significant negotiation with Taylormade Stallions, and consider the decision to acquire the breeding rights for Lazarus to be both a sound financial decision and a further investment by the Club into the harness racing industry in this state.

The Board and management have carefully monitored the performance of our investments, being the property at the Kirribilli Club and our funds held in managed accounts, to ensure that they meet our budgetary commitments. The real property continues to perform well, with strong rental return and appreciation of value as an asset. During the year the Board implemented its decision to split the managed investment funds equally between the 3 fund managers, being UBS, Koda Capital and BT, providing diversification and an element of competition.

The effect of this decision on the performance of these fund managers during the year has been positive and it is pleasing to note that the Club has seen a solid financial result with a Total Comprehensive Profit of \$1,538,075. Members should be aware however that our investments funds are subject to the volatility of international financial markets.

The Board will continue to adopt a proactive approach to protect your Club's asset base and minimize the effects of such volatility, and the Board is committed to ensuring the protection of the investment fund while we continue to provide a substantial injection of funds into the harness racing industry in addition to the revenue stream from wagering.

I would like to take this opportunity to thank my Board members who have worked tirelessly and provided invaluable assistance and support during the year. I would also thank the management team led by Bruce Christison and all staff members who have worked with dedication and loyalty in the best interests of your Club. I also thank all Members for supporting the Club during the year.

As this is my last year as Chairman, I look back and note that I have been on the Board with 5 former Chairmen and many directors who have all contributed greatly to the success of your Club. I have worked with 3 CEO's in Peter V'Landys, John Dumesny and currently Bruce Christison who have each displayed an unparalleled work ethic and dedication to the Club. I must also thank my wife Cathie who has been a constant support during my time on the Board. I believe that your Club is now well positioned to take advantage of the exciting opportunities that lie ahead, and I thank the membership for giving me the opportunity to make my contribution to your Club and the industry.

VALE TO MEMBERS

During the year the Club was advised of and recorded the passing of:

- Ron Treuer
- Anne Helson
- John McClure
- Kenneth Archer
- Brian Monaghan
- Kevin Muldoon
- Robert Brown
- Sybil Watson
- Rod Allen
- Ken Mathers

They will be remembered as valued members of the Club and I offer the condolences of the Club to all their families.

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

Chief Executive's Report

Bruce Christison

I'm pleased to announce another successful year for the Club, with total comprehensive income amounting to a profit of \$1,538,075, compared to a profit of \$1,804,307 in the previous year. The current year result includes changes for new and revised accounting standards that has changed the accounting treatment of the Club's investment income. That is, unrealised gains or losses (arising from movements in the unit prices of the funds invested with UBS and Koda Capital) are now included within the net profit figure. This compares to the prior year where these movements were recorded below the net profit line in other comprehensive income. Without this movement the operating result for the 2018 financial year was a profit of \$2,093,691. Also included last year was an amount of \$1,065,000 as a result of the fair value increase in the valuation of the Kirribilli Club property. Depreciation for the current year totalled

\$1,911,320 compared to \$1,915,530 in the previous year.

Contributing to the solid result has been the continued strength of our investment portfolio. This is despite an investment climate that continues to be very challenging, with record low interest rates and volatility across domestic and international markets. As a result the Board and Management have focused on diversifying our portfolio. The managed funds have now been split between three fund managers, with a mix of asset allocations to help mitigate the impacts of this instability. The overall investment portfolio of the Club, which includes the three managed funds and the Kirribilli Club property, has returned \$7,033,793 or 6.12%. This is an increase of \$1,372,478 on the \$5,661,315 recognised in



the previous financial year, where we generated a return of 4.69%.

The Club continues to look at ways of diversifying the investment portfolio as the low interest rate environment we operate in shows no sign of changing for at least the short to medium term. Another example of diversification is the decision to purchase the southern hemisphere breeding rights to the stallion Lazarus. This agreement has Lazarus shuttling to Australia each year for the southern hemisphere breeding season. Lazarus will be based at Yirribee Stud in Wagga. The Club has modelled this project on the expectation of repaying the capital outlay within three years. At the time of printing we were about to hit the 200 mark for bookings. Based on these numbers it is now expected the capital will be repaid within two years. This venture was primarily assessed as an investment opportunity, however it also meets one of the Club's constitutional objectives to support and encourage the breeding of harness racing horses.

Total revenue (excluding investments) has increased by \$289,910 or 1.4%. Race funding is under pressure due to the underperformance of the TAB, with the Wagering and Incentive Fee significantly down on budget. This highlights the need to find alternative sources of revenue to assist in sustaining the club's commitment to the racing activities.

A key component in this strategy is the refurbishment of the venue previously known as the Horse and Jockey Inn. The building works are nearing completion with the hand-over scheduled for the end of November.

Perfectly positioned to take advantage of the impending residential development, the new venue will be called the Menangle Country Club and the opening date is set for mid January 2020. This will ensure the new staff are fully trained and equipment and systems have been thoroughly tested to ensure a smooth and impressive opening. Due to the slowing of the property market, the Dahua Group's land release has been delayed with construction of the first houses now expected to commence in late 2020.

Prizemoney has increased by \$715,640 or 5% on the previous year. Highlights include the increase in the Miracle Mile to \$1 million, and the increase of midweek prizemoney from \$7,500 to \$9,000. Both these initiatives made possible with the funding support of Harness Racing NSW. The new financial year will further see record prizemoney, with the introduction of the new Million Dollar Pace, funded by a deal between Harness Racing NSW and Tabcorp on the back of the new Odds and Evens bet type. The Club is also about to announce an injection to "bread and butter" metropolitan prizemoney.

In addition to these financial achievements, the Club is also proud of its contribution and recognition to the community. Late last year the Club was announced as the winner of the Clubs NSW Community Award for Arts and Culture. The award was for the development and ongoing commitment towards the commemoration of the Australian Light Horse. This is an enormous honour and is the second year running that the Club has won the award. Last year the Club was recognised for the Club's development of the JC Caffyn Indigenous Drivers Series. The Club was also a finalist in the Business Excellence category in the Macarthur Region of the NSW Business Awards.

The Club also works closely with the industry and is a key contributor to both the Harness Racing Industry Consultative Group and the Harness Racing Clubs Committee. A strong relationship is vital with the other harness racing clubs and industry associations. I would like

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to thank and acknowledge the contribution of the United Harness Racing Association (UHRA), Harness Breeders NSW, the NSW Standardbred Owners Association and the Trotters Association of NSW. The work of these passionate industry volunteers is invaluable to our sport.

I would also like to acknowledge the work of Harness Racing NSW under the Chairmanship of Rod Smith and the management of Chief Executive John Dumesny. The Club has worked closely with HRNSW over the past twelve months with the very successful joint promotion of the Miracle Mile Carnival the obvious highlight. This relationship will be crucial over the coming year with the introduction of the TAB Million Dollar Pace and the organisation of the 2020 Inter Dominion, which will be hosted by NSW in November and December. The Club also continues to work closely with HRNSW to maximise prizemoney returns. The highly successful introduction of the HRNSW guaranteed mares races is an obvious example.

I would like to thank the Directors of the Club for their assistance, guidance and dedication to the Club's success. I would in particular like to acknowledge and thank the Chairman, Ray Sharman, as he completes his maximum six year term as Chairman of the Club. Ray has been a Director since 1993 and has served on the Executive for 18 years. Ray was Deputy Chairman to Rex Horne during the sale of Harold Park and since taking over as Chairman in 2014 has ensured the momentum gained from the sale and relocation has been maintained. I am very pleased to announce that at the recent Harness Racing NSW Awards night, Ray was recognised for his outstanding service to the industry, by being awarded the J.P. Strattan Award. Awarded by Harness Racing Australia, this is the highest honor available to a harness racing administrator. The Members should be proud to have a Board that is maintaining a focus on the current needs of the Club and racing industry whilst also planning for the future.

Finally, I would like to thank the loyal staff for their outstanding contributions during the year. The old saying is a company is only as good as its staff. As Chief Executive of this Club it makes me very proud to attend so many events and receive the outstanding feedback about our venue, the quality of our catering and the outstanding service we provide. This feedback combined with the awards we have received are indicators that we are heading in the right direction. That being said we know there is still a lot of work to be done and the next twelve months will be vital as we establish the Menangle Country Club, whilst also conducting three major race carnivals during that period. There is certainly exciting times ahead.

Miracle Mile Carnival



Spankem winning the prestigious Ainsworth Miracle Mile.



Connections and officials following Spankem's win in the Ainsworth Miracle Mile.



*Our Princess Tiffany takes a definitive lead in the John Gibson Memorial NSW Oaks.
Inset: Connections of Our Princess Tiffany.*



Max Delight beats the pack to win the APG NSW Derby.

Sponsors and Greg Warren MP rugging Max Delight.



Our Dream About Me winning the HQ Insurance Ladyship Mile.



Our Dream About Me's connections after an exciting win.



Poster Boy and Chris Alford take out the \$200,000 Cordina Chicken Farms Chariots Of Fire.



Sponsors and connections celebrate Poster Boy's Cordina Chicken Farms Chariots Of Fire success.



Delighted connections with star reinsman Chris Alford after their Chariots success.



Natalie Rasmussen and The Bus take out the Lexus of Macarthur Lady Drivers Invitational.



Lexus of Macarthur Lady Drivers Invitational drivers



Spankem (Mark Purdon) takes out the Canadian Club Sprint.



Director Robert Marshall with Spankem's connections after their Canadian Club Sprint win.



Thefixer winning the Allied Express Sprint.



Chairman Ray Sharman with sponsors after Thefixer won the Allied Express Sprint.



Our Uncle Sam takes out the Bohemia Crystal Free-For-All.



A big team of admirers after Our Uncle Sam won the Bohemia Crystal Free-For-All.



Mach Dan strides to the line in the Slingsby Holdings Sapling Stakes.



All smiles after Mach Dan's win in the Slingsby Holdings Sapling Stakes.



Big Jack Hammer winning the Aquagait Trotters Mile.



Big Jack Hammer's excited connections.

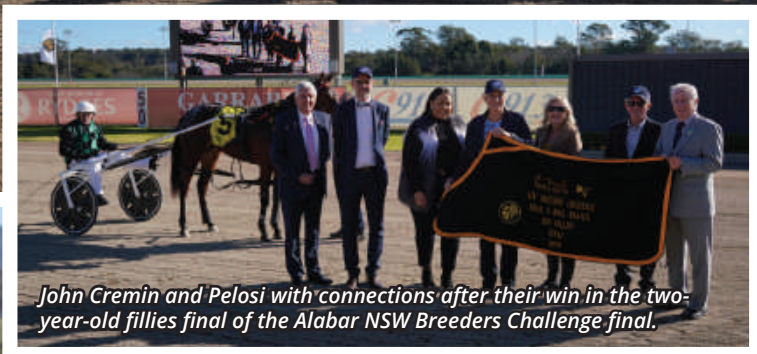
Alabar Breeders Challenge



Be Happy Mach (Luke McCarthy) leads home Rockin With Elvis in the two-year-old colts and geldings Art Major Alabar NSW Breeders Challenge final.



A happy team of connections after Be Happy Mach's Breeders Challenge win for trainer Emma Stewart.



John Cremin and Pelosi with connections after their win in the two-year-old fillies final of the Alabar NSW Breeders Challenge final.



No Win No Feed (Luke McCarthy) wins the three-year-old fillies' final.



No Win No Feed was a popular winner of the three-year-old fillies' Breeders Challenge final.



Ignatius takes out the four-year-old entires and geldings Breeders Challenge.



Excited connections after Ignatius won the four-year-old entires and geldings final.



Black Silhouette had plenty of admirers after her success in the four-year-old mares' final of the Breeders Challenge.

Len Smith Mile



Majordan takes out the Len Smith Mile, beating Our Uncle Sam.



CEO, Bruce Christison, Director Michael Brown and Historian Peter Collier unveil the Fallen Drivers Wall.



The honour board for our fallen drivers, unveiled on Breeders' Challenge Day.



Trainer Kevin Pizzuto's and some happy connections after Majordan's Len Smith Mile win.

JC Caffyn Indigenous Drivers Plate



Heza Bromac gave Josh Aiken his first win in the J.C. Caffyn Indigenous Drivers' Plate final.



Drivers gather with a map of the NSW region showing the areas where they have come from.



Heza Bromac (Josh Aiken) surges to the line a convincing winner of the J.C. Caffyn Plate.



Josh Aiken is handed the Plate after his memorable win in the popular series.



A wonderful field of Indigenous drivers gather with Directors and Greg Warren MP at Club Menangle for the J. C. Caffyn Plate.

Beersheba Day Breakfast



Premiership Winners



Shane and Lauren Tritton - Metropolitan Trainers.



KerryAnn Turner - Provincial Trainer.



Todd McCarthy - Metropolitan and Provincial Driver.

Concise Financial Report

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year ended 30 June 2019	Year ended 30 June 2019 \$'000	Year ended 1 July 2018 \$'000
Revenue	20,491	20,201
Investment income	7,034	5,661
Other gains and losses	3	1
Fair value movement of investment property	-	1,065
Materials and consumables used	(704)	(745)
Employee benefits expense	(3,256)	(3,157)
Depreciation expense	(1,911)	(1,916)
Prizemoney	(15,084)	(14,368)
Racing expenses	(1,426)	(1,439)
Marketing expenses	(495)	(468)
Racecourse maintenance	(1,025)	(1,029)
Administrative expenses	(1,235)	(970)
Publication expenses	(607)	(610)
Restructuring costs	(105)	-
Other expenses	(142)	(133)
Profit before income tax expense	1,538	2,093
Income tax expense	-	-
Net Profit	1,538	2,093
Items that may be reclassified subsequently to profit or loss		
Net fair value gain/(loss) on available-for-sale financial assets during the year	-	436
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year	-	(725)
Other comprehensive loss for the year	-	(289)
Total comprehensive income for the year	1,538	1,804

Statement of Changes in Equity for the Financial Year ended 30 June 2019	Investments Revaluation Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 June 2017	3,449	167,421	170,870
Profit for the year	-	2,093	2,093
Net fair value gain on available-for-sale financial assets during the year	436	-	436
Reclassification adjustments relating to available-for-sale financial assets disposed of in the year	(725)	-	(725)
Total comprehensive income/(loss) for the year	(289)	2,093	1,804
Balance at 1 July 2018	3,160	169,514	172,674
Profit for the year	-	1,538	1,538
Transfer of gains from other comprehensive income (OCI) as a result of a reclassification of financial assets from the fair value through OCI measurement category to fair value through profit or loss category, to retained earnings.	(3,160)	3,160	-
Total comprehensive income/(loss) for the year	(3,160)	4,698	1,538
Balance at 30 June 2019	-	174,212	174,212

Statement of Financial Position for the Financial Year ended 30 June 2019	Year ended 30 June 2019 \$'000	Year ended 1 July 2018 \$'000
Current assets		
Cash and cash equivalents	326	834
Trade and other receivables	4,990	4,759
Investments	94,232	96,844
Inventories	115	127
Other	3,000	23
Total current assets	102,663	102,587
Non-current assets		
Property, plant and equipment	58,912	56,441
Investment property	17,815	17,815
Total non-current assets	76,727	74,256
Total assets	179,390	176,843
Current liabilities		
Trade and other payables	4,262	3,258
Other liabilities	-	170
Provisions	786	584
Total current liabilities	5,048	4,012
Non-current liabilities		
Provisions	130	157
Total non-current liabilities	130	157
Total liabilities	5,178	4,169
Net assets	174,212	172,674
Equity		
Reserves	-	3,160
Retained earnings	174,212	169,514
Total equity	174,212	172,674

Statement of Cash Flows for the Financial Year ended 30 June 2019	Year ended 30 June 2019 \$'000	Year ended 1 July 2018 \$'000
Cash flows from operating activities		
Receipts from customers	22,207	22,483
Payments to suppliers and employees	(25,687)	(25,172)
Net cash used in operating activities	(3,480)	(2,689)
Cash flows from investing activities		
Payments for property, plant and equipment	(3,488)	(766)
Proceeds on sale of property, plant and equipment	6	2
Investment income	1,028	1,095
Investment management fees and taxes	(199)	(163)
Purchase of Lazarus Breeding Rights	(2,875)	-
Payments to acquire investments	(35,000)	(20,000)
Net proceeds from withdrawal of investments	43,500	22,500
Net cash provided by investing activities	2,972	2,668
Net decrease in cash and cash equivalents	(508)	(21)
Cash and cash equivalents at the beginning of the financial year	834	855
Cash and cash equivalents at the end of the financial year	326	834

Discussion and analysis of the Profit or Loss and Other Comprehensive Income

The result for financial year ending 30 June 2019 has led to a net profit of \$1,538,075, including other comprehensive income. This compares to \$1,804,307 generated in the previous financial year.

Revenue has continued to show modest growth over the period. The Club draws on a variety of different income streams to fund its prizemoney and other commitments. Most of these income sources have continued to grow over the year, including TAB and Racefields distribution, race funding, catering and gaming revenue. The directors are continually searching for new and profitable income streams, and as such are looking forward to the opening of the new club next financial year.

On the other hand, one area that has been particularly challenging is publications revenue. With changing consumer preferences, where customers are choosing to source more news content online, it has been difficult to maintain sales in this area. Despite the development of an online version of the newspaper, sales in this area have continued to fall. Given these challenges, directors and management are looking at restructuring this area so that it will be more profitable going forward. Furthermore, with the construction of the new club, a total review has been performed of the management structure of the company. Restructuring costs associated with these changes has resulted in expenses of \$104,640 (2018: Nil).

Investment income is another major source of income for the entity. In a period of economic uncertainty and historically low interest rates, we are pleased to see a growth in investment income over the year. Part of this success can be attributed to the reallocation of the investment portfolio. This has included a shift towards more growth assets, and the introduction of BT Financial

Group as our third financial manager. BT Financial Group joins our portfolio of existing fund managers, Koda Capital and UBS Asset Management. The club also continues to hold its investment in property located in Kirribilli, which has provided a steady rental return over the year.

Although we report on a yearly basis, investing is a long-term prospect. For this reason, the board continues to look for future investments that may be of benefit to the club. During the current year, for example, the board invested in the southern hemisphere breeding rights of Lazarus. Going forward, not only is this expected to provide a financial benefit to the club, but also to the industry as a whole.

Even with the growth in income mentioned above, management have maintained a tight control on expenses. This has allowed for an increase in prizemoney paid during the year. Prizemoney has increased by over \$716,000 from the same time last year. This increase is despite the loss of APG Finals which, under the revised schedule, were not programmed to be run in NSW in the current year. The increase in prizemoney can partially be attributed to an increase in midweek prizemoney from \$7,500 to \$9,000 per race. Furthermore, Harness Racing NSW provided an increase in funding for a number of initiatives. This included increasing the Miracle Mile to \$1 million, guaranteeing a number of mares races, and increasing established feature races from Group 3 to Group 2.

The only other expense that has seen a substantial increase over the period is administrative expenses. The increase has largely been attributable to factors outside our control. For example, increases in land values over the last three years have seen an increase in land tax. Additionally, insurance premiums increased by over \$80,000 and contributed to the increase in this expense.

Discussion and analysis of the Balance Sheet

Total assets of the entity have increased by \$2.5 million from the same time last year. Despite the growth in investments, the total value of the portfolio has actually fallen by \$2.6 million. This is due to the reallocation of funds into other projects, such as the construction of the new club and the purchase of the Lazarus southern hemisphere breeding rights. After taking into account depreciation, the net effect of the construction of the new club and the purchase of other assets has seen an

increase in Property, Plant and Equipment of \$2.5 million. Likewise other assets have increased by \$2.9 million with the purchase of the Lazarus southern hemisphere breeding rights.

Total liabilities have increased by \$1 million from the prior year. The increase is attributable to additional payables resulting from the construction of the new club, and the additional provision for restructuring, increasing provisions by \$105,000.

Discussion and analysis of the Statement of Cash Flows

The net cash used in operating activities increased compared to that in the prior period. This is mainly attributed to the increase in prizemoney and other expenses as indicated above.

This was offset by an increase in cash provided by investing activities compared to the prior year. Over the year \$43.5 million was withdrawn from our UBS investment fund. A large proportion of this was due to the reallocation strategy of our investment portfolio which

saw \$27.5 million being reinvested with BT Financial Group. An additional \$7.5 million was reinvested with Koda Capital. Of the remaining \$8.5 million of withdrawn funds, \$3.5 million was used for the purchase of property, plant and equipment and another \$2.9 million was used to purchase the southern hemisphere breeding rights of Lazarus. The balance, along with investment income received of \$1 million, contributed to the total cash provided from investing activities of \$2.97 million.

Notes to the Financial Statements

1. Summary of Accounting Policies

Basis of preparation

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

All amounts are presented in Australian dollars.

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

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the concise financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The concise financial report was authorised for issue by the Directors on 19 September 2019.

2. Application of new and revised Accounting Standards

The company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2018.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the company include:

AASB 9 Financial Instruments

In the current year, the company has applied AASB 9 Financial Instruments (as amended) and the related consequential amendments to other Accounting Standards that are effective for an annual period that begins on or after 1 July 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives.

AASB 9 introduced new requirements for:

- The classification and measurement of financial assets and financial liabilities, and
- Impairment of financial assets

Details of these new requirements as well as their impact on the entity's consolidated financial statements are described below.

Classification and measurement of financial assets

All recognised financial assets that are within the scope of AASB 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost

- Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income (FVTOCI)
- All other debt investments and equity investments are subsequently measured at fair value through profit or loss (FVTPL).

Despite the foregoing, the company may make the following irrevocable election/designation at initial recognition of a financial asset:

The company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination in other comprehensive income

The company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the company has not designated any debt investments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

When a debt or equity investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from reserves to retained earnings as a reclassification adjustment.

Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

The directors of the company reviewed and assessed the entity's existing financial assets as at 1 July 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of AASB 9 has had the following impact on the company's financial assets as regards their classification and measurement:

- The company's investment in managed funds that were classified as available-for-sale financial assets and were measured at fair value at each reporting date under AASB 139 Financial Instruments have been reclassified as financial assets at FVTPL. The change in fair value on these managed funds was previously accumulated in the investment revaluation reserve.
- Financial assets classified as receivables under AASB 139 that were measured at amortised cost continue to be measured at amortised cost under AASB 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The change in classification of the managed funds has resulted in the fair value gain on available-for-sale financial assets of \$3,159,929 accumulated in revaluation reserve being reclassified to retained earnings.

None of the other reclassifications of financial assets have had any impact on the company's financial position, profit or loss, other comprehensive income or total comprehensive income in either year.

Impairment of financial assets

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model as opposed to an

incurred credit loss model under AASB 139. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, AASB 9 requires the company to recognise a loss allowance for expected credit losses on:

- Debt investments measured subsequently at amortised cost or at FVTOCI,
- Lease receivables,
- Trade receivables and contract assets, and
- Financial guarantee contracts to which the impairment requirements of AASB 9 apply

In particular, AASB 9 requires the Entity to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses (ECL) if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the company is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. AASB 9 also allows a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The reconciliation between the ending provision for impairment in accordance with AASB 139 to the opening loss allowance determined in accordance with AASB 9 for the above financial instruments is disclosed in their respective notes.

At the date of authorisation of the financial statements, the company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

Standard/Interpretation	Expected to be initially applied in the financial year ending
• AASB 16 'Leases'	30 June 2020
• AASB 15 'Revenue from contracts with customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective Date of AASB 15', and AASB 2016-3 'Amendments to Australian Accounting Standards – Clarifications to AASB 15'	30 June 2020
• AASB 1058 Income of Not-for-Profit Entities, AASB 1058 Income of Not-for-Profit Entities (Appendix D), AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities	30 June 2020
• AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014–2016 Cycle and Other Amendments	30 June 2020

AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations.

The core principle of the new income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduced a 5-step approach to revenue recognition. Far more prescriptive guidance has been added in AASB 15 to deal with specific scenarios. Details of the new requirements as well as their impact on the entity's financial statements are described below.

The 5-step approach to revenue recognition includes:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The directors of the company have assessed the performance obligations of the various contracts with customers. For most of the company's revenue streams, the performance obligation is satisfied at the time the transaction occurs. That is, when the goods or services are provided. This includes revenues obtained from the provision of food and beverage, gaming services, newspaper and advertising sales.

For racing related revenue, the performance obligation is satisfied when the race meeting has occurred. Therefore revenue is recognised when the 'event' has taken place and the performance obligation is transferred. This includes revenue obtained from TAB and Racefields distribution, sponsorship and race funding.

Under both these scenarios, this is similar to the former revenue recognition under AASB 118 Revenue.

Apart from providing more extensive disclosures for the company's revenue transactions, the application of AASB 15 is not expected to have a significant impact on the financial position and/or financial performance of the entity.

AASB 16 Leases

AASB 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. AASB 16 will supersede the current lease guidance including AASB 117 Leases and the related interpretations when it becomes effective on 1 July 2019.

AASB 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and leases of low value assets.

The right-of-use asset and lease liabilities are measured as present value of future lease payments. The classification of cash flows will also be affected as operating lease payments under AASB 117 are presented as operating cash flows; whereas under the AASB 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

In contrast to lessee accounting, AASB 16 substantially carries forward the lessor accounting requirements in AASB 117, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

As at 1 July 2019, the company has non-cancellable operating lease commitments in the amount of 72,220. AASB 117 does not require the recognition of any right-of-use asset or liability for future payments for these leases. A preliminary assessment indicates that these arrangements will meet the definition of a lease under AASB 16, and hence the company will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases upon the application of AASB 16. The new requirement to recognise a right-of-use asset and a related lease liability is not expected to have a significant impact on the amounts recognised in the company financial statements and the directors are currently assessing its potential impact. It is not practicable to provide a reasonable estimate of the financial effect until the directors complete the review.

In cases where the company is a lessor, the accounting treatment under AASB 16 is similar to that applied under AASB 117. As a result the directors of the company do not anticipate that the application of AASB 16 will have a significant impact on the amounts recognised in the company's financial statements. As at 1 July 2019 the company acted as a lessor of property occupied by the Kirribilli Club and is disclosed in note 8(b) of the full financial report.

3. Segment information

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

4. Subsequent events

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

Directors' Declaration

The directors declare that

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

Signed in accordance with a Resolution of the Directors.

On behalf of the Directors



R G Sharman
Chairman



R J Marshall,
Deputy, Chairman

Sydney, 19 September 2019

Other information - unaudited

Core property

Pursuant to Section 41J(2) of the Registered Clubs Act for the financial year ended 30 June 2019:

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

Notes to Members

1. Section 41J (2) of the Registered Clubs Act requires the Annual Report to specify the core property and non-core property of the Club as at the end of the financial year to which the report relates.
2. Core property is any real property owned or occupied by the Club that comprises:
 - (a) the defined premises of the Club; or
 - (b) any facility provided by the Club for use of its members and their guests; or
 - (c) any other property declared by a Resolution passed by a majority of the members present at a general meeting of Ordinary members of the Club to be core property of the Club.
3. Non-core property is any other property other than that referred to above as core property and any property which is declared by the members at a general meeting of ordinary members of the Club not to be core property.
4. The significance of the distinction between core property and non-core property is that the Club cannot dispose of any core property unless:
 - (a) the property has been valued by a registered valuer within the meaning of the Valuers Act 2003; and
 - (b) the disposal has been approved at a general meeting of the Ordinary members of the Club at which the majority of the votes cast support the approval; and
 - (c) any sale is by way of public action or open tender conducted by an independent real estate agent or auctioneer.

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

Independent Auditor's Report

to the Members of New South Wales Harness Racing Club Limited

Opinion

We have audited the concise financial report of New South Wales Harness Racing Club Limited (the "Entity"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and related notes, derived from the financial report of New South Wales Harness Racing Club Limited for the year ended 30 June 2019 and the discussion and analysis.

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Concise Financial Report section of our report. We are independent of the Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the concise financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the financial report and the auditor's report thereon.

The Financial report and Our Report Thereon

We expressed an unmodified audit opinion on the financial report in our report dated 25 September 2019.

Responsibilities of the Directors for the Concise Financial Report

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

Auditor's Responsibilities for the Audit of the Concise Financial Report

Our responsibility is to express an opinion on whether the concise financial report, in all material respects, complies with AASB 1039 Concise Financial Reports and whether the discussion and analysis complies with AASB 1039 Concise Financial Reports based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

DELOITTE TOUCHE TOHMATSU

Nathan Balban
Partner

Chartered Accountants
Parramatta, 25 September 2019

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Auditor's independence declaration

Dear Board Members New South Wales Harness Racing Club Limited

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

As lead audit partner for the audit of the financial statements of New South Wales Harness Racing Club Limited for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours faithfully

DELOITTE TOUCHE TOHMATSU
Nathan Balban, Partner, Chartered Accountants,
Parramatta, 19 September 2019.

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Club Menangle,

Racecourse Avenue, Menangle Park NSW 2563
Ph: (02) 4645 2200
Email: info@clubmenangle.com.au
Web: www.clubmenangle.com.au