

Statement

No. ACT of

Tabcorp Holdings Limited

Proposed acquisition of Tatts Group Limited by Tabcorp Holdings Limited by way of scheme of arrangement



Statement of: Brett Dixon
Address: Dick Ward Drive, Fannie Bay, Northern Territory, 0820
Occupation: Chairman, Darwin Turf Club
Date: 9 February 2017

I, Brett Dixon of Dick Ward Drive, Fannie Bay, in the Northern Territory, say:

1. I am the Chairman of Darwin Turf Club Incorporated (**DTC**) and have held that position since 1 July 2008. I am also a board member of Thoroughbred Racing Northern Territory Incorporated (**TRNT**).
2. This statement is made in relation to an application by Tabcorp Holdings Limited (**Tabcorp**) to the Australian Competition Tribunal (the **Tribunal**) for authorisation of the merger of Tatts Group Limited (**Tatts**) and Tabcorp.
3. Exhibited to me at the time of making this statement and marked "BD-1" is a paginated bundle of the documents which I refer to in this statement (the **Bundle**). Where in this statement I refer to the Bundle page X, I am referring to the numbered page in the Bundle.
4. I am a licenced builder by qualification. I have 35 years business management experience in the real estate, construction, property management and property development industries. I am currently the Managing Director of Jaytex Pty Ltd and have held that position since 7 June 1995. Jaytex is a property development company, specialising in design and construction of residential and commercial projects
5. I am also a director and the company secretary of NT Kerbing Pty Ltd and have held those positions since 16 June 2000. NT Kerbing specialises in the provision of kerb and gutter, footpaths, road barriers, concrete drains, concrete inverts, roundabouts and mountable kerbs.
6. I have been involved in the thoroughbred racing industry in the Northern Territory for 16 years. From about 1 July 2001 to 30 June 2007 I was a member of the DTC Board. As I mentioned in paragraph 1 above, I have also held the position of DTC Chairman since 1 July 2008. Since 2001 I have acquired detailed knowledge in relation to all aspects of the thoroughbred racing industry, including knowledge of:
 - (a) the activities of Tatts (as the exclusive totalisator in the Northern Territory) and of corporate bookmakers, such as William Hill and Bet 365;
 - (b) trends in the Northern Territory wagering industry;

- (c) the interrelationship between the wagering industry and the thoroughbred racing industry in the Northern Territory;
 - (d) the funding arrangements DTC has with Tatts and corporate bookmakers;
 - (e) the nature of Tatts' wagering agreement with TRNT;
 - (f) the nature of TRNT's funding agreement with DTC; and
 - (g) the nature and amount of payments made by Tatts and TRNT under the agreements referred to in (e) and (f).
7. This statement is arranged by reference to the following subject matters:
- (a) an overview of the TRNT, as the head body for thoroughbred racing in the Northern Territory (**Section A**);
 - (b) an overview of DTC; its operations and activities, the funding it receives from the wagering industry and its 2015 financial performance (**Section B**); and
 - (c) my knowledge of the Tatts / Tabcorp transaction and my view on the potential benefits of the transaction for DTC and Darwin generally (**Section C**).

SECTION A - TRNT

8. TRNT is the representative body for all thoroughbred racing clubs in the Northern Territory, including DTC, Alice Springs Turf Club and the smaller Country Clubs of Katherine, Adelaide River and Tennant Creek.
9. Among other things, as the representative body for all thoroughbred racing clubs in the Northern Territory, TRNT:
- (a) is responsible for the strategic supervision, regulation, promotion and development of thoroughbred horse racing in the Northern Territory (section 43 of the *Racing and Betting Act (NT)*); and
 - (b) has power to do all things that are necessary for the performance of its functions and the exercise of its powers, including:
 - (i) investigating and reporting on proposals for the construction of new racecourses or for the alteration or renovation of existing racecourses;
 - (ii) registering or licensing or refusing to register or license a race club or an owner, trainer, jockey, bookmaker, key employee or other person associated with racing, or disqualify or suspend any of those persons permanently or for a specified period;
 - (iii) supervising the activities of race clubs registered by it, persons licensed by it and all other persons engaged in or associated with racing in its locality;
 - (iv) giving directions to a race club registered by it in relation to the club's racecourse and its affairs as it thinks fit for the advancement of racing whether in the Territory as a whole or in the locality of that racecourse;
 - (v) undertaking research into all aspects of the breeding of horses and of horse-racing generally (section 44 of the *Racing and Betting Act (NT)*).

SECTION B - DTC

DTC's operations and activities

10. DTC is an association within the meaning of the *Northern Territory Associations Act* and was created for the purpose of recreation and amusement.
11. DTC Board members are elected on an honorary basis and receive no remuneration for their services. At any time, three DTC Board members are also members of the TRNT Board. At the current time, members of DTC Board, including Robert Longuet, Cameron McNally and myself, are also members of the TRNT Board.
12. At page 5 of DTC's 2015 Annual Report, a copy of which appears at Bundle page 5, my report, as Chairman of DTC, set out DTC's vision and mission statements as follows:

"Vision statement

Maintain the Darwin Turf Club as a leader in thoroughbred racing, event management and entertainment.

Mission statement

Through our people we will;

- *Continually develop Darwin Turf Club as the Northern Territory's premium racing and preferred event and entertainment venue all year round.*
- *Explore other non-racing income opportunities.*
- *Focus on the continued growth and success of the Darwin Cup Carnival.*
- *Ensure we provide the best facilities, highest quality service and value for our Members, Partners, Customers and the Community while maximizing the financial returns from our racing and events for the benefit of the Club, its Members, the Racing Industry and Partners.*
- *Be mindful at all times of the importance of the economic sustainability benefits to the Community in all our business planning."*

13. DTC's two core activities include:
- (a) holding race meetings at its Fannie Bay race track. DTC's day-to-day operations with respect to race meetings held at the Fannie Bay race track include:
- (i) administration activities;
 - (ii) catering;
 - (iii) bar sales;
 - (iv) stable rental;
 - (v) merchandising;
 - (vi) the provision of race books;
 - (vii) advertising; and
 - (viii) catering for the on-course supply of wagering services by UBET NT and corporate bookmakers.

- (b) running a function centre at the Fannie Bay race track which hosts functions, trade shows and conventions.
14. In addition to its service based activities, DTC also:
- (a) engages in industry consultation for the purposes of improving the Northern Territory thoroughbred racing industry, which includes consulting with:
- (i) Racehorse Owners Association Northern Territory on a regular basis regarding a number of subjects pertaining to horse ownership;
 - (ii) the Northern Territory Jockey Association to discuss issues relating to the Jockey's welfare and safety;
 - (iii) Northern Territory trainers to discuss programming and matters relating to safety, stable capital works, repairs and maintenance; and
 - (iv) Women in Thoroughbred Racing NT, an incorporated association committed to providing a social network for members and to raise funds to support and promote female participants in the Northern Territory Thoroughbred Racing Industry.
- (b) provides financial support to charities and community groups including; the Cancer Council, St John's Ambulance, the Northern Territory Gambling Advisory Committee, the Carbine Club and local trainer and jockey groups.
15. In order to provide the services, and engage in the activities referred to above, DTC employs 21 Territorians in full time equivalent employment throughout the year, plus between an additional 200 and 500 casual staff during the peak racing season of June and July each year.

Funding DTC receives from the wagering industry

16. DTC receives significant funding from the wagering industry, as reported in the 2015 Annual Report: at Bundle page 15. This funding is referred to in the club's Annual Reports as '*TAB commissions*', '*TRNT Operational Grants*' and '*TRNT Capital Grants*'. I discuss the sources of this funding below:
- (a) **'TAB commissions'**
- (i) UBET NT pays DTC a fixed percentage fee of all on-course pari-mutuel and fixed odds wagering undertaken by UBET NT at the Fannie Bay race track under a confidential agreement. These fees are referred to in DTC's Annual Reports as '*TAB commissions*'.
- (b) **'TRNT Operational Grants' and 'TRNT Capital Grants'**
- (i) Tatts has held the NT exclusive totalisator licence since the NT Government privatised the NT TAB in 2000.
 - (ii) On 1 November 2015, the NT Government entered into a new agreement with UBET NT Pty Ltd which gives UBET NT the exclusive right to conduct totalisator operations in the Territory for 20 years (**UBET Agreement**). The terms of the UBET Agreement are confidential. As a condition of the UBET Agreement, UBET NT must pay TRNT annual fixed fees, together with a percentage of the wagering revenue generated by UBET NT from fixed odds betting (on-course and off-course) on races conducted in any Australian State and Territory. The UBET Agreement does not require UBET NT to pay any amount to TRNT referable to the amount wagered on tote betting with UBET NT in any Australian State and Territory.

- (iii) The fees TRNT receives from UBET NT are distributed between DTC, Alice Springs Turf Club and the smaller Country Clubs on a discretionary basis, and are recorded in DTC's Annual Reports as 'TRNT Operational Grants' and 'TRNT Capital Grants'. The difference between the two is that TRNT Operational Grants are provided by TRNT to be used by DTC for operational purposes and TRNT Capital Grants are provided by TRNT to be used by DTC for capital works projects.
17. The TRNT Operational Grants and TRNT Grants recorded in DTC's Annual Reports are made up of payments under the UBET Agreement and race field information fees. The latter fees are paid to TRNT under a number of confidential agreements which TRNT has with various interstate totalisators or corporate bookmakers permitting those parties to make use of information about racing events conducted in the Territory. Both the payments under the UBET Agreement and the race field information fees are (for the large part) respectively based on a percentage of the UBET NT's wagering turnover and the wagering turnover of interstate totalisators or corporate bookmakers.
18. Although the amounts referred to in paragraphs 16(a), (b) and 17 are confidential, I can indicate that generally, and certainly in the year ending 31 December 2015, the amount of TAB commissions and UBET Agreement fees received from UBET NT is significantly greater than the amount of racing information fees received by DTC.
19. DTC's other revenue streams include income from bar and catering operations, functions, race day admission fees, merchandise sales, advertising and sponsorship. These revenue streams are not material in relation to the impact of the merger proposal.

DTC's 2015 financial performance

20. DTC's most recent financial performance is recorded in DTC's 2015 Annual Report (which records DTC's operations for the 12 months to 31 December 2015).
21. I noted in the 2015 Annual Report (at Bundle page 5):
- "The Club recorded a loss of \$219,059 for the year [up from a loss of \$23,438 in 2014], with allowance for depreciation of \$887,513. However, after receipt of [TRNT] Capital Grants Funding through the Funding Agreement with Thoroughbred Racing Northern Territory, the net result for the reporting period resulted in a profit of \$656,827. The total Capital Grants for the year were \$875,886 and all of this funding is directly allocated to Capital Works Projects."*
22. In 2015, 27.7% of DTC's total income of \$12,511,607 (revenue and TRNT Capital Grants) was derived from the wagering industry, including:
- (a) 12.1% or \$1,518,151 from TRNT Operational Grants;
 - (b) 8.59% or \$1,074,499 from TAB commissions; and
 - (c) 7% or \$875,886 from TRNT Capital Grants.
23. Of DTC's total 2015 expenditure (\$11,854,780):
- (a) 42.4% was attributable to administration expenses, including repairs and maintenance costs, marketing expenses, borrowing costs and salaries ;
 - (b) 38.1% was attributable to operating expenses, including bar and catering costs, function expenses and outsourced catering costs;
 - (c) 9.9% was attributable to racemeeting and racing expenses, including advertising, race day costs of sales, racing salaries and wages and sponsorship costs ; and

(d) 9.4% was attributable to other miscellaneous expenses.

24. I noted in the 2015 Annual Report (at Bundle page 5):

"The financial environment we operated within 2014 continued to be very difficult and accordingly we diligently managed the Club's business with the added pressure of continued increased operational costs that are beyond the direct control of the Club, such as power and water.

Through this diligent management we have continued to ensure the Club's facilities, racing product, service and staff are of the highest possible standard throughout the year.

...

To contest the external cost pressures mentioned above we have continue to restructure our business. Looking forward, we are very focused on increasing our other sources of income. To add to the income derived from Brett Dixon House we continue to hold our own well in obtaining function, trade show and convention business. The Darwin Turf Club is located in a prime location to capitalise on these other sources of income and we will also be sourcing opportunities through additional gaming operations."

Current funding challenges

25. DTC faces some funding challenges as noted in the 2015 Annual Report: see paragraph 24 above. These challenges have been made more difficult by recent wagering trends.

26. I am aware from my own observations that over the last decade corporate bookmakers have entered the wagering market in the Northern Territory and have become popular with punters by offering a 'best of tote' derivative product, which provide a pay-out based on a state tote or range of state tote pay-outs, promotions and incentives such as 'bonus bets' and 'cash back'. I also understand from my dealings with UBET NT that over the same period corporate bookmakers have been successful in gaining a significantly large and growing share of wagering turnover, while wagering turnover with UBET NT has been diminishing. As noted by Mr Keith Stacy, Chief Executive Officer of DTC, in 2010, and myself in 2012, the rise of corporate bookmakers has resulted in a decline in DTC's turnover:

"Commissions earned by the Club for the appropriate period were \$513,716, down \$36,722 or 7%. The influx of Corporate Bookmakers in the wagering market and the Global Financial Crisis obviously contributed to the downturn in turnover and commission to the Club": 2010 Annual Report - see Bundle page 31.

"The on course TAB commissions earned by the Darwin Turf Club are an important and significant contribution to the overall income. Holding market share is challenging, particularly in light of competing against the ever increasing pressure of other avenues of off course betting": 2012 Annual Report - see Bundle page 57.

27. As explained in paragraph 18 above DTC historically has received more funding from UBET NT compared to any other bookmaker or interstate tote.

28. If the trend in paragraph 26 continues, I am concerned that a continued decrease in wagering turnover for UBET NT will result in a decline in DTC's total revenue over the long term.

SECTION C - THE TATTS / TABCORP TRANSACTION

29. I have had regard to the publicly available Tabcorp / Tatts presentation dated 19 October 2016. A copy of the presentation is at Bundle p 83.

Potential benefits of the merger for DTC

30. I support the Tatts / Tabcorp Transaction (**Transaction**) because I consider that the Transaction is likely to lead to increased funding for DTC, which will in turn enable DTC to increase its investment in the Darwin racing industry. I explain these views below.
31. Tabcorp has stated that when the Transaction is complete, it proposes to increase the wagering and in particular totalisator wagering in the Northern Territory (Tatts/Tabcorp presentation, Bundle page 83).
32. I have not had a detailed opportunity to consider and test the way in which Tabcorp suggests that it will be in a position to increase wagering from Northern Territory residents if its acquires control of UBET NT. However, my view is that it is plausible to anticipate that Tabcorp will be able to achieve some increases in wagering turnover in the Northern Territory. This is because Tabcorp has in my opinion some improved product and service offering compared to UBET NT, for example:
- (a) Tabcorp's self-service terminals and mobile betting apps which allow punters to more easily bet on totes; and
 - (b) Tabcorp's greater variety of products, including:
 - (i) bonus bets and cash-back offers equal to a customer's stake (capped at a certain amount) to customers who placed a bet on a race, where their horse did not win but finished second or third;
 - (ii) jackpots or guaranteed minimum pools;
 - (iii) the 'early Quaddie', which allows customers to place Quaddie bets on (typically) the first four races of the day, as well as on the last four races of the day.
33. If, as I expect is reasonably likely, the Transaction results in an increase in totalisator wagering in the Northern Territory, I expect there to be an increase in DTC's revenue arising from an increase in the payments made by UBET NT to DTC. As discussed above, this is because UBET NT pays to:
- (a) DTC a percentage of on-course pari-mutuel and fixed price wagering sold by UBET NT at the Fannie Bay race track for races conducted at all Northern Territory and interstate greyhound, harness and thoroughbred race tracks (including Fannie Bay race track): see paragraph 16(a) above; and
 - (b) TRNT a percentage of fixed price off-course and on-course wagering revenue generated by UBET NT on races conducted in any Australian State and Territory including the Territory. In turn, these fees are distributed in part to DTC: see paragraph 16(b)(iii) above.
34. As discussed in paragraph 18, the amount of TAB commissions and UBET Agreement fees DTC receives from UBET NT are generally significantly greater than the amount of racing information fees received by DTC from UBET NT and other wagering operators. As such, to the extent there is an increase in wagering with UBET NT, I believe this will further increase DTC's funding.
35. The Tabcorp/Tatts investor presentation states (Bundle page 86) that the proposed merger provides a pathway to national pooling for totalisator wagering. I understand this to mean the Transaction will assist the parties and the various racing industries to move more quickly to agree terms and conditions to allow for the combining of two or more of the three major pools operated by Tabcorp and Tatts. Any national pool, or the combining of two existing pools, would be of benefit to racing generally in the Northern Territory. In my opinion, this is because a deeper and more liquid pool or pools mean more reliable and stable odds for punters and

increased punter certainty and confidence to wager with a totalisator - especially on events in the Territory, which tend to attract smaller bets than races in the Eastern States, and accordingly, are more prone to a lack of liquidity in tote betting. This is important:

- (a) for attracting higher value punters who want to access greater liquidity to maximise potential winnings relative to risk and probability of an particular outcome occurring; and
- (b) for smaller jurisdictions like the Northern Territory where the totalisator tends to have smaller pools because the type and quality of races offered and the betting population is not large enough to sustain a larger pool.

How DTC would apply additional revenue

- 36. Should additional revenue be received by the DTC, the Board of DTC will determine how these funds are expended. However, in order of priority, I am of the view that these funds should be directed to increasing current funding with respect to: repair and maintenance expenses and major projects at Fannie Bay race track, for the reasons discussed below.
- 37. *First*, repair and maintenance projects. In the year ending 30 September 2005, DTC's repair and maintenance costs were \$385,492. In the year ending 31 December 2015 these costs had increased by about 67% to \$641,980 (being an increase of about 5.1% per annum between 30 September 2005 and 31 December 2015) : see DTC's 2006 Annual Report at Bundle page 115 and page DTC's 2015 Annual Report at Bundle page 22. Assuming the repair and maintenance costs continue to increase at an annual rate of about 5.1%, which having regard to DTC's aging facilities and infrastructure is in my view realistic, DTC will need an additional \$430,000 to cover repair and maintenance costs by the year 2025. I am of the view that this increase is unlikely to be sustainable on DTC's current revenue growth.
- 38. *Second*, major works projects. DTC, and in particular the Darwin Cup, continues to grow in popularity as a local, national and international racing event. In 2006 the Darwin Cup attracted 28,531 attendees, in 2014 the attendees had grown to 38,392, or an increase of 34.5%: see DTC's 2008 Annual Report at Bundle page 147 and of DTC's 2015 Annual Report at Bundle page 12). Having regard to Fannie Bay race tracks current infrastructure, including, for example, its pavilion, bars, stables, stalls and bathroom facilities, I estimate the track presently has the capacity to cater for up to approximately 45,000 - 50,000 attendees over the Darwin Cup racing festival.
- 39. To accommodate increases in attendees going forward, there is a need for DTC to invest in major works projects now and in the future. Some of these projects have been set out at page 23 of the DTC's 2012 Strategic Business Plan, a copy of which appears at Bundle page 176. Financial constraints has meant that the projects set out in the table below, and referred to in DTC's 2012 Strategic Business Plan, have not yet commenced as at the date of this statement:

Project	Estimated Cost
New Handicap Toilet Demountable Block at Pavilion	\$100,000
Lights for Track work (OH & S)	\$150,000
Race Day Horse Stalls	\$250,000
Replace Dick Leach Stable	\$500,000

Upgrade to Silks and Saddles Bar	\$250,000
Centre Field Permanent Toilets, Showers and Cool Room	\$400,000
Replace Garry Clarke Stable	\$450,000
Replace Louis Paech Stable	\$475,000
New Stable Block Between Clarke and Trengrove	\$500,000
Trot and Canter Track	\$25,000
Lights for Race Track	\$6,000,000
Synthetic Race Track and Removal of Existing Track	\$16,000,000
Total	\$25,100,000

40. Further to the projects set out in the 2012 Strategic Business Plan additional projects were recently tabled at DTC's November 2016 Board Meeting. These included:
- (a) upgrades to the Silks and Saddles Bar, at an estimated cost of \$250,000;
 - (b) a new stable block, at an estimated cost of \$600,000;
 - (c) a new traffic underpass, at an estimated cost of \$900,000; and
 - (d) a new gaming club, at an estimated cost of \$8,000,000.

Potential benefits of the merger for Darwin

41. DTC's principal racing meetings are held as part of what is called the "Carlton Mid Darwin Cup Carnival". I noted in the 2015 Annual Report (Bundle page 5):

"The Carlton Mid Darwin Cup Carnival continues to grow locally, while interstate and overseas it is viewed by millions, through our trusted media partner SKY Racing, across the eight days of racing. The Carnival remains the largest social and sporting event in the Northern Territory providing unrivalled gross economic contribution to the Darwin and regional community.

Crowd attendance throughout the Carlton Mid Darwin Cup Carnival was excellent with 37,009 attending This was only down 3.60% on 2014, but the in final weekend both bet365 Palmerston Sprint day and Carlton Mid Darwin Cup day were marginally higher.

Attendance support from Darwin and the Northern Territory patrons is commendable and we continue to receive growing numbers from Interstate and Overseas, which is evident in the final weekend of the Carnival."

42. In about 2012, DTC, with DTC's Boards support, commissioned an economic study into the Carlton Mid Darwin Cup Carnival (**Darwin Cup Study**). A copy of the Darwin Cup Study appears in the Bundle at page 199.

43. The findings of the Darwin Cup Study were accepted by the Board on about December 2012.
44. A summary of the Darwin Cup Study is set out at page 9 of DTC's 2012 Annual Report (see Bundle page 53). That summary notes:
- (a) 44,237 people attended the carnival racing days during 2012, of which 8,499 were interstate and overseas visitors;
 - (b) total in-scope expenditure generated by the carnival was \$11.5 million (expenditure generated by visitors from outside the Northern Territory);
 - (c) total direct spending generated by the carnival was \$26.3 million (physical amount spent by attendees at events held during Carnival);
 - (d) total contribution to gross territory product generated by the carnival was \$32.2 million;
 - (e) 31,112 bed nights were generated by the interstate and international visitors, totalling \$6.82 million; and
 - (f) racegoers spent nearly \$3.3 million on fashion items and accessories to wear at the Darwin Cup Carnival. More the 35,000 fashion items were purchased in the Northern Territory (predominantly in Darwin).
45. I believe that the merger has the potential to have benefits for Darwin because steps which improve DTC's revenue, will allow for additional funding to be allocated to, and improve DTC's capacity with respect of:
- (a) the social and community based activities referred to in paragraphs 14 and 15 above; and
 - (b) prize money for racing participants, repair and maintenance expenses and major projects: see paragraphs 37 to 40 above; and
 - (c) the development of the Carlton Mid Darwin Cup Carnival as a national and international racing event. In turn, this could lead to increases to both attendance levels at the Carlton Mid Darwin Cup Carnival by Territorians, interstate and overseas guests and the gross territory product, in addition to that identified in the Darwin Cup Study.



9/2/17

Signature

Brett Dixon, Chairman, Darwin Turf Club



9/2/17

Signature of witness

Melanie Lynette Vreeling
Commissioner for Oaths (NT) / Legal Practitioner
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IN THE AUSTRALIAN COMPETITION TRIBUNAL

No. ACT of

Tabcorp Holdings Limited

Proposed acquisition of Tatts Group Limited by Tabcorp Holdings Limited by way of scheme of arrangement

EXHIBIT CERTIFICATE

This is the exhibit marked "BD-1" now produced and shown to Brett Dixon at the time of the signing of his statement on 9 February 2017 before me:


.....
Melanie Vreeling

An Australian Practitioner within the meaning of the *Legal Profession Act 2006* (NT)

Filed on behalf of Tatts Group Limited

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[This index is created for the convenience of the Australian Competition Tribunal. The index does not form part of the statement of Brett Dixon dated 9 February 2017.]

Bundle page reference	Document Description	Document ID
1.	Darwin Turf Club Annual Report 2015	TAT.001.025.0001
29.	Darwin Turf Club Annual Report 2010	TAT.001.025.0029
45.	Darwin Turf Club Annual Report 2012	TAT.001.025.0042
83.	Tabcorp/Tatts Presentation dated 19 October 2016	TAT.001.023.0254
99.	Darwin Turf Club Annual Report 2006	TAT.001.025.0096
131.	Darwin Turf Club Annual Report 2008	TAT.001.025.0128
167.	Darwin Turf Club Business Plan 2012	TAT.001.025.0164
199.	Darwin Cup Carnival Economic Impact Study on 2012	TAT.001.025.0196

Tabcorp

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19 October 2016

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Market Announcements Office
20 Bridge Street
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TABCORP / TATTS PRESENTATION

Attached is a copy of the presentation in relation to the recommended combination of Tabcorp Holdings Limited and Tatts Group Limited which was announced today.



Fiona Mead
Company Secretary (subject to approval)

Enc.

Recommended combination of Tabcorp Holdings Limited and Tatts Group Limited

Tabcorp and Tatts to combine to create a world-class,
diversified gambling entertainment group

19 October 2016

Tabcorp



Disclaimer

This presentation (**Presentation**) provides information in summary form and should be read in conjunction with the announcement in relation to the proposed transaction between Tabcorp Holdings Limited (**Tabcorp**) and Tatts Group Limited (**Tatts**) (the **Transaction**) that was released today. This Presentation does not purport to contain all the information that investors may require in order to make a decision in relation to the Transaction. It contains selected information only. Further information will be contained in additional documents to be released by Tatts and/or Tabcorp.

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Transaction benefits

Tabcorp and Tatts to combine to create a world-class, diversified gambling entertainment group

1 Creates a leading, diversified portfolio of gambling entertainment businesses

- long-dated suite of licences
- well positioned to invest, innovate and compete in a rapidly evolving marketplace
- larger and more diversified earnings base, with a broad national footprint
- well positioned to pursue growth opportunities globally

2 Provides a wide range of benefits for stakeholders and enhances the long-term sustainability of the Australian racing industry

- at least \$50 million per annum in additional funding expected to flow to the racing industry in Australia
- provides a pathway to national pooling for pari-mutuel wagering, subject to regulatory and racing industry approvals

3 Significant value creation expected for both sets of shareholders

- expected to deliver at least \$130 million per annum EBITDA synergies and business improvements, net of benefits to the racing industry
- expected to be EPS accretive (before significant items) and value accretive for both Tabcorp and Tatts shareholders
- Combined Group expected to target a dividend payout ratio of 90% of NPAT before significant items and amortisation of the Victorian Wagering and Betting Licence
- Combined Group expected to undertake a share buyback of \$500 million, post implementation of the Transaction and subject to Board approval and market conditions

4 Greater scale and strong balance sheet position

- combined pro forma enterprise value of approximately \$11.3 billion¹, revenue of over \$5 billion and EBITDA of over \$1 billion²
- balance sheet strength better facilitates growth and potential capital management opportunities – Combined Group intends to have an investment grade credit rating

5 Complementary businesses, delivering a winning offer for customers

- combines the best of both businesses to support investment and innovation, including best-in-class digital products
- supports an enhanced range of products and experiences across each of our channels and products

Notes:

1 Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction and pro forma net debt of the Combined Group as at 30 June 2016

2 Based on reported FY 2016 revenue and EBITDA for Tabcorp and Tatts. Excludes the impact of synergies and business improvements

Transaction summary

Tabcorp and Tatts have entered into an Implementation Deed to combine the two companies

Structure	<ul style="list-style-type: none"> Tatts shareholders to receive 0.80 Tabcorp shares plus 42.5 cents cash for each Tatts share held Tatts intends to pay its shareholders a fully-franked special dividend of 20 cents per share (subject to the availability of franking credits) immediately prior to implementation of the Transaction in lieu of part of the cash consideration. A fully-franked dividend of 20 cents per share would have approximately 8.6 cents per share of franking credits attached¹ Transaction to be implemented via a Tatts Scheme of Arrangement
Combined Group	<ul style="list-style-type: none"> World-class, diversified gambling entertainment group Combined Group pro forma enterprise value of approximately \$11.3 billion² and expected to be an ASX50 company Tabcorp and Tatts shareholders will own approximately 42% and 58% of the Combined Group, respectively³
Board and management composition	<ul style="list-style-type: none"> Board will be comprised of the existing Tabcorp Directors with Paula Dwyer as Chairman David Attenborough will be Managing Director and Chief Executive Officer of the Combined Group and Damien Johnston will be Chief Financial Officer Tatts Chairman Harry Boon will join the Board of the Combined Group as a Non-Executive Director
Key approvals and Transaction timing	<ul style="list-style-type: none"> Obtaining competition, regulatory and other approvals Tatts shareholders approving the Tatts Scheme of Arrangement Obtaining Court approval for the Scheme and an independent expert concluding the Transaction is in the best interests of Tatts shareholders Other conditions as set out in the Implementation Deed (appended to the Transaction announcement) Completion expected mid-2017
Board and shareholder support	<ul style="list-style-type: none"> Transaction is unanimously recommended by the Boards of Tabcorp and Tatts⁴ AustralianSuper, one of Tatts' largest shareholders, has indicated that it intends to vote its Tatts shares in favour of the Transaction, in the absence of a superior proposal and subject to there being no material adverse change in circumstances



Notes:

- 1 Whilst Tatts estimates the special dividend will be 20 cents per Tatts share, under the Implementation Deed Tatts is able to pay a special dividend of up to 25 cents per share (subject to the availability of franking credits)
- 2 Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction and pro forma net debt of the Combined Group as at 30 June 2016 (including estimated transaction costs). Excludes impact of synergies and business improvements
- 3 Based on Tabcorp's ordinary shares outstanding of 835 million and Tatts' fully diluted shares outstanding of 1,469 million (including performance rights) as at 18 October 2016
- 4 In the Tatts Board's case, subject to there being no superior proposal and also to an independent expert concluding the Transaction is in the best interests of Tatts shareholders

Overview of the Combined Group

Combination delivers scale to support future growth and an enhanced ability to invest and innovate in a highly competitive and rapidly evolving market

- Combined pro forma enterprise value of approximately \$11.3 billion and market capitalisation of \$8.6 billion^{1,2}
- Combined pro forma FY 2016 revenue of over \$5 billion and EBITDA of over \$1 billion, before synergies and business improvements

	 Tabcorp	 TattsGroup	Combined Group³
Market capitalisation ¹ (\$ million)	4,084	5,273	8,644
Net debt (\$ million) ² — 30 June 2016	870	1,041	2,626
Enterprise value (\$ million)	4,955	6,315	11,270
Revenue (\$ million) — FY 2016	2,189	2,928	5,117
EBITDA (\$ million) — FY 2016	516	495	1,011
EBIT (\$ million) — FY 2016	337	420	757
Net debt / EBITDA (x) (pre synergies and business improvements)	1.7x	2.1x	2.6x
Gross debt / EBITDA (x) (pre synergies and business improvements)	1.9x	2.2x	2.8x

- Transaction costs are estimated to be approximately \$90 million

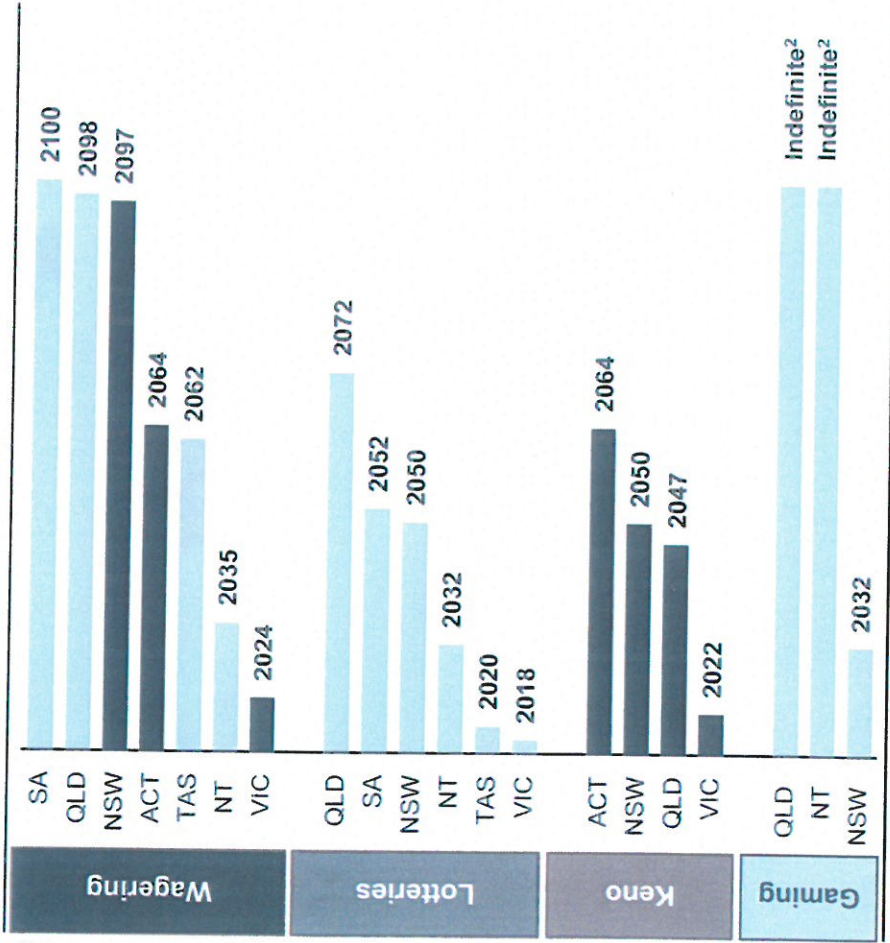
Source: Bloomberg as at 18 October 2016, Company filings

Notes:

- Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction
- Pro forma net debt of the Combined Group as at 30 June 2016 (including estimated transaction costs of \$90 million) adjusted for cash paid to Tatts shareholders under the Transaction of \$624 million based on a cash consideration component of 42.5 cents per Tatts share and Tatts' fully diluted shares outstanding of 1,469 million (including performance rights)
- Does not account for any differences in accounting treatment, disclosure, inter-group eliminations and acquisition accounting adjustments. Presented before synergies and business improvements

Stronger and more diversified portfolio of businesses

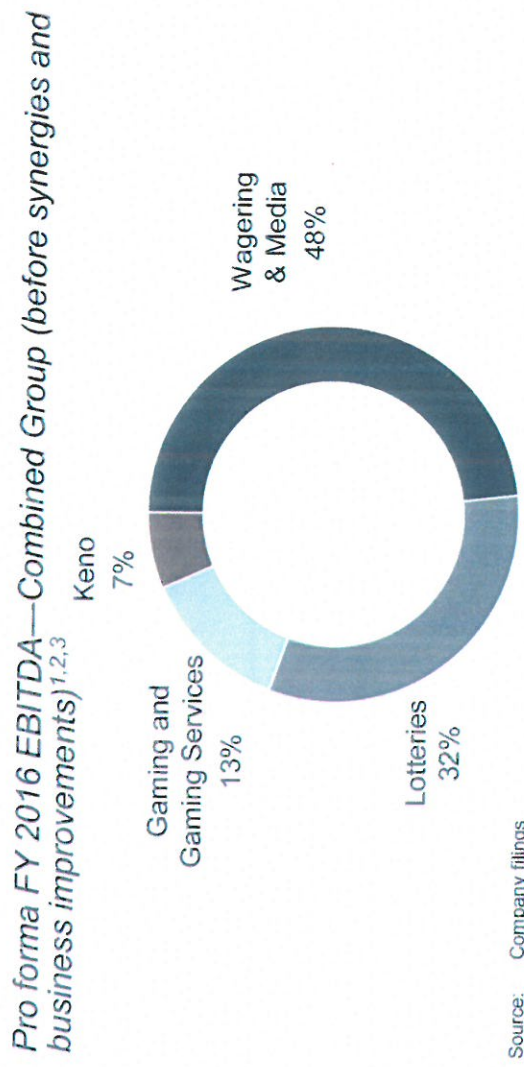
Combination delivers an enhanced portfolio of long-dated licences and a more diverse earnings base



Source: Company filings

Notes:

- Tatts' NT Wagering licence expires in 2035. Tabcorp's NT Wagering licence in 2020; some licences (e.g. Tabcorp's VIC Wagering, Tatts' TAS Wagering) have renewal options post expiry. Tatts' SA Lotteries licence includes SA Keno; both Tatts and Tabcorp are accredited gaming operators in Australia
- Indefinite rolling renewal capability



Source: Company filings

Notes:

- Figures expressed on a pre adjustment basis, as currently reported by Tatts and Tabcorp before unallocated corporate expenses, excluding discontinued operations
- Percentages may not sum to 100% because of rounding
- Contribution of Lotteries earnings includes Tatts' SA Keno business

Combines two largely complementary businesses

Combines two Australian industry icons, creating a champion of gambling entertainment with a national footprint across a broad suite of leading brands and products

The Combined Group's businesses, brands and jurisdictions

Business	Key brands		Geographic reach											
	VIC	NSW	ACT	QLD	SA	TAS	NT	WA	Intl.					
Wagering					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lotteries						✓	✓	✓	✓	✓	✓	✓	✓	✓
Keno					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Gaming and Gaming Services					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Media					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Source: Company filings, company website

Note: 1 Subject to implementation of the Intecq scheme of arrangement

Significant synergies to be generated from the combination

Expected to deliver at least \$130 million of annual EBITDA synergies and business improvements, net of benefits to the racing industry. Estimated synergies and business improvements valued at approximately \$1.4 billion¹

<p>Opex synergies</p>	<ul style="list-style-type: none"> • Technology integration and systems optimisation • Consolidation of wagering functions • Corporate cost rationalisations • Procurement benefits from increased scale
<p>Wagering performance optimisation under the TAB brand</p>	<ul style="list-style-type: none"> • Fixed odds yield improvement <ul style="list-style-type: none"> – Tabcorp intends to roll-out its leading risk management systems and processes into the UBET business – the larger combined Tabcorp and Tatts fixed odds book further increases the risk management capability of the Combined Group – fixed odds yields in the ACT improved significantly in the 12 months after Tabcorp's acquisition of ACTTAB • Wagering turnover growth <ul style="list-style-type: none"> – alignment of product offering between Tatts' and Tabcorp's wagering operations, including TAB products such as Cash Out and Quaddie Cash Out (subject to regulatory approval) – targeted investment in the UBET retail network based on TAB's market-leading multi-channel offering – combined digital expertise to deliver best-in-class digital products and customer experience – potential further benefits from the increased attractiveness of merged pools, subject to regulatory and racing industry approvals
<p>Keno performance optimisation</p>	<ul style="list-style-type: none"> • Extend the key drivers of the Keno transformation of brand, pooling and digital to South Australia (subject to regulatory approval) <ul style="list-style-type: none"> – following the introduction of similar measures in Victoria during FY 2016, Tabcorp achieved turnover growth of 18%
<p>Capex synergies</p>	<ul style="list-style-type: none"> • It is expected that approximately \$10 million per annum of capex synergies (net of benefits to the racing industry) will be available to the Combined Group through the rationalisation of wagering systems development functions. These are in addition to the \$130 million annual EBITDA synergies and business improvements
<p>Integration</p>	<ul style="list-style-type: none"> • Integration is expected to be completed in approximately two years, subject to the receipt of regulatory approvals • Full run-rate of synergies and business improvements expected in the first full year post integration • Net one-off integration costs and capital expenditure is estimated at approximately \$110 million

Source: Bloomberg as at 18 October 2016, Company filings

Note:

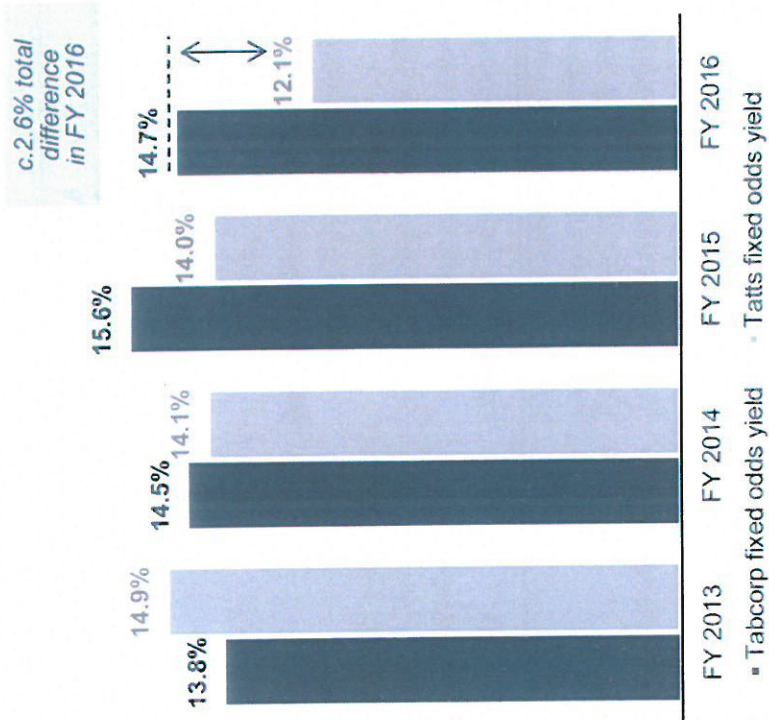
¹ Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction and based on Bloomberg consensus FY 2017 EBITDA estimates as at 18 October 2016, implying an EV/EBITDA multiple for Tabcorp of 9.1x, Tatts of 12.4x and an implied weighted average for the Combined Group of 10.7x

Summary of wagering performance optimisation under the TAB brand

The Combined Group is expected to benefit from Tabcorp's fixed odds yield management capability and market leading TAB brand and product offering

Significant earnings are expected to be available through combining fixed odds book management

The Combined Group is expected to benefit from TAB's market leading brand and product offering



Source: Tabcorp and Tatts management



Source: Brand Health Tracking (FiftyFive5) September 2016

Increased financial scale and balance sheet strength

Combined Group is expected to be an ASX50 listed company, with a strong balance sheet and an investment grade credit rating

- Strong balance sheet
 - increased financial scale and associated balance sheet strength provides an enhanced platform to pursue growth opportunities
- Larger and more diversified earnings base
- The Combined Group will target a gross debt to EBITDA ratio of 3.0x to 3.5x and intends to have an investment grade credit rating
- Expects to undertake a share buyback of \$500 million, post implementation of the Transaction and subject to Board approval and market conditions
- Greater relevance to equity investors
 - Combined Group expected to be one of the largest ASX-listed gambling companies, based on free float market capitalisation¹
- Greater relevance to debt investors
 - improved credit profile given diversification benefits of lotteries and increased scale of wagering business

Source: Bloomberg as at 18 October 2016, Company filings

Note:

¹ Based on the pro forma market capitalisation for the Combined Group of \$8.6 billion and free float market capitalisations of ASX-listed gambling related businesses as at 18 October 2016

Benefits to both sets of shareholders

Combination to deliver significant benefits to both sets of shareholders



TattsGroup

Tabcorp

✓ Exposure to an enhanced business profile, with a more diversified portfolio of long-dated gambling licences, that is better placed to invest, innovate and compete ✓

✓ EPS accretion (before significant items) and value accretion expected, benefiting from at least \$130 million of annual EBITDA synergies and business improvements, net of benefits to the racing industry ✓

✓ Improved ability to pursue global investment opportunities ✓

✓ Improved financial position and balance sheet strength, with an intended investment grade credit rating and the capacity to undertake capital management ✓

✓ \$500 million share buyback expected, post implementation of the Transaction (subject to Board approval and market conditions) ✓

✓ Expected target dividend payout ratio of 90% of NPAT before significant items and amortisation of the Victorian Wagering and Betting Licence ✓

The Transaction implies a value of \$4.34 per Tatts share (before taking into account the value from synergies and business improvements and any potential re-rating) which represents a premium of 20.8% to the most recent closing price¹, a premium of 18.4% to the 1-month VWAP² and a FY 2016 EV/EBITDA multiple of 15.0x for Tatts³

Source: Bloomberg as at 18 October 2016. Company filings

Note:

1 Based on the closing share prices of Tabcorp and Tatts as at 17 October 2016, being the last trading day prior to the announcement of the Transaction

2 Based on the 1-month volume weighted average price of Tatts shares up to and including 17 October 2016, being the last trading day prior to the announcement of the Transaction

3 Based on Tatts' reported net debt of \$1,041 million as 30 June 2016, FY 2016 reported EBITDA of \$495 million, Tatts' fully diluted shares outstanding of 1,469 million (including performance rights) and the Tabcorp share price as at 17 October 2016, being the last trading day prior to the announcement of the Transaction

Tabcorp



TattsGroup

Enhancing the sustainability of the Australian racing industry

The combination creates a strong wagering operator, committed to enhancing the long-term sustainability of Australia's racing industry

- Tabcorp and Tatts are together the largest source of funding for the Australian racing industry, having delivered approximately \$1 billion to the racing industry in FY 2016
- The Combined Group's commitment to investment, national footprint and enhanced operational strength will create a stronger business, and provide a strong financial base to support the racing industry and the livelihood of its many participants and related industries
- The combination is expected to deliver substantial financial benefits to underpin the sustainability of the Australian racing industry
 - provides a more efficient funding model
 - the Transaction is expected to result in at least \$50 million per annum of additional funding to the racing industry, which will flow to participants and related industries across Australia
 - supports increased prize money and provides more capital for investment in racing infrastructure
 - creates broader economic benefits, including in regional areas
- The Combined Group will work to drive industry growth, investing in innovation across products and channels to improve the retail experience and deliver best-in-class digital platforms
 - national footprint offering a broader suite of market-leading products
 - better placed to invest in innovation across an expanded platform
 - provide a pathway to national pari-mutuel pooling, subject to racing industry and regulatory approvals, and an enhanced ability to adopt strategies to address the national decline in pari-mutuel betting
 - Tabcorp's track record of investment and racing industry returns delivers greater certainty of funding to the industry nationally

Enhancing the strength of Australian business partners

The combination is expected to deliver material benefits to Tatts' and Tabcorp's business partners including lottery retail agents, licensed venues and TAB agencies

Lottery retail agents (newsagents and convenience stores)

- Continue to proactively work with retail agents to grow and attract new customers
- Continued commitment to invest in product innovation, customer experience and targeted digital integration

Licensed venues (pubs and clubs)

- Continued integration of digital experience into retail venues to allow pubs and clubs to participate in the growth of digital wagering
- Increased investment in the combined retail network and the venue-based customer experience to deliver an improved offer for licensed venue customers
- Extend the key drivers of the Keno transformation of brand, pooling and digital to South Australia

TAB agencies

- Continued integration of digital experience into retail to allow TAB agencies to participate in the growth of digital wagering
- Continued commitment to invest in customer experience and product initiatives

Enhancing the customer offering

The Combined Group will deliver a winning offer for customers, including an increased range of products and high quality customer experiences across each channel

- The combination is expected to significantly enhance customer experiences across each of the Combined Group's products and channels:
 - better positioned to continue to invest in retail networks and provide compelling customer experiences
 - combined business allows us to provide a broader and more innovative suite of products, as well as an enhanced ability to introduce new customer-led products and omni-channel experiences
 - combined digital expertise to deliver best-in-class digital products and user experiences across the Combined Group's digital channels
 - results in larger fixed odds books and provides a pathway to delivering deeper and more liquid betting pools, increasing the attractiveness of pari-mutuel products to customers
- The Combined Group will continue to deliver world-class customer service, building on each organisation's significant customer service expertise
- The combination of two of Australia's most respected and trusted operators will ensure a strong continued focus on and commitment to responsible gambling

Conclusion

The Transaction creates a world-class, diversified gambling entertainment group with a wide range of benefits to all key stakeholders

Shareholders ✓

The Australian racing industry ✓

Business partners ✓

Customers ✓

Our people ✓

Both Boards unanimously recommend the Transaction



DARWIN TURF CLUB

Darwin Turf Club Incorporated as at 31 December 2015

GPO Box 589, Darwin NT 0801 Tel: (08) 8923 4222 Fax: (08) 8923 4233
Email: dtc@darwinturfclub.org.au Website: www.darwinturfclub.org.au

Patron

His Honour the Honourable John Hardy OAM

Board

Chairman:	Brett Dixon
Vice Chairman:	Robert Longuet
Deputy Vice Chairman:	Cameron McNally
Board:	Dale Bicheno, Jon Bourke, Amy Corcoran, Michelle Graham, James Herramen, Damien Moriarty, Brendan Wilding

Management

Chief Executive:	Keith Stacy	Functions Manager:	Melissa Wundersitz
Chief Financial Officer:	Barry Lloyd	Sales Manager:	Meegan Stewart
CEO PA & Office Manager:	Tracey Hamilton	HR & Recruitment Manager:	Owen Frankhouser
Marketing & Sponsorship Manager:	Laura Tucker	TAB Manager:	Carolyn Bulmer
Track, Stables & Facilities Manager:	Chris McDonald	Commentator:	Craig Sant

Life Members

E.J. Bailey AM, AM, C. Bayley*, E.V. Brown*, N.L. Buntine*, P. Cattermole AM, Lt Col W.T. Cawley*, B.J. Coulter, E.F.S. D'Ambrosio CM. M.B.E.*, L. Dean*, P. Delaney*, A. Ford*, E.C. Izod*, G. Kafcaloudes*, L. Lane, Dr. P.V. Mornane, J.T. McNally, S.T. Parker AOM*, M. Stumbles, R. Weston*

*denotes deceased Life Member

Honorary Members

P. Lalor, J. O'Neil, J. Russell

NOTICE OF MEETING

Members are advised that the
Annual General Meeting of the Darwin Turf Club Inc
shall be held in the
Ted D'Ambrosio Bar at 7pm on
Tuesday 10 May 2016

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Darwin Turf Club Board



BRETT DIXON
Chairman

Originally hailing from Perth, Brett has lived in Darwin since 1981 and is married with three children. Brett has been on the Board since 2001 and was elected as 12th Chairman of the Darwin Turf Club in 2008, following 3 years as Vice-Chairman. He is the Director of several successful companies and brings significant business and leadership credentials to the Darwin Turf Club. He has a passion for thoroughbred racing and has been involved in breeding horses for the past 15 years. As an owner, he has won most feature races in the NT including the 2001 Palmerston Sprint (*El Comba*) to the 2010 Darwin Cup (*Shout Out Loud*). Brett is committed to improving facilities for members at the Club, returns to industry participants and is also a Board Member of Thoroughbred Racing Northern Territory. His main objective is to provide the best possible services to members and the industry, while creating a great social hub for the community.



ROB LONGUET
Vice Chairman

Long time Territorian Rob Longuet joined the Darwin Turf Club Board in 2002. Rob is committed to driving growth in the racing industry across all areas such as horse numbers, prize money and returns to industry participants, he has a strong focus on improving facilities for Members and Trainers alike. An avid racegoer, Rob has been involved in horse racing syndicates since the late 1980s. Holding senior management positions in the retail motor vehicle industry for over 26 years, Rob brings to the Darwin Turf Club Board, not only competencies in sales, marketing and cost management but enthusiasm for racing and the vision for betterment of our local racing industry.



CAMERON MCNALLY
Deputy Vice Chairman

Cameron is a Certified Public Accountant with significant experience in working within the Accounting Profession, particularly in the Audit and Business Services field. Cameron is currently a Director of locally based finance and salary packaging company, Fleet Choice, Northern Territory. Born in Darwin he has had a long association with the Darwin Turf Club and is keen to ensure it maintains a strong financial position, while preserving the Club's ability to continually improve its facilities for all stakeholders. Cameron is passionate about the Club's history as well as ensuring the long-term growth of the Darwin Turf Club.



DALE BICHENO
Board Member

Dale Bicheno joined the Darwin Turf Club Board in 2009. Dale has been the Director of plumbing company Carodale Pty Ltd for 21 years, and brings extensive hands-on experience and business knowledge to the Darwin Turf Club. Dale's goal is to see the continued expansion of the club, along with the maintenance and improvement of Members' facilities and privileges. Dale wants to ensure the Northern Territory's Thoroughbred Racing Industry remains a thriving one and having owned horses in Victoria and the NT for over 20 years, Dale understands the highs and lows of the industry. He says his love of racing keeps him involved and currently has interests in a number of Darwin horse syndicates.



JON BOURKE
Board Member

Jon Bourke joined the Darwin Turf Club Board in September 2015. Jon has lived in the Territory for 23 years, originating from Adelaide. Jon worked at TIO for more than 11 years before becoming a Corporate Authorised Representative of a leading National Insurance Broking firm then becoming a Director and major shareholder of this business. He is a Qualified Practising Insurance Broker, a Certified Insurance Professional and also a Senior Associate of the Insurance Institute of Australia and New Zealand. John enjoys the experience of racehorse ownership and has owned many racehorses in Darwin, Alice Springs, Victoria, South Australia and New South Wales. Jon has been the President of the Bernborough Club for the past two years and his focus is to ensure a unique raceday experience for the punters to keep them coming back and to spread the word of the unique racing experience within the Darwin Turf Club.

**AMY CORCORAN****Board Member**

Amy Corcoran joined the Darwin Turf Club Board, formerly the Committee, in September 2010. Amy was the Chief Executive of the Australian Hotels Association (NT Branch) for eight years and therefore has a wealth of knowledge in the hospitality industry, making her a valuable addition to the Board. Having practised as a lawyer in Darwin for 7 years, Amy also brings significant legal experience as a Commercial Lawyer at Cridlands Lawyers and then Clayton Utz, where she was appointed Senior Associate. Amy's background includes significant experience with other not-for-profit committees and she is currently a member of the Amity Community Services Committee with previous experience on the Board of the Australian Technical College.

**MICHELLE GRAHAM****Board Member**

Originally from Adelaide, Michelle Graham has lived in Darwin for 26 years and is actively involved in the local community. Manager of the Parap Village Apartments since 2002, Michelle joined the Darwin Turf Club Board in 2009. Backed by a 20-year career in the tourism and hospitality industries, she is a valuable asset to the team. She was appointed as the inaugural Chair of Women in Thoroughbred Racing NT in 2010, an association established to promote and foster the ongoing inclusion of women in the Thoroughbred Racing Industry. As both a horse owner and syndicate manager, Michelle enjoys the fun and excitement of Territory racing. She is a Syndicate Member of *The Good, The Bad and The Nag* and *Women in Thoroughbred Racing*.

**JAMES HERRAMAN****Board Member**

James has been associated with the Darwin Turf Club for around 11 years and is a passionate supporter of racing in the NT. He and his wife Jess have raced numerous horses over a number of years in a variety of top end stables. With a professional background in Finance, Insurance and Salary Packaging, James has held senior management roles in marketing and customer service. He has co founded the two largest salary packaging companies operating in the Northern Territory and is currently a director of Fleet Choice NT.

**DAMIEN MORIARTY****Board Member**

Hailing from Katherine, Damien has been in and around horses since he could walk and can be seen at the races most meetings. Damien has interests in a few Darwin based horses and has a passion for working with the retired racehorses that he is involved with on his farm. Away from racing, Damien is a Director of a number of firms in the Territory most prominently Killarney Homes, a well known multi award winning Darwin construction firm he co-founded in 2005. Damien enjoys the challenge of continuing the growth of the sport at Fannie Bay and to play a role in maintaining the Darwin Cup Carnival as the premier event on the Northern Territory Calendar.

**BRENDAN WILDING****Board Member**

Brendan is an active member of the Northern Territory racing community and was appointed to the Darwin Turf Club Board, formerly the Committee in 2004. He is the past Treasurer of the Bernborough Club and has previously been a member of the Racehorse Owners Association of the Northern Territory (ROANT) and Darwin RSL Services & Social Club committees. Brendan has a background in public service administration and now runs his own business, Darwin Directions Relocation Services. He is keen to see the Darwin Turf Club maintain and improve its infrastructure and services to attract new members whilst recognising the expectations of established members who have contributed to the strength of the Club over the years. He is committed to the continued growth of the Darwin Turf Club so that it is universally recognised as the major racing centre in Northern Australia and helping to ensure that the Carlton Mid Darwin Cup Carnival retains its position as the Territory's leading event.

**KEITH STACY****Chief Executive Officer**

Keith moved to Darwin in 1986 and holds a Masters in Business Administration. He has extensive experience in Banking and Financial Services and has held numerous Senior Management positions. He joined the Darwin Turf Club in May 2011 as Chief Operating Officer and was appointed Chief Executive Officer in January 2014. Along with a keen focus on continuing the growth and success of the Darwin Cup Carnival, he is passionate about continually developing the Darwin Turf Club as the Northern Territory's premium racing and preferred event and entertainment venue all year round while ensuring it maintains a strong financial position.

Board Meeting Attendance for 2015: Brett Dixon (11), Rob Longuet (11), Cameron McNally (11), Dale Bicheno (11), Jon Bourke (3), Amy Corcoran (8), Michelle Graham (10), James Herraman (12), Damien Moriarty (9) and Brendan Wilding (9).

CHAIRMAN'S REPORT

Dear Members, on behalf of the Board I am pleased to present the 2015 Annual Report for the Darwin Turf Club Incorporated.

The financial environment we operated within 2014 continued to be very difficult and accordingly we diligently managed the Club's business with the added pressure of continued increased operational costs that are beyond the direct control of the Club, such as power and water.

Through this diligent management we have continued to ensure the Club's facilities, racing product, service and staff are of the highest possible standard throughout the year.

The Carlton Mid Darwin Cup Carnival continues to grow locally, while interstate and overseas it is viewed by millions, through our trusted media partner SKY Racing, across the eight days of racing. The Carnival remains the largest social and sporting event in the Northern Territory providing unrivalled gross economic contribution to the Darwin and regional community.

A more detailed review of the 2015 year.

Financial Performance

The 2015 Annual Report is for the 12 month period from 1st January 2015 to 31st December 2015, and includes the 2015 Carlton Mid Darwin Cup Carnival results.

The Club recorded a loss of \$219,059 for the year, with allowance for depreciation of \$887,513.

However, after receipt of Capital Grants Funding through the Funding Agreement with Thoroughbred Racing Northern Territory, the net result for the reporting period resulted in a profit of \$656,827.

The total Capital Grants for the year were \$875,886 and all of this funding is directly allocated to Capital Works Projects.

To contest the external cost pressures mentioned above we have continue to restructure our business. Looking forward, we are very focused on increasing our other sources of income. To add to the income derived from Brett Dixon House we continue to hold our own well in obtaining function, trade show and convention business. The Darwin Turf Club is located in a prime location to capitalise on these other sources of income and we will also be sourcing opportunities through additional gaming operations.

Strategic Business Plan

As part of the Club's budgetary and operational funding requirements for Thoroughbred Racing Northern Territory a full revision of the Club's Annual Management Requirements is done annually and presented to Thoroughbred Racing Northern Territory. This included:

- details of the Club's present situation
- our future plans, how and when we will achieve them

- future development projects and repairs and Maintenance

The Strategic Business Plan embraces the Club's Vision and Mission Statements.

Vision statement

Maintain the Darwin Turf Club as a leader in thoroughbred racing, event management and entertainment.

Mission statement

Through our people we will;

- Continually develop Darwin Turf Club as the Northern Territory's premium racing and preferred event and entertainment venue all year round.
- Explore other non-racing income opportunities.
- Focus on the continued growth and success of the Darwin Cup Carnival.
- Ensure we provide the best facilities, highest quality service and value for our Members, Partners, Customers and the Community while maximizing the financial returns from our racing and events for the benefit of the Club, its Members, the Racing Industry and Partners.
- Be mindful at all times of the importance of the economic sustainability benefits to the Community in all our business planning.

Capital Works and Development

The primary capital works project in 2015 was the construction of a Race Track Pedestrian Underpass.

This commenced immediately after the 2015 Carlton Mid Darwin Cup and was completed by the end of the year.

The Darwin Turf Club and Thoroughbred Racing Northern Territory regard integrity and safety as the most critical components of the Industry and our ongoing commitment to safety is of the highest priority. Vigilant consideration and planning went into the installation of a Race Track Pedestrian Underpass which is crucial for track safety for all participants.

Significant Capital Works funds of \$800,000 were required for this important project. This was funded through Darwin Turf Club capital of \$400,000, Thoroughbred Racing Northern Territory Workers Compensation Fund \$150,000 and a Northern Territory Government grant of \$250,000.

The financial support of the Northern Territory Government with this project was vital to enable this project. I sincerely thank the Northern Territory Government for their support.

The construction of this project was again managed by our very capable Darwin Turf Club Management saving us in excess of \$150,000. Keith and the Team, well done!

Other Capital Works achieved in 2015 were principally racing and training facilities with the repair of two stable roofs and track management.

The forward planning of these Capital Works is done by our Board, Management Team and with the assistance of Capital Expenditure Funding.

2015 Carlton Mid Darwin Cup Carnival and Qantas Darwin Turf Club Gala Ball

In a very challenging year the 2015 Carlton Mid Darwin Cup Carnival was a decisive success. The quality of racing from ROANT Day through Carlton Mid Darwin Cup Day was superb. Notably the track record was broken by 'Lightinthenite' winning both the AUFS Chief Ministers Cup (1600m) and Carlton Mid Darwin Cup (2000m).

Crowd attendance throughout the Carlton Mid Darwin Cup Carnival was excellent with 37,009 attending. This was only down 3.60% on 2014, but the in final weekend both bet365 Palmerston Sprint day and Carlton Mid Darwin Cup day were marginally higher.

Attendance support from Darwin and the Northern Territory patrons is commendable and we continue to receive growing numbers from Interstate and Overseas, which is evident in the final weekend of the Carnival.

The Qantas Darwin Turf Club Gala Ball was again enjoyed by thousands who were enthralled with the performance of Las Vegas headliner of the year act, Frankie Moreno and his band, stunning fireworks and so much more. Once again enjoying a perfect starlit evening on the SKYCITY Darwin Casino lawns. Sincere thanks to the SKYCITY Darwin Team.

The Qantas Darwin Turf Club Gala Ball is indeed an international event without comparison. We are truly indebted to Qantas and Regional Manager Northern Territory Rick Sawicki for their highly valued ongoing sponsorship of the event.

Board Related Costs

The Darwin Turf Club Board Members are elected on an honorary basis and receive no remuneration for their services.

However, on occasion Board Members are entitled to airfares, accommodation and reimbursement of costs that are directly related to the promotion or the representation of the Darwin Turf Club. The application of reimbursement of expenses are strongly scrutinised and only awarded where there is a clear case for that expenditure.

The expenses for the Chairman and the Board for the 2015 financial year were nil.

Acknowledgements

Our Principle Sponsor is Carlton United Breweries and proficiently led by Lincoln Jenkin, NT General Manager. The relationship we enjoy with you and your Team is exemplary and I take this opportunity on behalf of everyone involved to sincerely thank you Lincoln and Carlton United Breweries for your ongoing commitment to the Darwin Turf Club and the Carlton Mid Darwin Cup Carnival.

Many thanks also to our major sponsors for their support of our feature race days and our numerous other sponsors

acknowledged later in this Annual Report. Each and every sponsorship is truly valued and appreciated. It is through your outstanding sponsorship that Thoroughbred Racing and Darwin Racing in particular continues to grow and we truly appreciate the support all year round.

I would like to take this opportunity to personally acknowledge the hard and often unseen work of your Board Members. They are totally committed to the Management, growth and development of the Darwin Turf Club along with thoroughbred racing in the Northern Territory. We have a united Board and as you would be aware the service they provide is honorary. They take on thankless tasks, are passionate in their approach and I appreciate and thank them all for the work they do all year round.

The Management Team of the Club is also sincerely thanked for their hard work. Collectively they challenge and respond to the considerable challenges faced by your Club each and every year. They consistently strive to not only grow and continue the success of the Carlton Mid Darwin Cup Carnival but also promoting Darwin Turf Club's premium racing product and other non-racing offerings all year round.

To the racing participants; owners, trainers, jockeys, stable hands, staff and of course the thoroughbreds, my sincere thanks to you all. Darwin is fortunate to have considerable knowledge of the Industry within its trainers. It is through you all that that we are able to communicate and consult on matters relating to safety, programing, track and stables. We appreciate the positive approach and feedback on industry requirements and look forward to continuing our strong relationship going forward.

To our Racing Minister the Honourable Peter Styles and the Northern Territory Government, we thank you for your support. Thoroughbred Racing Northern Territory and our Stewards, lead by David Hensler, thank you. Your highly valued commitment to not only the Darwin Turf Club but also to the thoroughbred racing industry in the Northern Territory is sincerely appreciated.

Thank you to our Members. It is through its Members that a Club can measure its success and growth. As I have said before "You are the Darwin Turf Club" and your continued support is sought, valued and relied upon.

On behalf of the Darwin Turf Club Board, I sincerely thank you all for your continued support and look forward to us all sharing in the growth of not only the Carlton Mid Darwin Cup Carnival but racing all year round. We look forward to continuing to develop the Darwin Turf Club as the Northern Territory's premium sporting event and entertainment venue all year round.



Brett Dixon
Chairman

CHIEF EXECUTIVE'S REPORT

It is with pleasure I report on the 2015 financial year to our Darwin Turf Club Members.

The past twelve months while challenging have also been rewarding for the Club. The accomplishments of the Club have been possible with the support of its members, Sponsors, Industry Stakeholders, Patrons, the Northern Territory Government and Thoroughbred Racing Northern Territory.

This support, combined with the desire and determination of the Darwin Turf Club Executive, Board, Management and Staff has seen not only the Carlton Mid Darwin Cup Carnival grow but also the Club as a whole and its non-racing offerings.

Financial Performance

As reported by the Chairman, the Club recorded a net profit of \$656,827 in 2015. This was an increase of \$680,265 on the loss recorded in 2014. This increase is largely attributable to capital grants received from Thoroughbred Racing Northern Territory of \$625,886, and from Northern Territory Government grants directly of \$250,000 for the race track pedestrian underpass.

The operational result achieved by the Club was a net loss of \$219,059 compared to a loss of \$68,768 in the prior year. The key factor influencing the movement between years was an impairment of the Club's fixed assets of \$146,121.

Total revenue was down \$90,000 in 2015. A fall in operating revenue of \$60,000 coming off a fall in net function income of \$153,000 from a decline in Gala Ball ticket sales of \$60,000 and falling function margins of \$108,000, was offset by an increase in bar income of \$125,000. Changes such as the inclusive beverage package and menu upgrade provided in our centerfield marquees were the primary reason causing a shift from functions income to bar and catering income. Overall, gross sales from race day and non-race day functions excluding ticketed events grew by 11% to \$740,000.

There was also a noticeable fall in membership income of \$60,000 in 2015. This followed a consolidation of membership classes and a change to the renewal period for the membership year. The total fees collected were \$160,000.

In 2015, total expenses rose by \$60,000. The increase came from a \$137,000 increase to depreciation and impairment following a review of the carrying value of the Clubs' fixed assets; an increase of \$90,000 in administration expenses following the repair to two stable roofs; and a fall of \$255,000 in operating expenses as a result of the Darwin Turf Club self-catering centerfield marquees and a fall in Gala Ball catering costs following lower ticket sales.

Racing and training facilities expenditure (stabling, equine pool and track management) amounted to \$890,000 (\$779,000 in 2014), with additional stable loan repayments being \$27,000 in 2015. The club recuperated \$522,000 (\$525,000 – 2014) through facility fees and

stable utility re-charges. The increase in expenditure related to the re-roofing of two stable roofs.

The Clubs' Statement of Financial Position shows an increase in Net Assets for the year of \$651,000, with total assets increasing by \$326,000 and total liabilities decreasing by \$325,000.

Significant movements for 2015 include the paying down of \$641,000 of loans and the addition to course improvements with the race track pedestrian underpass. It is important to note that while working capital (current liabilities exceed current assets) has worsened, \$1.8m in 2015 and \$1.4m in 2014, this has mainly come about by a loan being reclassified from non-current to current due a balloon payment falling due in March 2016.

Annual Financial Statements

In the opinion of the Club's Executive, the Darwin Turf Club is not a reporting entity. The Financial Statements of the Club, included in this Annual Report, have been drawn up as a special purpose Financial Report for distribution to the Members and for the purpose of fulfilling the requirements of the Northern Territory Associations Act.

Partnerships

Your Club is indebted with the support of the partnerships of Australia's, Darwin's and the Northern Territory's leading Companies and Businesses. I take this opportunity to express my sincere thanks and gratitude on behalf of the Darwin Turf Club to all who have supported the Darwin Turf Club throughout 2015.

I particularly acknowledge and thank our Principal Corporate Partner, Carlton & United Breweries. The support provided by Lincoln Jenkin and his Team is truly second to none and often goes beyond Corporate Agreement.

It is through the support, cooperation and assistance of the number of Companies, Organisations, Businesses and individuals that the Darwin Turf Club may operate successfully and grow our racing product. Accordingly, I record our sincere appreciation and thanks to:

Principal Corporate Partner

Carlton & United Breweries

Major Corporate Partners

Asian United Food Service
bet365
Bridge Toyota
HOT100
Northern Territory Government
Qantas
Schweppes
SKYCITY Darwin
SKY Racing
William Hill

Corporate Partners

Airnorth
Ascend Sales & Trophies
Avis
Bernborough Club of the NT
Caltex
Cancer Council
Carbine Club of the NT
Channel Nine
Coates Hire
Colemans Printing
Corestaff
Darwin Horse Floats
Darwin Private Hospital
Darwin RSL
Ella Bache
Garrards Horse & Hound
Gardens Park Golf Club
HB Group
Industrial Power Sweeping
JR Communications
Jewell Distributors/Samsung
Lexus of Darwin
LUXBET
Magic Millions
Mittys
MIX1049
National Seniors Australia
NT Motorcycle Centre
NT News
Parap Village Apartments
Paspaley Pearls
Pearl Galleria
Racehorse Owners & Trainers Association NT
QBE
Rydges Darwin Airport Resort
Shenannigans Irish Pub
SignCity
Southern Cross Television
Ten Darwin
Territory Insurance Office
Top Country 92.3
Top End Linemarkers
Toxfree
Trafficking / Fulton Hogan
Treasury Wines Estate
Women in Thoroughbred Racing NT
Variety NT

Private Dining Partners Ted Bailey Grandstand Tables

Corestaff
Gusher
JR Communications
NT Pest & Weeds
Southern Cross Television

The Year Ahead and Thank You

We can look forward to the year ahead with optimism of growth and development of the Darwin Turf Club lead by our Chairman and Board through diligent planning. Our key objectives include:

- Debt reduction and balance sheet enhancement through strong fiscal management

- Continuous review of operations and operational costs to optimise our returns
- Grow our additional sources of income particularly through functions, events and additional gaming operations
- Carlton Mid Darwin Cup Carnival enhancements

I take this opportunity to personally thank our Executive and Board for their strong commitment, leadership and guidance throughout the year. I particularly thank our Chairman, Brett Dixon, Vice Chairman, Rob Longuet and Deputy Vice Chairman, Cameron McNally, for their often unseen tireless determination and support.

I thank our Management and Staff of the Darwin Turf Club who often go beyond the call to achieve the best outcomes. A Team the Club can be proud of as they strive to provide quality and highest possible service at all times.

The support of Northern Territory Government and Thoroughbred Racing Northern Territory of the Darwin Turf Club and racing in the Northern Territory is greatly appreciated. The relationship we have and support we receive have is second to none and highly valued.

Finally, on behalf of us all at the Darwin Turf Club, sincere thanks to our Members, Sponsors, Trainers, Jockeys, Owners, Thoroughbred Racing Northern Territory, UBET, Bookmakers, SKY Racing and the multitude of media partners, patrons and punters, function and event clients and of course the thoroughbreds.



Keith Stacy
Chief Executive



Membership to 31 December 2015

Life Members	7
Full Members	378
Single Members	42
Honorary Members	45
Members for Life	51
Associate	38
Total Members	561

RACING FACTS

	2015	2014	2013
Runners	1,743	1,743	1,677
Races	205	216	224
Meetings	36	39	41
Average runners per race	8.50	8.06	7.48
Stakes	\$3,950,550	\$3,928,809	\$3,712,050
Licensed Jockeys	12	12	10
Licensed Apprentices	1	3	5
Licensed Trainers	18	20	19

RETURN TO PARTICIPANTS

	2015	2014	2013
Prize Money	\$3,950,550	\$3,928,809	\$3,712,050
Unplaced runners	\$443,560	\$406,560	\$371,280
Travel Rebate NT Owners	\$46,100	\$21,500	\$24,900
Unplaced Jockeys Fees	\$257,959	\$243,666	\$219,825

Note:

Three meetings lost to Darwin due to underpass works in August/September 2015.

Two additional country meetings held at Adelaide River in August/September 2015.



Top End Racing Awards

The Top End Racing Horse of the Year Awards were held on Friday, 2 October 2015 in Ted D'Ambrosio Bar at the Darwin Turf Club. A great night was had by all, and recognised as the racing industry's highest achievers were:

- Darwin Racing Photos Country Performer of the Year White Sambuca
- ROANT Out-of-Carnival Performer of the Year King Kev
- TattsBet Leading Trainer of the Year Gary Clarke
- TattsBet Leading Jockey of the Year Brendon Davis
- Garrards Horse and Hound Leading Apprentice Jockey of the Year Felicia Bergstrand
- Bridge Toyota Leading Trainer for 2014 Carnival Neil Dyer
- Bridge Toyota Leading Jockey for Carnival 2014 Raymond Viger
- Character of Racing Award Yvonne Forrest OAM
- Darwin Horse Floats Three-year-old of the Year Award Flying Tormenta
- Total Event Services Middle Distance Performer of the Year Award King Kev
- Asian United Food Services Sprinter of the Year Award Petman
- Carlton Mid Horse of the Year Award King Kev

2015 Carlton Mid Darwin Cup Carnival Feature Race Winners

DAY 1



\$70,000 Hot 100 Darwin Guineas (1600m)

MAVERICKS

3yo b g Northern Meteor – Noesis (Exceed And Excel) Trainer – Carl Spry, Darwin Jockey – Carl Spry

Dual license holder Carl Spry, who had held a trainer's license for only seven months, gained his first Darwin Cup Carnival feature as a trainer/jockey courtesy of **Mavericks**. The former South Australian-trained three-year-old, from the inside gate, shared the lead throughout with **Sirbible**, kicked strongly around the home turn and held on gamely to beat the strong-finishing **Brown Coal** by a short neck, with **Sirbible** taking third a length and three-quarters back and just in front of **Pot Black** and **Exert**. **Mavericks** was having just his third start in the Top End, and went into the Guineas boasting a last-start win, also in 3yo company, a fortnight previously.

DAY 2



\$55,000 Asian United Food Service Chief Minister's Cup (1600m)

LIGHTINTHENITE

7yo ch g Galileo (IRE) – Tiffin (Grand Lodge (USA)) Trainer – Gary Clarke, Darwin Jockey – Paul Shiers

2014 Darwin Cup runner-up **Lightinthenite** showed his class with a record-breaking victory. Prepared as he was the previous year by leading trainer Gary Clarke, the son of Galileo was given a beautiful run in transit by Paul Shiers, trailing the pacemaking **White Sambuca** and **Effcee**. He moved smoothly through to hit the lead on the home turn, and was far too strong over the concluding stages for **Design For Life**, scoring by a length and three-quarters in track record time of 1:34.53. **Bolton** battled on to take third, just in front of **Pretty Blonde** and **Kayno**. The win was certainly a precursor of things to come later in the Carnival.

DAY 3



\$50,000 Bridge Toyota Cup (1600m)

SATURDAY SORCERER

5yo ch g Any Given Saturday (USA) – Jeune Magic (Jeune (GB)) Trainer – Mark Webb, Cranbourne Jockey – Paul Denton

Saturday Sorcerer, the hero then villain of the 2014 Darwin Cup, made a triumphant return to winning form in the Ladies' Day feature. Disqualified followed his memorable "win" in the big one after testing positive to a banned substance, **Saturday Sorcerer**, now trained by Mark Webb, was reunited with Paul Denton who gave his mount every chance when trailing third in the run. He was under pressure before the home turn but would not be denied, chasing down the pacemaking **Storm Approach** over the concluding stages to win by three-quarters of a length, with favourite **Bel Sir** the same margin back third. **Shoot 'n' Scoot** took fourth ahead of **Igles Star**.

DAY 4



\$135,000 SKYCITY Darwin NT Derby (2000m)

FLYING TORMENTA

3yo b f Shaft – Pinnacle (GB) (Shirley Heights (GB)) Trainer – John Peacock, Alice Springs Jockey – Raymond Vigar (A)

Flying Tormenta, one of only two fillies in the race, waged a stirring home straight battle with Queensland visitor **Right Or Wrong** to prevail in a photo-finish. John Peacock's daughter of **Shaft**, who scraped into the Derby field when winning on Guineas Day, was a clear last at the 700m mark before being set alight by apprentice **Raymond Vigar**. She kept up a resolute gallop in the home straight to collar **Right Or Wrong** in the shadows of the post, the winning margin a short neck. **Brown Coal** was a game third some four lengths away, with **Sirbible**, who led to the home turn, fourth and **Pot Black** running on into fifth.

DAY 5



\$50,000 Sky Racing Metric Mile (1600m)

WHISTLE STOP

**4yo b g Street Sense (USA)
– Whistles (Royal Academy (USA))
Trainer – Dick Leech, Darwin
Jockey – Stephen Ridler**

Veteran jockey Stephen Ridler produced a gem of a ride to guide Whistle Stop to an impressive victory. White Sambuca shared the lead from the outset with favourite Saturday Sorcerer, while Kayno tracked them and Whistle Stop enjoyed a lovely run fourth. Saturday Sorcerer assumed control soon after straightening for home but Ridler angled his mount into the clear and the four-year-old quickly went on by, bursting clear to win by two and three-quarter lengths. The Ruffian stormed home to take second, just ahead of the weakening Saturday Sorcerer, with Kayno a game fourth and Proverb next. Unfortunately Whistle Stop did not contest the Darwin Cup, having to be withdrawn on race eve.

DAY 6



\$35,000 Darwin Corporate Park Cup (1300m)

SHIP'S CAPTAIN

**4yo b g Bel Esprit – Initial Venture (Hennessy (USA))
Trainer – Carl Spry, Darwin
Jockey – Carl Spry**

Trainer-jockey Carl Spry picked up his second feature win of the Carnival when Ship's Captain produced a strong effort to take out the Day 6 feature. Given a nice run one out, one back in transit, Ship's Captain issued his challenge approaching the home turn and quickly joined the pacemaking Red Magnet and Le Commandant on straightening for the run to the judge. With Spry riding vigorously, Ship's Captain got the measure of a brave Le Commandant and Jarrod Todd in the final few strides to win by a neck. Set For A Bundle made up ground to take third, with Warrego Melody and He's Commanding next to cross.

DAY 7



\$135,000 bet365 Palmerston Sprint (1200m)

MOSS'N TIME

**5yo b g Mossman – Suspended Time (Gilded Time (USA))
Trainer – Lisa Lefoe, Alice Springs
Jockey – Paul Denton**

It was seven of the best for Moss'n Time and jockey Paul Denton in the big sprint. In a thrilling contest, Moss'n Time bagged his seventh successive win, while Denton saluted for the seventh time in the Palmerston, some 32 years after his first win in the race. Urgent Bells and Planet Voyage shared the lead, with Moss'n Time close up as the field rounded the home turn. But the race changed complexion as the field neared the post – Moss'n Time refused to surrender and just held on to beat a flying Aurumcert by a neck. Urgent Bells took third three-quarters of a length back and just in front of Planet Voyage and the unlucky Action Again, who bombed the start.

DAY 8



\$200,000 Carlton Mid Darwin Cup (2000m)

LIGHTINTHENITE

**8yo ch g Galileo (IRE) – Tiffin (Grand Lodge (USA))
Trainer – Gary Clarke, Darwin
Jockey – Hugh Bowman**

Lightinthenite was in a class of his own when belting his rivals by nine lengths in the Darwin Cup. In the process, he smashed the track record by almost a second, and gave trainer Gary Clarke and jockey Hugh Bowman their first success in the Top End feature. He enjoyed a beautiful run throughout, third on the fence behind lightweights Storm Approach and Kayno, and when the pressure went on at the 500m mark, Bowman said "go" and the race was all over, the big chestnut sprinting clear to go one better than in 2014. Royal Request ran on well to be runner-up, just ahead of 2014 winner Pretty Blonde, with Bolton fourth and The Ruffian next to cross.

CARLTON MID DARWIN CUP CARNIVAL STATISTICS

	2015	2014	2013*	2012	2011
Nominations	917	868	847	966	861
Acceptances	664	610	592	694	623
Starters	587	548	499*	611	553
Races	60	56	57*	66	60
Fields Less than 8 Starters	11	10	18	10	19
Prizemoney	\$1,944,800	\$1,863,000	\$1,688,750	\$1,866,500	\$1,763,500
Attendance	37,009	38,392	42,864	44,237	42,556
Sponsorship	\$1,597,248	\$1,494,210	\$1,510,250	\$1,523,296	\$1,110,709
Bar Sales	\$1,198,307	\$1,187,013	\$1,196,110	\$1,111,436	\$1,039,189
On course TAB					
• Totalisator	\$2,817,674	\$2,668,677	\$2,694,961	\$3,024,569	\$3,072,612
• Fixed Price	\$1,419,917	<u>\$1,477,435</u>	<u>\$1,227,873</u>	<u>268,488</u>	<u>\$379,198</u>
TAB TOTAL	\$4,237,591	\$4,146,112	\$3,922,834	\$3,293,057	\$3,451,810
Bookmaker Holds	\$3,366,161	\$3,351,637	\$2,794,294	\$4,012,511	\$3,903,436
Qantas Gala Ball	1,891	2,088	2,819	2,960	2,891

* Last three races on Cup Day 2013 were not run.



Track Record Holders

DISTANCE	TIME	HORSE	DATE
900 m	51:33	TERM	16/07/2003
1000 m	56:10	LORD HAROLD	10/07/2004
1100 m	01:02:17	CANALI	3/07/2010
1200 m	01:07:42	JADE CITY	9/06/2007
1300 m	01:13:59	SHOUT OUT LOUD	26/06/2010
1500 m	01:29:05	HI TAIL	29/06/2002
1600 m	01:34:53	LIGHTINTHENITE	11/07/2015
1800 m	01:49:28	KINGSTON RESERVE	22/07/1995
1900 m	01:54:40	BRAVE DECISION	20/07/2002
2000 m	02:00:23	LIGHTINTHENITE	03/08/2015

PAST WINNERS

Carlton Mid Darwin Cup 2000m

1956	NT	SATAN'S SON	P McCracken	2008	NT	CLUB LIQUID	2:01.22	N Stanley
1957	NT	DAWN SHADOW	A Meredith	2009	NT	ACTIVATION	2:01.33	S Ridler
1958	NT	BRIGHT GUN	M Bray	2010	NT	SHOUT OUT LOUD	2:01.79	R Fradd
1959	NT	WOOD	V Oldfield	2011	VIC	HAWKS BAY	2:02.49	S Arnold
1960	NT	WOOD	W Perks	2012	VIC	HAWKS BAY	2:02.71	S Arnold
1961	NT	WOOD	W Perks	2013		RACE NOT RUN		
1962	NT	WOOD	W Perks	2014	SA	PRETTY BLONDE	2:01.80	J Potter
1963	NT	HALF HOUR	R Snelling	2015	NT	LIGHTINTHENITE	2:00.23	H Bowman
1964	NT	SANDBOY	D Kelly					
1965	QLD	DARING MAN	R Snelling					
1966	NT	BONTEENA	R Caton					
1967	NT	INCISIVE	M Hanna					
1968	NT	THE YANK	A May					
1969	NT	LITTLE RASCAL	C Brown					
1970	NT	RAY WITT	N Mifflin					
1971	NT	APIAN	A Meredith					
1972	NT	SON OF CYRUS	J Morrison					
1973	NT	HEPBURN	B Wakefield					
1974	NT	CHATELL	C Brown					
1975	NT	LORD TINY	M Hanna					
1976	NT	LORD TINY	G Lane					
1977	NT	FINAL HOPE	G Lane					
1978	NT	VERNAL	A Trevena					
1979	NT	CHOSEN	B Potter					
1980	NT	NASTARSE	J Courtney					
1981	NT	THURSO	C Brown					
1982	NT	PLAIN MICK	D Balfour					
1983	QLD	KERR STREET	K Ballard					
1984	QLD	KERR STREET	R Kolpin					
1985	NT	RARE METAL	D Lloyd					
1986	NT	FLAUGH-A-BALLAGH	R Kemp					
1987	NT	SCARVILA	R Lloyd					
1988	NT	TEMPLEMAN	G Hall					
1989	NT	BRINNEY	D Bates					
1990	NT	LORD CHAMBERLAIN	N Paine					
1991	VIC	SILVER SHARK	T Arnold					
1992	VIC	CLAM'S COMET	W Davis					
1993	NT	INSTANT POLICY	D Beadman					
1994	NT	LOTHAWAY COUNTY	S King					
1995	NT	LOTHAWAY COUNTY	P Payne					
		DEAD HEAT						
	NT	KINGSTON RESERVE	S Arnold					
1996	NT	VENTILAGO	D Coffey					
1997	NT	TUCKER BOX	K Dodge					
1998	NT	BELLILE	C Williams					
1999	NT	ON THE BEAM	P Denton					
2000	NT	STAR BULLET	G Clarke					
2001	ACT	MCJOEY	D Bates					
2002	NT	BRAVE DECISION	N Paine					
2003	NSW	WILD HEART	C Munce					
2004	NT	MR TAMBOURINEMAN	J Hallam					
2005	NT	LANSON	D Bates					
2006	SA	NOZI	S Cahill					
2007	SA	GENERAL MARKET	M Pegasus					

bet365 Palmerston Sprint 1200m

1976	NT	DORMIE STAR	G Lane
1977	NT	SCOUTMASTER	N Bracken
1978	NT	POTATION	V Colmer
1979	NT	MAHWONG	A Trevena
1980	NT	STEP RIGHT UP	C Brown
1981	NT	MAN THE LIGHT	D Coffey
1982	NT	MR ZIESEL	D Coffey
1983	NT	HE COULD BE	P Denton
1984	NT	LE ROI SOLEIL	D Bates
1985	NT	GAME WARDEN	D Gauci
		DEAD HEAT	
	NT	MR MARS	G White
1986	NT	GAME WARDEN	D Gauci
1987	NT	IMA REALIST	P Denton
1988	QLD	RED ROXY	D Kolpin
1989	NT	LORD OF THE VALE	B Huppertz
1990	NT	ROYAL SYDNEY	G Lee
1991	NT	SQUIRE GRAY (NZ)	1:10.00 M Lockett
1992	NT	SQUIRE GRAY (NZ)	1:09.90 D Gauci
1993	QLD	MARGIN	1:10.10 K Russeil
1994	NT	THE UNIVERSE	1:10.52 P Hutchinson
1995	WA	KINGS RANSOM	1:09.81 G Cortes
1996	NT	TALLY HO	1:09.01 P Denton
1997	NT	TALLY HO	1:09.81 P Denton
1998	NT	RAZAMATAZ	1:08.70 S Brown
1999	NT	BOWLINE	1:10.23 B Sweeney
2000	NT	EIRE JESTER	1:08.74 S Burrows
2001	NT	EL COMBA	1:08.74 D Bates
2002	NT	RADICAL MOVER	1:08.37 D Bates
2003	NSW	TO BE FAIR	1:08.97 D Coffey
2004	NT	LORD HAROLD	1:08.96 J Hallam
2005	NT	CASHKALANI	1:08.65 P Denton
2006	NT	MUKAREENA	1:09.18 D Bates
2007	NT	JADE CITY	1:07.87 P Shiers
2008	NT	JADE CITY	1:08.97 P Shiers
2009	NT	FAR HORIZONS	1:08.67 P Shiers
2010	NT	LUCID REFLECTION	1:08.00 K Gladwin
2011	VIC	SENSE OF SUN	1:10.04 P Denton
2012	VIC	YOUBOLT	1:10.06 J Beriman (A)
2013	VIC	ACTION AGAIN	1:10.10 A Nicholis
2014	NT	EIGHT BILLS	1:09.03 D Yendall
2015	NT	MOSS'N TIME	1:09.45 P Denton

HOT100 Darwin Guineas 1600m

1981	NT	KORAK	1:40.4	Barron
1982	NT	LADY HOFFMAN	1:43.5	M Hanna
1983	NT	RADIANT RHYME	1:40.8	D Bates
1984	NT	OVERFLOWED	NTT	P Dobbe
1985	NT	BOLMAR (NZ)	1:41.8	B Halter
1986	NT	ROMANTIC SPIRIT	1:40.4	R Moseley
1987	NT	WAHED	1:40.9	K Smith
1988	NT	APPIAN WAY	1:40.3	D Bates
1989	NT	BRINNEY	1:40.0	D Bates
1990	NT	ROCKY AMBITION	1:41.3	M Henderson
1991	NT	GOLD YUM (NZ)	1:38.0	D Barron
1992	NT	HIGH TALAQ	1:37.8	P Hutchinson
1993	NT	KEN'S CHOICE	1:38.6	P Denton
1994	NT	DORIGHT	1:37.46	D Loy
1995	NT	JUCENT	1:37.11	B Cornell
1996	NT	VENTILAGO	1:36.53	D Coffey
1997	NT	SARS	1:36.75	B Cornell
1998	VIC	DYNAMIC TYCOON	1:36.99	L Beer
1999	NT	NYSTROM	1:38.6	G Clarke
2000	NSW	SOUCH STREET	1:38.52	T Walsh
2001	NT	PASS THE VAS	1:38.45	D Bates
2002	NT	GREY DESERT	1:35.73	J Hallam (A)
2003	NT	EDGE TO EDGE	1:36.50	P Denton
2004	NT	DELWAY	1:36.15	P Shiers
2005	NT	SANDOVER	1:35.38	B Huppatz
2006	NT	CARYGRANITE	1:36.21	P Shiers
2007	SA	BRAD STAR	1:34.89	P Shiers
2008	SA	HE'S HERE	1:36.97	P Shiers
2009	VIC	HAWKS BAY	1:37.01	P Shiers
2010	NT	MAHAFFEY ROAD	1:35.75	R Oakford
2011	VIC	THE RUFFIAN	1:36.27	L Hopwood
2012	NT	SNITZEL'S CHOICE	1:35.37	V Arnott
2013	VIC	HOST OF THE PARTY	1:38.30	P Shiers
2014	NT	GRAVITATIONAL	1:37.86	P Shiers
2015	NT	MAVERICKS	1:35.96	C Spry

SKYCITY NT Derby 2000m

1981	NT	KORAK	2:06.7	D Barron
1982	NT	CINDERS REALM	2:12.3	T Pyers
1983	NT	RADIANT RHYME	2:08.0	D Bates
1984	NT	EVENING KING	2:07.9	B Potter
1985	NT	BROTHERLY (NZ)	2:09.0	R Lloyd
1986	NT	SCARVILA	2:08.9	R Lloyd
1987	NT	MR MOET (NZ)	2:09.9	R Lloyd
1988	NSW	HIT AGAIN BENNY	2:05.7	T Pike
		DEAD HEAT		
	SA	IMPERIAL SURF	2:05.7	R Pietsch
1989	NT	BRINNEY	2:07.0	D Bates
1990	NT	LORD CHAMBERLAIN (NZ)	2:05.5	N Paine
1991	NT	GOLD YUM (NZ)	2:05.9	D Barron
1992	NT	HIGH TALAQ	2:03.6	P Hutchinson
1993	VIC	KILLINEY	2:03.5	P Hutchinson
1994	NT	DORIGHT	2:03.98	D Loy
1995	NT	DESTINED (NZ)	2:03.05	R Jolly
1996	NT	VENTILAGO	2:02.98	D Coffey
1997	NT	ROCKET FLIGHT	2:04.55	P Denton
1998	VIC	DYNAMIC TYCOON	2:03.39	L Beer
1999	NT	DANCING APOLLO	2:06.9	T Norton
2000	NT	BROOKLYN BULLET	2:05.15	A Groves
2001	NT	PRINCE DUBAI	2:05.00	C Lever
2002	SA	YOUNG CHALLENGER	2:02.03	C Lever
2003	NT	TJILPI	2:04.32	D Coffey
2004	NT	NOT ABANDONED	2:04.98	J Hallam (A)
2005	SA	PATARCHIE	2:02.58	D Coffey
2006	SA	BAD BOYS	2:02.90	M Heagney
2007	SA	BRAD STAR	2:01.89	P Shiers
2008	NT	PROTESTA	2:03.92	K Gladwin
2009	VIC	HAWKS BAY	2:02.80	P Shiers
2010	NT	MACCAs DREAM	2:04.66	C Haddon
2011	VIC	THE RUFFIAN	2:04.74	P Shiers
2012	NT	THE THIRD BASEMAN	2:06.38	K Gladwin
2013	VIC	HOST OF THE PARTY	2:04.90	P Shiers
2014	VIC	ROYAL REQUEST	2:04.09	J Todd
2015	NT	FLYING TORMENTA	2:03.67	R Vigar (A)



Statement of Comprehensive Income

for the year ended 31 December 2015

<i>In AUD</i>	Note	2015	2014
Revenue			
Operating Income	2	5,553,158	5,613,788
Racemeeting Income	3	2,189,698	2,191,383
Racing Income		409,037	396,017
Rental Income	4	1,610,056	1,537,017
TRNT Operational Grants Received		1,518,151	1,569,929
Other Income	5	355,621	417,806
Total Revenue		<u>11,635,721</u>	<u>11,725,940</u>
Expenses			
Operating Expenses	6	4,524,808	4,779,283
Racemeeting Expenses	7	803,043	752,878
Racing Expenses		370,484	358,954
Administration Expenses	8	5,035,571	4,945,093
Depreciation and Impairment		887,513	750,602
Other Expenses		233,361	207,898
Total Expenses		<u>11,854,780</u>	<u>11,794,708</u>
Operating Surplus before Capital Grants		<u>(219,059)</u>	<u>(68,768)</u>
Government (TRNT) Capital Grants Received		875,886	45,330
Net Result for the Reporting Period		<u>656,827</u>	<u>(23,438)</u>

The Statement of Comprehensive Income is to be read in conjunction with the notes to the financial statements.

Statement of Financial Position

as at 31 December 2015

<i>In AUD</i>	Note	2015	2014
CURRENT ASSETS			
Cash and Cash Equivalents	9	564,552	107,795
Trade and Other Receivables	10	338,292	302,413
Inventories	11	103,599	250,454
Prepayments and Other Current Assets		157,883	78,528
Total Current Assets		1,164,326	739,190
NON-CURRENT ASSETS			
Plant and Equipment	12	11,350,423	11,449,287
Other Non-Current Assets		5,385	5,385
Total Non-Current Assets		11,355,808	11,454,672
Total Assets		12,520,134	12,193,862
CURRENT LIABILITIES			
Payables	13	1,562,595	1,278,098
Provisions	14(a)	258,400	245,787
Loans	15(a)	1,133,807	640,725
Total Current Liabilities		2,954,802	2,164,610
NON-CURRENT LIABILITIES			
Provisions	14(b)	56,251	36,954
Loans	15(b)	462,211	1,596,371
Total Non-Current Liabilities		518,462	1,633,325
Total Liabilities		3,473,264	3,797,935
Net Assets		9,046,870	8,395,927
Accumulated Funds			
Retained Profits		9,046,870	8,390,044
Reserves	16	-	5,883
Total Equity		9,046,870	8,395,927

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements .

Statement of Cash Flows

for the year ended 31 December 2015

<i>In AUD</i>	Note	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		10,057,430	10,174,896
Receipts from Government (TRNT) Funding		2,694,037	1,717,334
Interest Received	5	3,047	2,452
Payments to Suppliers and Employees		(10,726,472)	(11,377,494)
Interest and Cost of Finance Paid		(141,558)	(206,016)
Net Cash Provided by/ (Used In) Operation Activities	17	1,886,484	311,172
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Plant and Equipment		-	182
Payments for Purchase of Plant and Equipment		(788,649)	(54,250)
Net Cash (Used In) Provided by Investing\Activities		(788,649)	(54,068)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of borrowings		(641,078)	(591,610)
Net Cash Provided by/ (Used In) Financing Activities		(641,078)	(591,610)
Net (Decrease) Increase in Cash Held		456,757	(334,506)
Cash at the Beginning of the Financial Year		107,795	442,301
Cash at the End of the Financial Year		564,552	107,795

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

for the year ended 31 December 2015

The significant accounting policies which have been adopted in the preparation of these financial statements are:

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

In the opinion of the Management Committee, Darwin Turf Club Incorporated is not a reporting entity because there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy all of their information needs. The financial statements of the Darwin Turf Club have been prepared as a special purpose financial report for distribution to the members and the funding body to meet the requirements of the Northern Territory Associations Act.

The special purpose financial report has been prepared in accordance with the basis of preparation and accounting policies described below.

(b) Basis of Preparation of the Accounts

The financial report is presented in Australian dollars and has been prepared on an accrual basis of accounting.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Darwin Turf Club.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(c) Taxation

The Darwin Turf Club is exempt from the payment of income tax.

(d) Going concern

The financial statements of the Darwin Turf Club have been prepared on the basis that the Darwin Turf Club is a going concern and will continue to operate. The Darwin Turf Club relies on funding provided through Thoroughbred Racing NT Incorporated (TRNT) and the financial statements are prepared on a going concern basis on the understanding that such funding will continue. The current funding agreement between the Northern Territory Government (NTG) and TRNT expires on 30 June 2016. Negotiations are currently underway between the NTG and TRNT on a new funding agreement for the racing industry, and this will provide a basis for funding moving forward.

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised.

Government Grants - Grants are taken up as income in the year to which the funds relate.

Membership Fees - Membership fees are recognised on a straight-line basis over the financial year to which they relate.

(f) Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

(g) Cash and Cash Equivalents

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

(h) Receivables

Trade and other receivables are recorded at amounts due, less any provision for doubtful debts.

(i) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Assets are depreciated on a straight-line basis so as to allocate the net costs against revenue over the estimated economic lives of the assets. As a general policy, only assets with a value of \$2,000 or more are capitalised, items under this value being charged as an expense in the income statement in the year of purchase.

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

Class	Depreciation Rate
Buildings	2.50% - 10.00%
Building Improvements	2.00% - 20.00%
Course Improvements	5.00% - 33.33%
Stable Complex & Improvements	2.00% - 25.00%
Plant & Equipment	2.50% - 33.33%
Furniture & Fittings	7.50% - 12.50%
Motor Vehicles	10.00% - 25.00%

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the operating surplus.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of the other assets is the fair value less costs to sell.

(k) Payables

Payables are stated at cost.

(l) Employees' Entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave. Liabilities arising in respect of annual leave and long service leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Long service leave expected to be paid later than one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using interest rates on corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The Darwin Turf Club also contributes to various accumulating Employee Superannuation Plans.

(m) Comparatives

Where changes have occurred in the presentation of the Financial Statements, prior year figures have been reclassified for comparative purposes.

(n) Segment Reporting

The Darwin Turf Club operates predominantly in one industry, being that of Thoroughbred Racing in the Northern Territory.

(o) Inventories

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to inventories on a first in first out basis.

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

2 OPERATING INCOME

<i>In AUD</i>	2015	2014
Bar	1,945,361	1,820,121
Catering	1,149,964	1,189,695
Functions	1,383,334	1,536,895
Tab Commissions	1,074,499	1,067,077
	<u>5,533,158</u>	<u>5,613,788</u>

3 RACE MEETING INCOME

<i>In AUD</i>	2015	2014
Admissions	921,902	917,988
Race books	81,583	79,724
Merchandise	57,568	61,435
Advertising & Sponsorship	1,128,645	1,132,236
	<u>2,189,698</u>	<u>2,191,383</u>

4 RENTAL INCOME

<i>In AUD</i>	2015	2014
Bookmakers	895,748	874,317
Douglas St Stable Complex	521,784	524,160
Other	192,524	138,540
	<u>1,610,056</u>	<u>1,537,017</u>

5 OTHER INCOME

<i>In AUD</i>	2015	2014
Livestock Scheme	138,500	195,318
Colts & Fillies	5,883	-
Membership Fees	160,618	220,036
Distributions from Palmerston Sports Club	12,000	-
Interest Received	3,047	2,452
Insurance Recoveries	35,573	-
	<u>355,621</u>	<u>417,806</u>

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

6 OPERATING EXPENSES

<i>In AUD</i>	2015	2014
Bar & Catering Cost of Sales	1,066,839	1,071,046
Bar, Catering & Function Expenses	250,258	297,899
Hireage	1,039,790	1,041,257
Bar, Catering, Function and TAB Salaries and Wages	1,562,020	1,559,371
Outsourced Catering and Gala Ball	605,900	809,710
	4,524,808	4,779,283

7 RACEMEETING EXPENSES

<i>In AUD</i>	2015	2014
Advertising	451,503	375,135
Raceday Cost of Sales	129,276	141,391
Racing Salaries and Wages	64,587	66,577
Sponsorship Costs	63,953	74,124
Sundry Expenses	93,723	95,651
	803,043	752,878

8 ADMINISTRATION EXPENSES

<i>In AUD</i>	2015	2014
Administration Expenses	331,718	266,078
Borrowing Expenses	141,559	206,017
Marketing Expenses	418,285	337,314
Occupancy Expenses	952,626	977,977
Repairs and Maintenance Expenses	641,980	527,067
Salaries and Employee Benefit Expense	2,397,853	2,378,498
Livestock COGS	151,549	252,142
	5,035,571	4,945,093

9 CASH ASSETS

<i>In AUD</i>	2015	2014
Cash on Hand	353,977	284,580
Cash at Bank	210,575	(176,785)
	564,552	107,795

10 RECEIVABLES

<i>In AUD</i>	2015	2014
<i>Current</i>		
Debtors	348,813	284,616
less Provision for Doubtful Debts	(29,248)	(10,572)
Accrued Income	18,727	28,369
	338,292	302,413

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

11 INVENTORIES

<i>In AUD</i>	2015	2014
<i>Stock on Hand</i>		
Bar	162,165	313,634
less Provision for Obsolete Inventory	(69,344)	(78,445)
Catering	9,448	13,935
Merchandise	1,330	1,330
	<u>103,599</u>	<u>250,454</u>

12 PLANT AND EQUIPMENT

<i>In AUD</i>	2015	2014
Building at Cost		
At Cost	11,172,121	11,172,121
Building Improvements	1,215,849	1,215,849
Accumulated Depreciation	(4,792,017)	(4,380,833)
	<u>7,595,953</u>	<u>8,007,137</u>
Course Improvements at Cost		
At Cost	1,436,575	660,726
Accumulated Depreciation	(338,925)	(281,801)
	<u>1,097,650</u>	<u>378,925</u>
Stable Complex and Improvements at Cost		
At Cost	3,778,718	3,778,718
Accumulated Depreciation & Impairment	(1,514,148)	(1,287,291)
	<u>2,264,570</u>	<u>2,491,427</u>
Plant and Equipment		
At Cost	909,983	897,183
Accumulated Depreciation	(681,993)	(558,180)
	<u>227,990</u>	<u>339,003</u>
Furniture & Fittings at Cost		
At Cost	289,033	289,033
Accumulated Depreciation	(129,773)	(73,715)
	<u>159,260</u>	<u>215,318</u>

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

12 PLANT AND EQUIPMENT (continued)

<i>In AUD</i>	2015	2014
Motor Vehicles at Cost		
At Cost	56,091	56,091
Accumulated Depreciation	(51,091)	(38,614)
	5,000	17,477
 Total Property, Plant and Equipment		
Total at Cost	18,858,370	18,069,721
Accumulated Depreciation	(7,507,947)	(6,620,434)
	11,350,423	11,449,287

13 PAYABLES

<i>In AUD</i>	2015	2014
Creditors and Accrued Expenses	489,211	461,411
Receipts in Advance	1,006,379	727,592
GST Payables/(Receivable)	67,005	89,095
	1,562,595	1,278,098

14 PROVISIONS

<i>In AUD</i>	2015	2014
(a) Current		
Employee Entitlements		
- Annual Leave	229,871	219,142
- Long Service Leave	28,529	26,645
Total Current Provisions	258,400	245,787
 (b) Non-Current		
Employee Entitlements		
- Annual Leave	-	-
- Long Service Leave	56,251	36,954
Total Non-Current Provisions	56,251	36,954

Notes to the Financial Statements (continued)

for the year ended 31 December 2015

15 LOANS

<i>In AUD</i>	2015	2014
(a) Current		
Loans		
Loans - Commercial Bill	502,356	471,747
Loans - Stable Complex	30,287	27,633
Loans - Extra Building	43,631	37,257
Loans - Marquee	557,533	104,088
Total Current Loans	1,133,807	640,725
(b) Non-Current		
Loans		
Loans - Commercial Bill	269,138	765,225
Loans - Stable Complex	17,972	48,362
Loans - Extra Building	175,101	222,083
Loans - Marquee	-	560,701
Total Non-Current Loans	462,211	1,596,371

16 Equity

<i>In AUD</i>	2015	2014
Colts and Fillies	-	5,883
	-	5,883

17 STATEMENT OF CASH FLOWS

<i>In AUD</i>	2015	2014
Reconciliation of Operating Result to Net Cash used		
In Operating Activities		
Net Surplus (Deficit)	656,827	(23,438)
Depreciation	887,513	750,602
(Profit)/Loss on Sale of Plant and Equipment	-	(182)
Provision for Obsolete Stock	(9,101)	66,681
<i>Changes in Assets and Liabilities</i>		
- Decrease (Increase) in Debtors and Accrued Income	(35,879)	40,032
- Decrease (Increase) in Inventory	155,956	(144,401)
- Decrease (Increase) in Prepaid Expenses and Other Current Assets	(79,355)	(8,883)
- Increase (Decrease) in Creditors and Accrued Expense	5,709	(595,629)
- Increase (Decrease) in Revenue in Advance	278,787	122,881
- Increase (Decrease) in Provisions	31,910	103,509
- Increase (Decrease) Reserves	(5,883)	-
Net Cash Provided by (Used In) Operating Activities	1,886,484	311,172

DARWIN TURF CLUB INC.
Statement by the Association Management Board

BOARD MEMBERS

Chairman	Brett Dixon
Vice-Chairman	Robert Longuet
Deputy Vice-Chairman	Cameron McNally
Secretary	Keith Stacy
Public Officer	Keith Stacy

Board Member	Brendan Wilding
Board Member	Michelle Graham
Board Member	Dale Bicheno
Board Member	Amy Corcoran
Board Member	James Herraman
Board Member	Damien Moriarty
Board Member	Jon Bourke

PRINCIPLE ACTIVITY

The principle activity of the Association during the financial year was to hold race meetings for Thoroughbred horses. This activity has not changed from previous years.

OPERATING RESULT


The net result for the year was a surplus of \$656,827, the prior year was a deficit of (\$23,438).

In the opinion of the management board of the Darwin Turf Club Incorporated (DTC):

- (a) the DTC is not a reporting entity;
- (b) the accompanying financial report, being a special purpose report, is drawn up so as to present fairly the state of affairs of the DTC as at 31 December 2015 and the results of the DTC for the period ended on that date;
- (c) the accounts of the DTC have been properly prepared and are in accordance with the books of account of the DTC; and
- (d) there are reasonable grounds to believe that the DTC will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution by the Management Board.

Dated at Darwin on this 19th day of April 2016.


.....
Chairman


.....
Vice-Chairman

Independent auditor's report to the members of Darwin Turf Club Incorporated

We have audited the accompanying financial report, being a special purpose financial report, of Darwin Turf Club Incorporated (the "Association"), which comprises the statement of financial position as at 31 December 2015, the statement of comprehensive income and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes, and the statement by the association management board.

The Responsibility of the Committee for the Financial Report

The Association's Committee is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Act and the Association's constitution and is appropriate to meet the needs of the members. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a financial report that 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 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee 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 met the independence requirements of the Australian professional accounting bodies.

Basis for Qualified Auditor's Opinion

As is common for organisations of this type, it is not practicable to establish an efficient system of internal control over income, other than grant income, prior to its initial entry in the accounting records. Accordingly our audit in relation to income, other than grant income, was limited to amounts recorded.

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been determined to be necessary had the limitation referred to in the preceding paragraph not existed, the financial report presents fairly, in all material respects, the financial position of Darwin Turf Club Inc as of 31 December 2015 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Act.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to the balance sheet as at 31 December 2015 which shows that the Association's current liabilities exceeded its current assets by \$1,790,476. As described in Note 1(d) the Association is reliant on continued funding provided through Thoroughbred Racing NT Incorporated to continue as a going concern. As a result of these matters there is significant uncertainty whether the Association will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Association not continue as a going concern.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Darwin Turf Club Incorporated to meet the requirements of the Associations Act and the Association's constitution. As a result, the financial report may not be suitable for another purpose.



Matthew Kennon

Director

Darwin

Date: 20 April 2016

Darwin Turf Club Incorporated as at 31 December 2010

GPO Box 589, Darwin NT 0801 Tel: (08) 8923 4222 Fax: (08) 8923 4233
Email: dte@darwinclub.org.au Website: www.darwinturfclub.org.au

Patron

His Honour Mr Tom Pauling AO, QC
Administrator of the Northern Territory

Committee

Chairman: B. Dixon
Vice Chairman: C. Burkitt
Treasurer: J. Coleman
Committee: R. Longuet, B. Wilding, M. Graham,
D. Bicheno, B. Lloyd, A. Williamson, G. Smith

Management

Chief Executive: P. Neck
Financial Controller: F. Clarke
Manager Marketing & Communications: J. Chadwick
Manager Track & Facilities: D. Sharp
Manager Functions: G. McDonald
Operations Manager: R. McKeating
Corporate Relations Executive: P. Sommerville
Office Manager: C. Guest

Life Members

Dr. P.V. Mornane, S.T. Parker
J.T. McNally, P. Cattermole
E.J. Bailey AM, B.J. Coulter

Honorary Members

J. O'Neil, J. Russell, M. Stumbles, P. Labor,
D. Booth, T. Mulcahy

Officials

CEO TRNT Andrew O'Toole
Chairman of Stewards Lindsay Lane
Stewards: TRNT Panel
Handicapper: TRSA Handicapping Panel
Judge: K. Hatfield
Commentator: M. Stumbles
Starter: J. O'Neil



DARWIN TURF CLUB INC

NOTICE OF MEETING

Members are advised that the
Annual General Meeting of the Darwin Turf Club Inc
shall be held in the
Ted D'Ambrosio Bar at 7pm on
25 May 2011

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BUSINESS

1. Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on 22 November 2010
3. Matters Arising from the Minutes
4. Presentation of the Annual Report for the 6 month period from 1 July 2010 to 31 December 2010
Statement of Financial Performance and Statement of Financial Position
 - a) Chairman's Report
 - b) Treasurer's Report
 - c) Adoption of Annual Reports
5. Extension of Term of Auditor
6. Nomination for Life Membership
Motion received to nominate Michael Stumbles for Life Membership of the Darwin Turf Club.
Proposed by E.J. Bailey AM, Seconded by B. Dixon
7. General Business

CHAIRMAN'S REPORT



Financial Performance

This 2011 report is for a period of six months and includes the 2010 Carnival results. A profit of \$655,136 was achieved in this period after allowing for Depreciation of \$346,109. The result for the previous 12 months was a profit of \$127,727.

As the Club's financial reporting year is to be changed, as stated above this report is only concerned with the period of six months since the end of the previous financial year on 30th June 2010. The object in changing the end of year reporting year to 31st December is to ease the pressure on the accounting staff during the very busy months of April through to August thereby resulting in the best use of our accounting resources.

Capital Works and development

During this half-yearly period capital works slowed compared to the previous year. The main emphasis was on the Schweppes Pavilion with improvements to the solar control, ramps to toilets and a new marquee as an extension to the kitchen area. Other purchases included more scanners for Carnival, televisions, computers and office furniture.

2010 Carlton MID Darwin Cup Carnival

All would agree that the 2010 Carlton Mid Darwin Cup Carnival was an outstanding success. From ROANT Day through to the Carlton Mid Darwin Cup the attendances were up and the quality of racing was superb. For the first time Bridge Toyota Ladies Day exceeded 4000 people and Darwin Cup Day saw over 20,000 pass through the gates with a record 3836 attending the Qantas Darwin Turf Club Gala Ball. Congratulations must also go to SKYCITY for the new Gala Ball venue located on the lawns of Little Mindli.

Sponsors

To our principal Sponsor, Fosters Australia, who renewed their contract in 2009, we say thank you for your commitment to the Darwin Turf Club and the Carnival. The relationship with NT General Manager Lincoln Jenkin and his team goes well beyond their contract as they are fantastic to work with and they leave no stone unturned to ensure the partnership works and the Carnival is a success.

Many thanks also to our major sponsors Darwin Airport Resort, SKYCITY, Sportingbet Australia, Bridge Toyota, Colemans Printing, Trans Territory Foods, SKY Racing, Hot 100 & Mix 104.9 and Schweppes for their support of our feature race days and our numerous other sponsors that are mentioned later in this report. Darwin Racing is indebted to you all for your outstanding support.

Committee & Management

In September 2010 we appointed Greg Smith and Amy Williamson to the Committee as we believed they will assist the Committee with their business acumen and legal backgrounds. Both stood for re-election this year and were elected unopposed.

I would also like to thank the Committee and Management for their support and contribution during the past six months, which has been very testing at times, but you have all been willing to contribute and work as a team, which is the strength of our Club.

We also welcome our new CEO Philip Neck and his wife Michelle, who commenced on the 12th of November. On the back of former CEO Des Friedrich's enormous contribution, we look forward to working closely with Philip to initially consolidate our position and then in time, to facilitate the future growth of the Club in an attempt to continue to provide great facilities for our members, a better racing product and enhance the standing of the Darwin Turf Club on the Australian Racing landscape.

Women in Thoroughbred Racing NT

It should be noted the success of the Women in Thoroughbred Racing NT. Their recent wins, sponsorships, donations and fostering new women into the sport of racing must be applauded. The Committee of the DTC congratulate all the "Women in Racing" for their foresight in initiating this worthwhile activity.

Industry participants

To the current local 18 licensed trainers, 9 jockeys, 3 licensed apprentices and all licensed strappers and participants, along with visiting trainers and jockeys, I would like to take this opportunity of thanking you for your participation during this last six-month period.

To Russell Simpson and ROANT, the Committee greatly appreciates your ongoing support which not only incorporates ownership of thoroughbred horses racing in the NT, and assisting with race programming, but your sponsorships and social functions you have put on after race days. The Club sincerely appreciates your efforts.

Darwin Racing's Future

I would like to re-iterate what was said in one of my previous reports in regards to the future of Darwin racing. I do not believe things have changed dramatically.

"Although there is reason for optimism for the future with the NT's Resources industry set to boom, your Committee will be looking to consolidate the Club's position over the next 12 months as the strengthening Australian Dollar will affect export earnings and the raising of interest rates will reduce disposable incomes".

It is important we pursue avenues to increase our own source revenue and look for non-race day revenues wherever feasible. At the same time, with the new Racing Industry Funding Agreement now in place we can look forward to increasing returns to our owners and other industry participants.

On behalf of the Committee of the Darwin Turf Club, I thank you for your continued support.



Brett Dixon - Chairman
Darwin Turf Club



CHIEF EXECUTIVE'S REPORT

In this, my first year with the Darwin Turf Club, I must initially pay tribute to my predecessor Des Friedrich who lead your Club into a new era of racing in the Territory.

Des' vision lead to the Territory's horse racing product being widely distributed through Sky Racing 2 to the entire Australian racing population. A trial period was also undertaken throughout New Zealand and the Asian market is in our sights to receive our pictures which will produce yet another significant source of income to the Club.

Another achievement that should be noted is Des' preparation of the submission for a five-year funding agreement with the Northern Territory Government, which has recently been signed off. His tireless efforts along with his Boards lengthy negotiations with Government has concreted the Territory's immediate future.

The increased funding year on year through to 2015/16 will enable racing in the Territory to continue the upward trend that it has been recently achieving, resulting in regular stake money and participant payment increases wherever possible.

The assistance given to your Club by the Racing Minister, The Honourable Della Lawrie MLA, must be applauded along with her personal staff and officers in NT Treasury and the Department of Justice. As reported in the Chairman's Report, the Darwin Turf Club has recently changed its financial year - this report is only concerned with the period of six months since the end of the previous financial year on 30th June 2010. The object in changing the end of year reporting year to 31st December is to ease the pressure on the accounting staff during the very busy months of April through to August thereby resulting in the best use of our accounting resources.

Another accounting innovation will be the submission of detailed DTC budgets prior to July 1, 2011, to the TRNT to accurately identify the needs of your Club for the coming period.

It is pleasing to advise that Brett Dixon House, housing corporate bookmakers, is now completely tenanted and brings in approximately \$64,000 in rent per month; an excellent income for the Club.

Management Reports

An abridged overview of activities for the last six months of trading which will be of interest to members include:

TAB Operations

Commissions earned by the Club for the appropriate period were \$513,716, down \$36,722 or 7%. The influx of Corporate Bookmakers in the wagering market and the Global Financial Crisis obviously contributed to the downturn in turnover and commission to the Club.

On Darwin Cup Day, the Club's operation was at full capacity with 96 machines in use being manned by a number of inter and intra state operators. One of our main problems is staffing in this area especially securing skilled operators.

Facilities

A new Track, Facilities and Stable Manager has been appointed in David Sharp who previously held the position of Assistant Race Course Manager for the Illawarra Turf Club at Kembla Grange racecourse, New South Wales' premier provincial race club. Prior to that, David was the Assistant Track Manager at the AJC and Warwick Farm racecourses. David's prime responsibilities are track, grandstand and facilities, along with training and stable facility maintenance.

The first track maintenance was carried out in May and the next will be carried out in September after the Carnival is completed. The track is being constantly monitored to provide a true racing surface. With only half a dozen staff members in this department, a multitude of tasks are undertaken on a weekly basis. Outside of the daily chores the team is responsible for keeping the grounds and gardens pristine along with the constant maintenance and repairs of Brett Dixon House and its surrounds as well.

Sponsorship

It is pleasing to advise that the Fosters sponsorship contract with the DTC has been renewed and without the enormous support of this principal sponsor the DTC Carlton MID Darwin Cup Carnival would not be in a position to maintain the excellent stake money level it presently has. Our sincere thanks to Lincoln Jenkin and his team for the wonderful support he gives the Club.

To our major sponsors throughout the eight days of our Carnival - Darwin Airport Resort, SKYCITY, Sportingbet Australia, Bridge Toyota, Colemans Printing, Trans Territory Foods, SKY Racing, Hot 100 & Mix 104.9, and Schweppes - a sincere thank you for your ongoing support.

Racing Facts

	1 July - 31 Dec 2010	1 July - 31 Dec 2009
Runners	1133	1227
Races	137	128
Meetings	24	22
Average runners	8.27 per race	9.58 per race
Stakes	\$2.460m	\$2.165m
Licensed Jockeys	9	10
Licensed Trainers	18	18
Licensed Apprentices	3	3

Operations

The last six months has seen the Operations team working hard on the preparation of DTC Policies and Procedures Guidelines for all staff, reviewing of Modern Awards and Employment Contracts, along with all OH&S procedures.

Your Committee is reviewing and updating Governance issues including Code of Conduct and Delegations, along with the Club's Constitution, all necessary to make sure the Club is governed in accordance with the highest standards of professionalism, probity, diligence and excellence.

Function Centre

During the six-month period the DTC held over 30 functions mostly in the Schweppes Marquee. December was an extremely busy period with Christmas functions etc. A snapshot of income shows the events function income was \$490,350, with Carnival events bringing in income totalling \$1,477,885.

Membership

From 1 July to 31 December 2010

Life	6	Senior	201
Full Members	299	Members for Life	43
Single Members	26	Social Members	49
Honorary Members	30	Colts & Fillies	49
Corporate Members	38	Sponsors	37
Total Members= 778			

Top End Racing Horse of the Year Awards

The Top End Racing Horse of the Year Awards were held on Friday 23 October 2010 at the Darwin Turf Club. Recognising the racing industry's highest achievers:

- Qantas Leading Trainer of the Year Stephen Brown
- Qantas Leading Jockey of the Year Scott Hillebrand
- Leading Apprentice Jockey of the Year Scott Hillebrand
- Bridge Toyota Trainer for 2010 Carnival Stephen Brown
- Bridge Toyota Leading Jockey for Carnival 2010 Paul Denton
- Coleman's Printing Media Award NT News
- Enchanted Moments Character of Racing Award Jack Hamilton OAM
- Darwin Horse Floats Three-year-old of the Year Award Macca's Dream
- Parap Village Apartments Club Liquid
- Middle Distance Performer of the Year Award Lucid Reflection
- Sportingbet Sprinter of the Year Award Lucid Reflection
- Carlton Mid Horse of the Year Award

Smoking Legislation

The Northern Territory Government has introduced new Smoking Regulations. The Darwin Turf Club has been active in complying with the Regulations, and has worked on the introduction of these, developing and implementing a Smoking Management Plan to satisfy all government requirements.

Appreciation

In conclusion, I would like to take this opportunity to thank all the DTC staff for their ongoing support and hard work, along with the staff of TRNT which we work so closely with on a day-to-day basis. To all the Committee who work tirelessly in an honorary capacity, it is very much appreciated by all the staff.

It would also be remiss of me if I did not publicly thank our loyal corporate sponsors for their continued contributions and their ongoing co-operation.



Philip Neck - Chief Executive Officer
Darwin Turf Club

CORPORATE PARTNERS

Principal Corporate Partner

Fosters Australia

Major Corporate Partners

Bridge Toyota
Schweppes
Coleman Printing
Darwin Airport Resort
Hot 100 Mix 1049FM
Qantas Airways Ltd

Corporate Partners

AAMI
Attitude for Men
Avis
Bet Choice
Channel Nine
Darwin City Council
Darwin Private Hospital
Fannie Bay Photographs
Gardens Park Golf Club
IGT
Jewell Distributors/Samsung
Lubet
Miffys
Nursery Gardens Industry
Parap Village Apartments
Penang Turf Club
Racehorse Owners & Trainers
Association NT (ROANT)
Southern Cross Television
Trojan Fencing

Centrefield Corporate Partner

Darwin Life Glam

Corporate Marquee Clients

Attitude For Men
Bytecraft Entertainment
Capital Finance
CCS NT
Coopers Brewery
CSG
Davis Langdon
Electrolux
Fielders
Gerard Lighting
HB Group
IGT
ISIS Group Australia
Leighton Contractors
National Warranty
NT Shipping Agencies
Pharlap Racing Tours
Sportingbet
The Legends Club
Westelect Services

British American Tobacco
Clipsal
Coates Hire
Commonwealth Bank
Crown Casino
Darwin Private Hospital
Eclipse Hospitality
FCM Travel Solutions
GermineX
Girraween Vet Hospital
Holcim/Humes
ISAS
Kerry's Automotive Group
Lion Nathan / Sportingbet
NT Packaging
Optus Business
Samsung
Telstra Country Wide
Tutt Bryant Crane Hire
Workboats Northern Australia

2010 Carlton Mid Darwin Cup Carnival - Feature Results

	WINNER	JOCKEY	TRAINER
\$ 160,000.00 Carlton Mid Darwin Cup	Shout Out Loud	R. Fradd	K. Petrick
\$ 110,000.00 SKYCITY NT Derby	Maccas Dream	C. Haddon	L. Williams
\$ 110,000.00 Darwin Airport Resort	Lucid Reflection	K. Gladwin	D. Leech
\$ 55,000.00 HOT 100 Darwin Guineas	Mahaffey Road	R. Oakford	G. Clarke
\$ 40,000.00 Trans Territory Foods Chief Minister's Cup	Shout Out Loud	P. Denton	K. Petrick
\$ 40,000.00 Buntine Handicap	He's Here	P. Denton	K. Petrick
\$ 35,500.00 Bridge Toyota Cup	Last Frontier	P. Denton	L. Williams
\$ 40,000.00 Sky Racing Metric Mile	*Palmyra Boy	*J. Cameron	*N. Dyer
\$ 35,000.00 Wolf Blass Lighting Plate	The Soldier	K. Gladwin	K. Rogerson
\$ 30,000.00 Fernwood Women's Health Club Rose Bowl Fillies & Mares Hcp	Piclesia	K. Gladwin	L. Williams
\$ 27,500.00 Qantas Invitation Plate Hcp	Phantom Verde	D. Griffin	*S. Brown
\$ 27,500.00 Sportingbet.com.au Three-Year-Old Class 6 Hcp	Seven Bridges	D. Gaico	G. Clarke
\$ 27,500.00 SKYCITY Darwin Hcp	The Slew	S. Hillebrand	S. Brown
\$ 27,500.00 Schweppes Handicap	Piclesia	F Fradd	S. Arnold
\$ 27,500.00 TIO Party Safe Hcp	Ethbaal	P. Shiers	*G. Clarke
\$ 27,500.00 Winning Edge Presentations Hcp	Bankers Lamp	P. Shiers	G. Clarke
\$ 27,500.00 IGT Special Conditions Hcp	Protesta	P. Denton	*S. Brown
\$ 25,000.00 Carbine Club Flying Hcp	The Soldier	K. Gladwin	K. Rogerson
\$ 27,500.00 Aussie Signs Welter	Canali	P. Denton	S. Brown
\$ 25,000.00 City of Darwin WFA Plate	Lucid Reflection	K. Gladwin	D. Leech
\$ 25,000.00 Colemans Printing Cup	Phantom Verde	R. Oakford	G. Clarke

* Also won this race in 2009

Track Record Holders

DISTANCE	TIME	HORSE	DATE
900 m	51:33	TERM	16/07/2003
1000 m	56:10	LORD HAROLD	10/07/2004
1100 m	01:02:17	CANALI	3/07/2010
1200 m	01:07:42	JADE CITY	9/06/2007
1300 m	01:13:59	SHOUT OUT LOUD	26/06/2010
1500 m	01:29:05	HI TAIL	29/06/2002
1600 m	01:34:86	PALMYRA BOY	24/07/2010
1800 m	01:49:28	KINGSTON RESERVE	22/07/1995
1900 m	01:54:40	BRAVE DECISION	20/07/2002
2000 m	02:01:22	CLUB LIQUID	4/08/2008

Darwin Turf Club
Annual Financial Sheet

Purpose and Scope
In the opinion of the Executive Committee, the Darwin Turf Club is not a reporting entity. The Financial Statements of the Club have been drawn up as a special purpose Financial Report for distribution to the members, and for the purpose of fulfilling the requirements of the Northern Territory Associations Act.

INCOME STATEMENT
for the period ended 31 December 2010

	Notes	31 December 2010 (6 months) \$	30 June 2010 (12 months) \$
Revenue			
Operating Income	2	4,493,603	5,213,377
Racemeeting Income	3	1,945,156	1,972,791
Racing Income		255,251	382,035
Rental Income	4	613,892	1,123,496
Grants Received	5	3,280,418	4,745,200
Other Income	6	230,880	326,121
Total Revenue		10,819,200	13,763,020
Expenses			
Operating Expenses	7	3,806,814	3,822,926
Racemeeting Expenses	8	521,103	757,987
Racing Expenses		144,604	223,967
Administration Expenses	9	2,368,365	3,976,571
Depreciation Expense		346,109	569,166
Other Expenses		128,469	183,429
Returns to Industry Participants	10	2,848,600	4,101,247
Total Expenses		10,164,064	13,635,293
Net Result for the Reporting Period		655,136	127,727

The Income Statement is to be read in conjunction with the notes to the financial statements.

DARWIN TURF CLUB INC

BALANCE SHEET
as at 31 December 2010

	Notes	31 December 2010 \$	30 June 2010 \$
CURRENT ASSETS		439,962	2,374,923
Cash and Cash Equivalents	11	(111,282)	411,123
Trade and Other Receivables	12	296,498	1,648,860
Inventories	13	190,991	122,514
Prepayments and Other Current Assets		63,756	192,426
NON-CURRENT ASSETS		11,282,462	11,406,810
Plant and Equipment	14	5,385	5,385
Other Non-Current Assets		11,287,847	11,412,195
Total Non-Current Assets		11,727,809	13,787,118
Total Assets		12,167,771	16,162,041
CURRENT LIABILITIES		1,035,912	3,543,782
Payables	15	168,749	188,323
Provisions	16(a)	353,006	364,887
Loans	17(a)		
Total Current Liabilities		1,557,667	4,096,992
NON-CURRENT LIABILITIES		19,079	29,021
Provisions	16(b)	2,957,732	3,122,909
Loans	17(b)		
Total Non-Current Liabilities		2,976,811	3,151,930
Total Liabilities		4,534,478	7,248,922
Net Assets		7,193,332	6,538,196
Accumulated Funds		7,187,449	6,532,313
Retained Profits	18	5,883	5,883
Reserves			
Total Equity		7,193,332	6,538,196

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

DARWIN TURF CLUB INC

STATEMENT OF CASH FLOWS

for the period ended 31 December 2010

	Notes	31 December 2010 (6 months) \$	30 June 2010 (12 months) \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		6,905,992	10,118,353
Receipts from Government (TRNT) Funding		3,323,800	4,745,200
Interest Received		2,794	9,569
Payments to Suppliers and Employees		(10,214,611)	(14,052,724)
Interest and Cost of Finance Paid		(141,301)	(298,794)
Net Cash Provided by/ (Used In) Operating Activities	19(a)	<u>(123,586)</u>	<u>521,504</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchase of Plant and Equipments		(221,761)	(512,445)
Net Cash (Used In)/Provided by Investing Activities		<u>(221,761)</u>	<u>(512,445)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from borrowings		(177,058)	400,000
Repayments of borrowings		(177,058)	(400,711)
Net Cash Provided by/ (Used In) Financing Activities		<u>(177,058)</u>	<u>(711)</u>
Net (Decrease) Increase in Cash Held		(522,405)	8,448
Cash at the Beginning of the Financial Year		411,123	402,675
Cash at the End of the Financial Year	19(b)	<u>(111,282)</u>	<u>411,123</u>

DARWIN TURF CLUB INC.

Notes to the financial statements for the period ended 31 December 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of these financial statements are:

(a) Statement of Compliance

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Act. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Basis of Preparation of the Accounts

The financial report is presented in Australian dollars and has been prepared on an accrual basis of accounting. The financial report relates to the period from 1 July 2010 to 31 December 2010.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Darwin Turf Club.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(c) Taxation

The Darwin Turf Club is exempt from the payment of income tax.

(d) Going concern

The financial statements of the Darwin Turf Club have been prepared on the basis that the Darwin Turf Club is a going concern and will continue to operate. The Darwin Turf Club relies on funding provided through Thoroughbred Racing NT Incorporated (TRNT) and the financial statements are prepared on a going concern basis on the understanding that such funding will continue.

DARWIN TURF CLUB INC.

Notes to the financial statements for the period ended 31 December 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) **Revenue**
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

Government Grants - Grants are taken up as income in the period to which the funds relate
Membership Fees - Membership fees are recognised on a straight-line basis over the financial year to which they relate

(f) **Goods and Services Tax**
Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the acquisition of the asset or as part of an item of the expense

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

(g) **Cash and Cash Equivalents**
Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

(h) **Receivables**
Trade and other receivables are recorded at amounts due, less any provision for doubtful debts.

(i) **Property, Plant and Equipment**
Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Assets are depreciated on a straight-line basis so as to allocate the net costs against revenue over the estimated economic lives of the assets. As a general policy, only assets with a value of \$1,500 or more are capitalised, items under this value being charged as an expense in the income statement in the year of purchase.

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

Class	Depreciation Rate
Buildings	2.50% - 10.00%
Building Improvements	2.00% - 20.00%
Course Improvements	5.00% - 10.00%
Stable Complex & Improvements	2.00% - 20.00%
Plant & Equipment	2.50% - 33.33%
Furniture & Fixings	7.50% - 20.00%
Motor Vehicles	12.50%

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DARWIN TURF CLUB INC.

Notes to the financial statements for the period ended 31 December 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) **Property, Plant and Equipment (continued)**

Impairment of assets

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

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an assets class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is debited against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

(j) **Impairment**

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of the other assets is the fair value less costs to sell.

(k) **Payables**
Payables are stated at cost.

(l) **Employees' Entitlements**

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave. Liabilities arising in respect of annual leave and long service leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

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DARWIN TURF CLUB INC

**Notes to the Financial Statements
for the period ended 31 December 2010**

DARWIN TURF CLUB INC.

Notes to the financial statements for the period ended 31 December 2010

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) **Employees' Entitlements (continued)**
Long service leave expected to be paid later than one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The Darwin Turf Club also contributes to various accumulating Employee Superannuation Plans

(m) **Comparatives**

Where changes have occurred in the presentation of the Financial Statements, prior year figures have been reclassified for comparative purposes

(n) **Segment Reporting**

The Darwin Turf Club operates predominantly in one industry, being that of Thoroughbred Racing in the Northern Territory

(o) **Inventories**

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to inventories on a first in first out basis

	31 December 2010 (6 months) \$	30 June 2010 (12 months) \$
2 OPERATING INCOME		
Bar	1,460,100	1,597,462
Catering	829,593	859,614
Functions	1,690,194	1,739,050
Tab Commissions	513,716	1,017,251
	4,493,603	5,213,377

3 RACE MEETING INCOME

Admissions	780,906	828,932
Race books	54,459	65,899
Merchandise	37,334	50,617
Advertising & Sponsorship	1,072,457	1,027,343
	1,945,156	1,972,791

4 RENTAL INCOME

Bookmakers	326,369	661,701
Douglas St Stable Complex	211,721	383,684
Other	75,802	78,111
	613,892	1,123,496

5 GRANTS RECEIVED

Government (TRNT) Operational Grants	3,280,418	4,540,026
Government (TRNT) Capital Grants		205,174
	3,280,418	4,745,200

6 OTHER INCOME

Livestock Scheme	112,100	71,281
Colts & Fillies	3,331	1,468
Membership Fees	91,780	176,798
Distributions from Palmerston Sports Club		56,000
Interest Received	2,734	9,569
Profit on Sale of Assets		(4,881)
Insurance Recoveries		9,513
Other Income	20,835	6,373
	230,880	326,121

DARWIN TURF CLUB INC

Notes to the Financial Statements
for the period ended 31 December 2010

	31 December 2010 \$	30 June 2010 \$
7 OPERATING EXPENSES		
Bar & Catering Cost of Sales	859,404	989,834
Bar, Catering & Function Expenses	71,738	106,893
Hireage	795,178	708,315
Bar, Catering, Function and TAB Salaries and Wages	819,699	992,704
Outsourced Catering and Gala Ball	1,260,795	1,025,180
	<u>3,806,814</u>	<u>3,822,926</u>
8 RACEMEETING EXPENSES		
Advertising	181,262	310,373
Raceday Cost of Sales	79,336	106,592
Racing Salaries and Wages	159,379	240,672
Sponsorship Costs	77,654	69,578
Sundry Expenses	23,472	30,772
	<u>521,103</u>	<u>757,987</u>
9 ADMINISTRATION EXPENSES		
Administration Expenses	152,905	278,666
Borrowing Expenses	141,301	298,794
Marketing Expenses	273,829	266,652
Occupancy Expenses	402,150	677,108
Repairs and Maintenance Expenses	289,653	421,844
Salaries and Employee Benefit Expense	1,029,726	1,926,174
Livestock COGS	98,761	107,333
	<u>2,368,365</u>	<u>3,976,571</u>
10 RETURNS TO INDUSTRY PARTICIPANTS		
Freight and Travel Rebates		51,429
Prizemoney	2,458,800	3,271,382
Unplaced Jockey/Runner Payments	389,800	778,436
	<u>2,848,600</u>	<u>4,101,247</u>

DARWIN TURF CLUB INC

Notes to the Financial Statements
for the period ended 31 December 2010

	31 December 2010 \$	30 June 2010 \$
11 CASH AND CASH EQUIVALENTS		
Cash on Hand	78,124	127,146
Cash at Bank	(189,406)	283,977
	<u>(111,282)</u>	<u>411,123</u>
12 TRADE AND OTHER RECEIVABLES		
Current		
Debtors	245,611	1,585,583
less: Provision for Doubtful Debts	(48,458)	(30,064)
Accrued Income	99,345	93,341
	<u>296,498</u>	<u>1,648,860</u>
13 INVENTORIES		
Stock on Hand		
Bar	181,358	78,887
Catering	8,303	15,113
Merchandise	1,330	28,514
	<u>190,991</u>	<u>122,514</u>
14 PLANT AND EQUIPMENT		
Building at Cost		
At Cost	10,135,711	9,901,239
Building Improvements	1,237,566	1,237,566
Accumulated Depreciation	(2,879,221)	(2,678,813)
	<u>8,494,056</u>	<u>8,459,992</u>
Course Improvements at Cost		
At Cost	403,687	403,687
Accumulated Depreciation	(136,472)	(122,531)
	<u>267,215</u>	<u>281,156</u>

Notes to the Financial Statements
for the period ended 31 December 2010

	31 December 2010	30 June 2010
	\$	\$
Stable Complex and Improvements at Cost		
At Cost	2,689,363	2,684,652
Accumulated Depreciation	(732,617)	(673,793)
	<u>1,956,746</u>	<u>2,010,859</u>
Plant and Equipment		
At Cost	834,336	759,939
Accumulated Depreciation	(385,505)	(321,605)
	<u>448,831</u>	<u>438,334</u>
Furniture & Fittings at Cost		
At Cost	93,796	88,511
Accumulated Depreciation	(34,431)	(30,027)
	<u>59,365</u>	<u>58,484</u>
Motor Vehicles at Cost		
At Cost	40,318	40,318
Accumulated Depreciation	(18,687)	(14,053)
	<u>21,631</u>	<u>26,265</u>
Work in Progress		
At Cost	34,618	131,720
	<u>34,618</u>	<u>131,720</u>
Total Property, Plant and Equipment		
Total at Cost	15,469,395	15,247,632
Accumulated Depreciation	(4,186,933)	(3,840,822)
	<u>11,282,462</u>	<u>11,406,810</u>
15 PAYABLES		
Creditors and Accrued Expenses	788,667	924,242
Receipts in Advance	248,417	2,619,583
GST Payables/(Receivable)	(1,172)	(43)
	<u>1,035,912</u>	<u>3,543,782</u>

Notes to the Financial Statements
for the period ended 31 December 2010

	31 December 2010	30 June 2010
	\$	\$
16 PROVISIONS		
(a) Current		
Employee Entitlements	152,052	172,192
- Annual Leave	16,697	16,131
- Long Service Leave		
Total Current Provisions	<u>168,749</u>	<u>188,323</u>
(b) Non-Current		
Employee Entitlements	19,079	29,021
- Long Service Leave		
Total Non-Current Provisions	<u>19,079</u>	<u>29,021</u>
17 LOANS		
(a) Current		
Loans		
Loans - Commercial Bill	308,387	324,840
Loans - Stable Complex	16,275	13,704
Loans - Extra Building	27,344	26,343
Total Current Loans	<u>353,006</u>	<u>364,887</u>
(b) Non-Current		
Loans		
Loans - Commercial Bill	2,454,970	2,596,877
Loans - Stable Complex	144,649	155,126
Loans - Extra Building	358,113	370,906
Total Non-Current Loans	<u>2,957,732</u>	<u>3,122,909</u>
18 EQUITY		
Colts and Fillies	5,883	5,883
	<u>5,883</u>	<u>5,883</u>

DARWIN TURF CLUB INC

Notes to the Financial Statements
for the period ended 31 December 2010

DARWIN TURF CLUB INC.
Statement by the Association Management Committee

COMMITTEE MEMBERS

Chairman	Brett Dixon
Secretary	Phillip Neck
Treasurer	Justin Coleman
Public Officer	Phillip Neck
Committee Member	Charles Burkill
Committee Member	Brendan Wilding
Committee Member	Michelle Graham
Committee Member	Dale Bichano
Committee Member	Barry Lloyd
Committee Member	Robert Longuel

PRINCIPLE ACTIVITY

The principle activity of the Association during the financial year was to hold race meetings for Thoroughbred horses. This activity has not changed from previous years.

OPERATING RESULT

The net result for the period was \$655,136, the prior year was \$127,727

In the opinion of the management committee of the Darwin Turf Club Incorporated (DTC):

- the DTC is not a reporting entity;
- the accompanying financial report, being a special purpose report, is drawn up so as to present fairly the state of affairs of the DTC as at 31 December 2010 and the results of the DTC for the period ended on that date;
- the accounts of the DTC have been properly prepared and are in accordance with the books of account of the DTC; and
- there are reasonable grounds to believe that the DTC will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution by the Management Committee.

Dated at Darwin on this 6th day of May 2011.


Chairman


Secretary

19 STATEMENT OF CASH FLOWS**(a) Reconciliation of Operating Result to Net Cash used**

	31 December 2010 (6 months) \$	30 June 2010 (12 months) \$
In Operating Activities		
Net Surplus (Deficit)	655,136	127,727
Depreciation	346,109	569,166
(Profit)/Loss on Sale of Plant and Equipment		4,882
Changes in Assets and Liabilities		
- Decrease (Increase) in Debtors and Accrued Income	1,352,362	(486,944)
- Decrease (Increase) in Inventory	(68,477)	136,289
- Decrease (Increase) in Prepaid Expenses and Other Current Assets	128,670	(63,829)
- Increase (Decrease) in Creditors and Accrued Expense	(136,704)	(518,768)
- Increase (Decrease) in Revenue in Advance	(2,371,166)	690,232
- Increase (Decrease) in Provisions	(29,516)	62,849
Net Cash Provided by (Used In) Operating Activities	<u>(123,586)</u>	<u>521,604</u>

(b) Reconciliation of Cash

Cash on Hand and at Bank	<u>(111,282)</u>	<u>411,123</u>
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Independence

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

Basis for Qualified Auditor's Opinion

As is common for organisations of this type, it is not practicable to establish an efficient system of internal control over income other than grant income, prior to its initial entry in the accounting records. Accordingly our audit in relation to income, other than grant income, was limited to amounts recorded

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been obtained to be necessary had the limitation referred to in the preceding paragraph not existed, the financial report presents fairly, in all material respects, the financial position of Darwin Turf Club Inc as at 31 December 2010 and of its financial performance for the period 1 July to 31 December 2010 in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Act

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to the balance sheet as at 31 December 2010 which shows that the Association's current liabilities exceeded its current assets by \$1,117,705. As described in Note 1(d) the Association is reliant on continued funding provided through Thoroughbred Racing NT Incorporated to continue as a going concern. As a result of these matters there is significant uncertainty whether the Association will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Association not continue as a going concern

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report has been prepared to assist Darwin Turf Club Inc to meet the requirements of the Associations Act and the Association's constitution. As a result, the financial report may not be suitable for another purpose

Merit Partners
 Merit Partners

Matthew Kennon
 Matthew Kennon
 Director

Darwin
 Date: 9/1/2011

Independent auditor's report to the members of Darwin Turf Club Inc

We have audited the accompanying financial report, being a special purpose financial report, of Darwin Turf Club Inc (the "Association"), which comprises the balance sheet as at 31 December 2010 and the income statement and cash flow statement for the period 1 July to 31 December 2010, notes comprising a summary of significant accounting policies and other explanatory notes, and the committee's report.

The Responsibility of the Committee for the Financial Report

The Association's Committee is responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Act and the Association's constitution and is appropriate to meet the needs of the members. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a financial report that 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 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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

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Darwin Turf Club Incorporated as at 31 December 2012

GPO Box 589, Darwin NT 0801 Tel: (08) 8923 4222 Fax: (08) 8923 4233
Email: dtc@darwinturfclub.org.au Website: www.darwinturfclub.org.au

Patron

Her Honour The Honourable Sally Thomas AM

Committee

Chairman	Brett Dixon
Vice Chairman:	Charles Burkitt
Treasurer:	Justin Coleman to 29 August 2012 Robert Longuet from 29 August 2012
Committee:	Brendan Wilding, Michelle Graham, Dale Bicheno, Amy Corcoran, Greg Smith, Cameron McNally, James Herraman

Management

Chief Executive:	Philip Neck	Bar & Functions Manager	Greg McDonald
Chief Financial Officer:	Barry Lloyd	Projects & Operations Manager	Richard McKeating
Chief Operating Officer:	Keith Stacy	Sponsorship Manager:	Carly Archer
Marketing & Communications Manager:	Pina Sommerville	Sales Executive:	Nerida Hilli
Office Manager/PA.:	Cheryl Guest	Head Chef:	David Brown
Track, Stables & Facilities Manager:	David Sharp	TAB Manager:	Carolyn Bulmer
		Commentator:	Mick Stumbles Craig Sant

Life Members

E.J. Bailey AM, C. Bayley*, E.V. Brown*, N.L. Buntine*, P. Cattermole AM,
Lt Col W.T. Cawley*, B.J. Coulter, E.F.S. D'Ambrosio CM. M.B.E.*, Mrs. Lilian Dean*,
P. Delaney*, A. Ford*, E.C. Izod*, G. Kafcaloudes*, Dr. P.V. Mornane,
J.T. McNally, S.T. Parker AOM, M. Stumbles, R. Weston*

*denotes deceased Life Member

Honorary Members

J. O'Neil, J. Russell, P. Lalor

NOTICE OF MEETING

Members are advised that the
Annual General Meeting of the Darwin Turf Club Inc
shall be held in the
Ted D'Ambrosio Bar at 7pm on
Monday 13 May 2013

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Business

1. Apologies
2. Confirmation of the Minutes of the Annual
General Meeting held
on 14 May 2012
3. Matters Arising from the Minutes
4. Presentation of the Annual Report for the
12 month period from 1 January 2012
to 31 December 2012
Statement of Financial Performance and
Statement of Financial Position:
 - a) Chairman's Report
 - b) Treasurer's Report
 - c) Adoption of Annual Report
5. Election of Patron
6. Election of Officers
7. Election of Auditor
8. Notices of Motion
9. General Business

Darwin Turf Club Committee



BRETT DIXON
Chairman

Originally hailing from Perth, Brett has lived in Darwin since 1981 and is married with three children. Brett has been on the board since 2001 and was elected as 12th Chairman of the Darwin Turf Club in 2008, following 3 years as Vice-Chairman. He is the Director of several successful companies and brings significant business and leadership credentials to the Darwin Turf Club. He has a passion for thoroughbred racing and has been involved in breeding horses for the past 15 years. As an owner, he has won most feature races in the NT including the 2001 Palmerston Sprint (*El Comba*) to the 2010 Darwin Cup (*Shout Out Loud*). Brett is committed to improving facilities for members at the Club, returns to industry participants and is also a Board Member of Thoroughbred Racing NT. His main objective is to provide the best possible services to members and the industry, while creating a great social hub for the community.



CHARLES BURKITT
Vice Chairman

Charles Burkitt has made a significant contribution to the Darwin Turf Club (DTC), having spent 4 years at the helm as Chairman (2004 – 2008) and dedicating his time as a Committee member since 1998. Charles is also a Thoroughbred Racing Northern Territory (TRNT) board member and has seen and been actively involved in the evolution of the modern day facilities and infrastructure that is evident at Fannie Bay racetrack today. As a DTC committee member, Charles is continually interested in the ongoing improvement of facilities for all stakeholders, especially the upstream racing and training facilities which provide the product to deliver the vitally important downstream benefits to owners, industry participants and the enlarged Darwin economy. Charles is an experienced Investment Adviser specialising in financial markets, having worked in the industry for more than 15 years and is now actively involved in the Commercial Property sector. He is also the Deputy Chair of the Advisory Board for the NT Red Cross, and the alternate member for the NT on the National Board.



ROB LONGUET
Treasurer

Darwin businessman and long time Territorian Rob Longuet has been a member of the Darwin Turf Club committee since 2001. Rob is committed to driving growth in the racing industry including the level of prize money, horse numbers and returns to industry participants. His focus is on improving the facilities at Fannie Bay racecourse. Rob has been involved in horse racing syndicates in Darwin since the late 1980s. He has held several senior management positions in the motor vehicle industry over the last 20 years before owning his own business, Caravans NT.



DALE BICHENO
Committee Member

Dale Bicheno joined the Darwin Turf Club Committee in 2009. Dale has been the Director of plumbing company Carodale Pty Ltd for 20 years, and brings extensive hands-on experience and business knowledge to the Darwin Turf Club. Dale's goal is to see the continued expansion of the club, along with the maintenance and improvement of Members' facilities and privileges. He wants to ensure the Northern Territory's Thoroughbred Racing Industry remains a thriving one and having owned horses in Victoria and the NT for over 20 years, Dale understands the highs and lows of the industry. He says his love of racing keeps him involved and currently has interests in a number of Darwin horse syndicates.



MICHELLE GRAHAM
Committee Member

Originally from Adelaide, Michelle Graham has lived in Darwin for 25 years and is actively involved in the local community. Manager of the Parap Village Apartments since 2002, Michelle joined the Darwin Turf Club Committee in 2009. Backed by a 20-year career in the tourism and hospitality industries, she is a valuable asset to the team. She was appointed as the inaugural Chair of Women in Thoroughbred Racing NT in 2010, an association established to promote and foster the ongoing inclusion of women in the Thoroughbred Racing Industry. As both a horse owner and syndicate manager, Michelle enjoys the fun and excitement of Territory racing. She is a Syndicate Member of *The Good, The Bad and The Nag* and *Women in Thoroughbred Racing*.



JAMES HERRAMAN
Committee Member

James has been associated with the Darwin Turf Club for around 10 years and is a passionate supporter of racing in the NT. He and his wife Jess have raced numerous horses over a number of years in a variety of top end stables. With a professional background in Finance, Insurance and Salary Packaging, James has held senior management roles in marketing and customer service. He has co founded the two largest salary packaging companies operating in the Northern Territory and is currently a director of Fleet Choice NT.



CAMERON MCNALLY
Committee Member

Cameron is a Certified Public Accountant with significant experience working within the Accounting Profession, particularly in the Audit and Business Services field. Cameron is currently a Director of locally based finance and salary packaging company, Fleet Choice NT. Born in Darwin he has had a long association with the Darwin Turf Club (DTC) and is keen to ensure it maintains a strong financial position, while preserving the Club's ability to continually improve its facilities for all stakeholders. Cameron is passionate about the Club's history as well as ensuring the long-term growth of the Darwin Turf Club.



GREG SMITH
Committee Member

With a long association with the Thoroughbred Racing Industry, Greg joined the Darwin Turf Club committee in 2010. The father of two is the Managing Director of leading NT waste management company Waste Solutions, which he started in 2003. Greg has had a lengthy career in the waste management industry, having managed a range of relevant businesses in Darwin and Alice Springs over the last 35 years. International experience includes providing environmental management advice to the Indonesian Government on urban infrastructure projects. Greg loves the atmosphere of being on-course at Fannie Bay, and would love to eventually see the introduction of night racing in order to boost crowds and provide another product for live broadcast interstate and overseas.



BRENDAN WILDING
Committee Member

Brendan is an active member of the NT racing community and was appointed to the Darwin Turf Club Committee in 2004. He is also Treasurer of the Bernborough Club, has previously been a member of the Racehorse Owners Association of the Northern Territory (ROANT) and Darwin RSL Services & Social Club committees. Brendan has a background in public service administration and now runs his own business, Darwin Directions Relocation Services. He is keen to see the Darwin Turf Club maintain and improve its infrastructure and services to attract new members whilst recognising the expectations of established members who have contributed to the strength of the Club over the years. He is committed to the continued growth of the Darwin Turf Club so that it is universally recognised as the major racing centre in Northern Australia, and helping to ensure that the Carlton Mid Darwin Cup Carnival retains its position as the Territory's leading event.



AMY CORCORAN
Committee Member

Amy Corcoran joined the Darwin Turf Club Committee in September 2010. As the Chief Executive of the Australian Hotels Association (NT Branch), Amy has a wealth of knowledge in the hospitality industry, making her a valuable addition to the Committee. Having practised as a lawyer in Darwin for 7 years, Amy also brings significant legal experience as a Commercial Lawyer at Cridlands Lawyers and then Clayton Utz, where she was appointed Senior Associate. Amy's background includes significant experience with other not-for-profit committees and she is currently a member of the Amity Community Services Committee with previous experience on the Board of the Australian Technical College.



PHILIP NECK
Chief Executive Officer

Philip has had an extensive career in the Thoroughbred Racing Industry and was appointed Chief Executive Officer (CEO) of the Darwin Turf Club in September 2010. He has held several prestigious administrative positions, including International Liaison Officer for the 31st (Dubai), 32nd (Tokyo) and 33rd (Sydney) Asian Racing Conferences, Executive Board Member of the Australian Racing Board for 5 years and CEO of the Western Australian Turf Club from 1995-2003. He is a Life Member of the Oakbank Racing Club, where he was also Chairman for 10 years. Philip's focus is driving development of the already successful Carlton Mid Darwin Cup Carnival and delivering more NT racing into Asia.

CHAIRMAN'S REPORT

Financial Performance

This 2012 report is for a period of 12 months from 1 January 2012 to 31 December 2012, and includes the 2012 Carnival results. A profit of \$573,689 was achieved in this period after allowing for depreciation of \$687,294. The financial result for 2012 includes capital expenditure funding of \$513,588.

DTC Strategic Business Plan

A full annual revision of the Club's Annual Management Requirements including the DTC Business Plan and 5 year Strategic Plan was presented to TRNT in November as part of the Club's budgetary and operation funding requirements. This included:

- details of the Club's present situation
- where we aim to go and how we will achieve this
- future Development Projects and Repairs and Maintenance
- full diary of Planned Events

Once again the Strategic Business Plan embraced the Club's Vision and Mission Statements which are :

Vision statement

Maintain the Darwin Turf Club as a leader in thoroughbred racing, event management and entertainment.

Mission statement

Through our people we will;

- Continually develop Darwin Turf Club as the Northern Territory's premium racing and preferred event and entertainment venue all year round.
- Focus on the continued growth and success of the Darwin Cup Carnival.
- Ensure we provide the best facilities, highest quality service and value for our Members, Partners, Customers and the Community while maximising the financial returns from our racing and events for the benefit of the Club, its Members, the Racing Industry and Partners.
- Be mindful at all times of the importance of the economic sustainability benefits to the Community in all our business planning.

Capital Works and Development

During the 2012 period the visiting stable complex was completed encompassing 60 new stables at a cost of nearly \$900,000. This stable block offers the best possible stabling accommodation for trainers from down south over the Darwin Cup Carnival and has been extremely well received.

In conjunction with the new stable blocks a caravan park has been built to house visiting trainers and their staff adjacent to the stables and the track. A new power supply has been upgraded to the caravan park along with portable toilets and showers for the convenience of all visiting industry participants.

A requirement for the Visiting Stable Complex was the total landscaping of the area which included the planting of over 300 plants and native grasses, along with a

permanent irrigation system and a fully engineered swale for the run off of excess rainfall.

A much needed electrical power upgrade for Bevan Halter Drive was completed at a cost of \$36,850 which now eliminates power disruptions in the original Turf Club Stable complex.

Whilst on power upgrades, new electrical wiring was installed in the Schweppes Pavilion along with increased permanent lighting and new lights on the verandah for the safety of patrons. New halogen floodlights were also fitted on the balcony of the Ted Bailey Grandstand for security and safety at a cost of \$36,850.

Other building improvements during the year included a refurbishment of the Scarvilla Room for all owners with runners at Fannie Bay Racecourse, a new 120 square metre concrete floor in the Executive Marquee for food preparation, as well as new flooring in the Schweppes Marquee replacing an existing wooden floor for safety and ease of food preparation.

A new addition for punters on course were the fitting out of TAB Touch Screens and 'I Select' Units. These units and counters were fitted in the Members Clubhouse, Ted D'Ambrosio Bar, Main betting ring and the Ted Bailey Grandstand.

A major issue for the Club over the years was the lack of security 24/7 at the Training Stable Complex on Bevan Halter Drive. No gates at the entrance to the complex meant if a horse got loose there was no way of impounding it within the training area. To this end, the Club installed high fencing and an automatic security gate which is operational 24 hours a day along with a security camera for constant surveillance. This improvement monitoring cars and persons entering and exiting the stables satisfied concerns not only the Police and the DTC, but owners and trainers alike.

Others assets purchased by the Club in 2012 were a Toyota Hilux and a Mitsubishi Van, a Kubota Tractor and a new dishwasher for our Food and Beverage operation.

Another new innovation for the Club was the construction of the latest mounting enclosure fencing system which is not only safe for the horses but exceptionally safe for the public. Approved by racing authorities worldwide the fencing is manufactured with fully stabilised PVC-u formation with impact modifiers which provides incredible strength. The fencing is maintenance free, has rounded surfaces and will not split, peel, crack or become brittle or splinter.

2012 Carlton MID Darwin Cup Carnival

The 2012 Carlton Mid Darwin Cup Carnival was a resounding success with the 8 days of racing producing record figures in attendance, on-course TAB turnover up, as well as off-course turnover increasing on the previous year.

In regards to this year's Carnival, I would like to make special mention of the visit of trainer Peter Moody and the enormous input Peter made for the entire Cup weekend. Peter made himself available at all the functions, talking about his unbelievable ride with star galloper Black Caviar. The exercise of delivering the Carlton Mid Darwin Cup down the straight to me on the dais on Cup Day was very much appreciated by all the patrons on-course.

I must express the Club's sincere gratitude to Peter as his ambassadorship of the Club was legendary and his personable character with the crowd imaginary.

Other notable trainers attending Cup Day included Gai Waterhouse, David Hayes and Anthony Cummings suggesting that Darwin is the place to be for racing enthusiasts at that time of the year.

The win of Victorian galloper Hawks Bay by the narrowest of margins carrying 64.5kg in the Carlton Mid Darwin Cup was unbelievable and must be considered one of the highlights of the year. Hawks Bay's record in Darwin is now legendary and trainer Neil Dyer's training performance will go into the record book and must be publicly applauded.

As far as the success of the Cup Day was concerned the figures were most pleasing with attendance up on the day, oncourse TAB turnover up 8.35%, offcourse turnover up \$118,000, number of marquees in Centrefield up from last year, 37 in total which catered for 4,387 corporates.

The total Carnival racing statistics for the 8 days of racing resulted in 966 nominations (up from 861 last year) resulting in 611 runners for 61 races programmed, averaging 10.016 runners per race (up from 9.03 last year). Total stakes money paid out over the Carnival was \$1,866,500 and interestingly the TROBIS payout to owners was \$38,000 which was most encouraging.

I would like to take this opportunity of thanking all participants who made our Carnival the success it was including our sponsors, the NT Government, industry participants, visiting trainers, owners and jockeys who made the sojourn to the Top End, management and staff and of course our DTC Members and patrons who supported all of our events both socially and racing wise.

Once again the Qantas Turf Club Gala Ball had to be seen to be believed. 3,000 local, interstate and overseas guests danced the night away to Guy Sebastian and his band and international DJ Goodwill under the stars at Little Mindil, SKYCITY. Congratulations must be forwarded to Brad Morgan and his SKYCITY team for putting on a truly fabulous international event along with Qantas for their ongoing sponsorship of the event.

Sponsors

To our principal Sponsor, Carlton United Breweries, we say thank you for your ongoing commitment to the Darwin Turf Club and the Carnival. The relationship with NT Sales Manager Lincoln Jenkin and his team goes well beyond their contract. As I have said on many occasions, they are fantastic to work with as they leave no stone unturned to ensure the partnership works and the Carnival is a continued success.

Many thanks also to our major sponsors SKYCITY, Sportingbet Australia, Bridge Toyota, bet365, Colemans Printing, HOT100 & Mix 104.9, Trans Territory Foods, SKY Racing and Schweppes for their support of our feature race days. Thanks must also go to our numerous other sponsors that are mentioned later in this report. Darwin Racing is indebted to you all for your outstanding support.

Committee & Management

Last year your Committee co-opted Mr James Herraman to fill the Committee position made available by the retirement of Justin Coleman.

May I take this opportunity of thanking Justin most sincerely for his tireless efforts and input into the DTC Committee during his seven years of service, not only as a Committeeman but as Treasurer of the Club. Justin also served your Club as a DTC representative on the Board of the governing body of racing in the NT, Thoroughbred Racing Northern Territory for a period of four and a half years.

On behalf of the Committee and DTC Members I welcome James to the Committee, a Director of Fleet Choice NT.

James has been associated with the Darwin Turf Club for around 10 years, originally as a member (and subsequent committee member) of the 'Colt and Fillies' Club. A passionate supporter of racing in the NT, James and his wife Jess have raced numerous horses over a number of years in a variety of top end stables.

With a professional background in Finance, Insurance and Salary Packaging James has held senior management roles in marketing and customer service. He has co founded the two largest salary packaging companies operating in the Northern Territory, Fleet Choice NT.

Your Committee members have a broad knowledge of business and legal practices over many industries and we believed their combined business acumen will assist the Committee to continue to lead the Club forward with continued growth and development.

I would like to personally thank the Committee and Management for their support and contribution during the past year, which has been at times challenging, but they have all been willing to contribute and work as a team, which is the strength of your Club.

Management should be applauded for their individual response to the considerable financial challenges that confronted your Club during the year.

Committee Related Costs

Darwin Turf Club Committee Members are elected purely on an honorary basis and receive no remuneration for their services.

However on occasion Committee Members are entitled to airfares, accommodation or reimbursement of costs that are directly related to the promotion or the representation of the Darwin Turf Club. The application of reimbursement

of expenses are strongly scrutinised and only awarded where there is a clear case for that expenditure.

These expenses for the Chairman and the Committee for the 2012 financial year were nil.

Industry Participants and Facts

It is interesting to note that numbers of trainers for 2011 to 2012 was down one trainer, there was three more apprentices serving their apprenticeship in 2012 and there was one less jockey riding permanently in Darwin for the 2012 racing season.

Runners were slightly down by 37 in 2012 and individual races were slightly down to 228 from 231 along with 40 meetings conducted which was on par with 2011. Stake money increased by \$146,010 and average runners per race was 8.37, approximately the same as 8.42 the previous year. Unplaced runners subsidies totalled \$465,780 and \$260,605 was distributed for unplaced jockey's subsidies.

Racehorse Owners Association Northern Territory (ROANT)

Your Committee Members are elected by you primarily because of their involvement with horse ownership and their passion for the Racing Industry, as well as their business acumen.

Horse ownership is a major part of the industry and a special note of thanks must go to the members of ROANT for their ongoing support, along with the Committee who have worked tirelessly throughout the year for the betterment of racehorse owners in the NT. The ROANT Committee have assisted us with promotions, race programming and social functions at the track throughout the year which we thank them for.

Northern Territory Jockey Association

Committee and Management are pleased to have regular contact with President Troy Walsh and his Committee to discuss issues relating to jockeys' welfare and safety and the betterment of the industry and are pleased to have their knowledgeable input into these matters.

Regular contact is made with the Australian Jockey's Association National OH&S Officer Kevin Ring, in regards to track regulations, policy/guidelines, trackwork issues and assessments.

Northern Territory Trainers

Executive and Management meet as often as required with trainers to discuss programming issues and to consult on matters relating to safety, stable capital works, repairs and maintenance. We appreciate the trainer's positive feedback on industry requirements and look forward to a continued excellent relationship.

Women in Thoroughbred Racing NT (WTRNT)

Women in Thoroughbred Racing NT began as an idea during the 2009 Darwin Cup Carnival and has now blossomed into a fully incorporated Association, boasting 102 members.

The Association is headed by a Committee of enthusiastic ladies of who all share a passion for Thoroughbred Racing

in the Northern Territory. Regular networking and fundraising functions are held throughout the year, culminating with the very successful Darwin Cup Carnival Luncheon, held on the Thursday of Cup Week.

In 2012, the \$500 Hylands Support Packages were presented to Darwin apprentice Felicia Bertrand and Alice Springs apprentice Kacie Connor. Felicia also received a \$1,000 Apprentice Travel Allowance to assist with travel costs to attend Apprentice School in Melbourne.

Congratulations to Andrea Calley, the reciprocate of the 2012 Hylands Sportswear Achievement Award. This award acknowledges the Outstanding Achievement and Contribution by a female in the Thoroughbred Racing Industry in the Northern Territory. Andrea was presented with prize and trophy to the value of \$1,000.

In 2012, the Associations main focus was to introduce more ladies to racing and to the Darwin Turf Club. This was certainly achieved with a significant increase in our membership and the launch of WTRNT Racing Syndicates. With the fantastic success of Syndicates 1 and 2 and 'Alert the Jeweller' WTRNT will launch Syndicates 3, 4 and 5 in early 2013.

Darwin Racing's Future

In last years DTC Annual Report I advised Members the Club intended to commission a full Economic Impact Study into the racing industry in the Northern Territory with the main objectives and benefits of the study being:

- An independent and reliable assessment of the Size and Scope of the T/B Racing Industry including participant, asset and customer information.
- Provide an estimation of the gross economic benefit, job creation, tax benefit and tourism generation of the T/B Industry on the NT economy.
- To present the economic benefits information for distribution to the Territory and Local Government authorities, the racing clubs and participants, the media and other stakeholders including sponsors, commercial partners and community organisations.
- To position the Racing Industry for increased Government, Corporate and community partnerships and financial support in the future.
- To raise the profile of Thoroughbred Racing in Darwin and the Territory through the provision of an independent and reliable assessment of its size and scope.

A snapshot of some key results showed:

- There is 1,939 Territorians that rely in part or totally on the racing industry for their livelihood
- The Northern Territory Racing Industry generates more than \$204.9m in total direct expenditure, with more than 72.5% of this expenditure occurring in Darwin

- The Territory Government receives direct wagering related taxes totaling just under \$9.2 million
- It is estimated that the annual expenditure by racegoers is in excess of \$34.2m (excluding wagering on races). This includes expenditure generated oncourse whilst attending a race meeting as well as spending made in a community linked to a attendance at a race meeting

Mick Stumbles Retirement

It would be remiss of me if I didn't make special mention of race caller Mick Stumbles who decided to 'hang up his binoculars' on 6th August 2012 after 42 years of unprecedented service to the Darwin Turf Club and Northern Territory racing.

Micks' resume is littered with accomplishments, none more cherished than when he was made a Life Member of the Darwin Turf Club just over 12 months ago. He was also inducted into the NT Racing Hall of Fame in 1998. Everyone at the Turf Club wishes Mick health and happiness in his retirement.

On behalf of the Committee of the Darwin Turf Club, may I thank the industry participants, owners, trainers and jockeys for providing the top class racing product throughout the year. Also, I would like to thank the NT Government, and the sponsors of the Club along with all Members for their ongoing support.



Brett Dixon – Chairman
Darwin Turf Club



CHIEF EXECUTIVE'S REPORT

As reported by the Chairman, it is pleasing to report a full year profit for the Darwin Turf Club of \$573,689 for 2012. Total income reported for the period was \$16.6m. The financial result for 2012 includes, capital expenditure funding of \$513,000, and depreciation of \$687,000.

At the conclusion of the year, the DTC's assets increased by \$200,000, and cash and cash equivalents stood at \$283,000, an increase of \$232,000 from 2011. There has been a slight improvement to working capital (\$56,000) however focus remains on operational cash flow management throughout 2013.

In 2012, the club paid down \$631,327 of debt further strengthening its balance sheet. This in mind, the club remains on target to meet one of its strategic objectives in sourcing additional non-racing revenue. The final loan repayment on Brett Dixon House will occur in June 2017, at which point the club will look forward to significant future income benefits it will provide as an alternative revenue stream and an asset we can all be proud of.

The major key performance indicators of the club again showed marked improvement during the year:

- Bar sales increased by 17%.
- Catering sales increased by 27%.
- Admission sales increased by 5%
- TAB Commissions increased by 5.5%.

The Darwin Turf Club's successful functions business turned over nearly \$750,000 in 2012 outside of racedays, or 7% of the DTC's total revenue from operations. Carnival ticket sales including the Gala Ball made up \$2.8m. Sponsorship and adverting income increased by \$487,000 to \$1.7m in 2012, however \$450,000 was as a result of the recognition of a number of contra sponsorships not previously recognised in the accounts of 2011. Racing and training facilities expenditure (stabling, equine pool and track management) amounted to \$560,000, with additional stable loan repayments being \$20,000 in 2012. The club recouped \$513,000 through facility fees and stable utility re-charges.

Prizemoney and unplaced runner and jockey subsidies increased by \$133,154 (3.0%) to \$4.5m on 2011.

The Chairman's Report has mentioned several of the major Capital Works programmes especially the completion of the 60 new Visiting Trainer's Stables. This project has paved the way for housing visiting Carnival horses in the best possible venue, and with the new security and surveillance equipment visiting trainers can be rest assured their horses are in the safest possible environment available.

In July of 2012 a landmark decision was handed down by the Department of Natural Resources, Environment, the Arts and Sport in relation to the application of used oil as a track conditioner to the Fannie Bay Racecourse. The Club's Environmental Management Plan provided to the Department allayed any fears that "the environmental harm resulting from the application of oil to the track is insignificant." On that basis a 'Notice of Declaration' re the

application of oil to Fannie Bay Racecourse track twice yearly for a period of five years was issued to the Club.

The Carlton Mid Darwin Cup once again proved an exceptional success with increased figures across the board as outlined in the Chairman's Report to Members.

At the completion of the Cup Carnival on the 6th August 2012 the Club saw the retirement of Mick Stumbles after 42 years of service calling races for the Turf Club and a new era then began with local caller Craig Sant being appointed the official Race Caller for the Darwin Turf Club. Craig moved from Sydney in 1999 to take up a position at Radio TAB and started calling greyhounds at Winnellie Park. He moved to Alice Springs in 2001 to take up race calling duties at Pioneer Park until mid 2005 before returning to Darwin to once again take up race calling duties at Winnellie Park. We wish Craig well in his new appointment with the Club.

The Carlton Mid Darwin Cup Carnival Economic Impact Study

In 2012 the DTC commissioned an Economic Impact evaluation of the Carlton Mid Darwin Cup Carnival to provide an estimate of the total economic stimulus generated by the Carlton Mid Darwin Cup Carnival within Darwin and the Northern Territory.

Further to this, the study identified the real economic growth as a result of investment (both commercial and consumer) which is generated by the Carnival. The data was compiled by detailed face to face interviews capturing key visitor data including reason for visit, expenditure levels and length of stay.

Actual attendance, wagering and race day revenue data was sourced from Thoroughbred Racing NT as well as the Darwin Turf Club.

Key impacts at a glance showed:

- 44,237 people attended the 8 days of Carnival racing
- 8,499 non local (Interstate and Overseas) visitors attended
- Total In-Scope Expenditure generated was \$11.5m (expenditure generated by visitors from outside the Territory)
- Total Direct Spending generated was \$26.3m (physical amount spent by attendees at events held during Carnival)
- Total Contribution to GTP generated was \$32.2m (total value added contribution that the Darwin Cup Carnival makes to the Darwin economy)
- Interestingly, 36% of attendees across the entire Carnival were interstate visitors
- \$6.82m was spent on accommodation from outside the Territory
- There were 31,112 bed nights generated by the interstate and international visitors
- Racegoers spent nearly \$3.3m on fashion items and accessories to wear at the Carlton Mid Darwin Cup Carnival. More than 35,000 fashion items were purchased in the NT (predominantly Darwin).

The above figures once again prove the enormous impact the Carlton Mid Darwin Cup Carnival has on Darwin and the Northern Territory in general.

Members tour to Hong Kong.

After the success of last year's Member's Tour to Hong Kong, our Members were invited to join the DTC 2012 Hong Kong International Racing Tour. The tour included air travel with Silk Air and Singapore Airlines with accommodation right in the midst of busy Kowloon in Canton Road, racing at Happy Valley and Sha Tin with an option for the Macau races.

The Hong Kong International Racing Tour included a private Box on the 6th floor in the Member's Area for the Longines Hong Kong Jockey Club meeting at Sha Tin and the night racing meeting at Happy Valley. Members also enjoyed an uninterrupted view of the course from a Private Box once again on the 7th floor of the Member's Grandstand.

The tour departed Darwin on Tuesday 4th December 2012 and returned on Tuesday 11th December and a great time was had by DTC Members.

Top End Racing Awards 2012

The Racing industry once again honoured its highest achievers in a glittering night at the Darwin Turf Club for the 2011/12 Top End Racing Horse of the Year Awards. The night recognised excellence by both horses and industry participants. Winners of the 2012 Awards are listed further on in this Annual Report.

The Enchanted Moments Character of Racing Award was again recognised for an individual whose efforts and contributions to the sport have been applauded but not necessarily acknowledged to a wider audience. This year Bill Fletcher of Darwin ProVideo was the recipient.

May I take this opportunity on behalf of my fellow management team to thank all sponsors, Members and patrons, the NT Government, the DTC Chairman and Committee for their continued support throughout the year.

Also, I would personally like to thank all industry participants, owners, trainers and jockeys, on behalf of the Club and patrons for their input into the 2012 Racing Season.

COMMITTEE MEETING ATTENDANCE

Brett Dixon	9
Charles Burkitt	11
Justin Coleman (Resigned 29 Aug 2012)	6
Rob Longuet	11
Brendan Wilding	11
Michelle Graham	10
Dale Bicheno	10
Amy Corcoran	5
Greg Smith	11
Cameron McNally	10
James Herraman (Co-opted December 2012)	1

Management Reports

SPONSORSHIP

Principal Corporate Partner
Carlton United Breweries

Major Corporate Partners

Bridge Toyota
SKYCITY Darwin
Colemans Printing
Sky Racing
HOT100
bet365
Trans Territory Food
NT Government
Qantas Airways Ltd
Sportingbet
Trans Territory Food

Corporate Partners

Airmorth
Avis
Bernborough Club
Bet Choice
Carbine Club
Channel Nine
Coates Hire
City of Darwin
Crowne Plaza Surfers Paradise
Darwin Horse Floats
Darwin Private Hospital
Dreamedia
Enchanted Moments
Envirobank
Fernwood Fitness
Garrards Horse & Hound
Gardens Park Golf Club
HB Group
JR Communications
Jewell Distributors/Samsung
Lexus of Darwin
Luxbet
Mittys
Medina Grand Darwin Waterfront
MIX1049
National Seniors Australia
NT TAB
NT Motorcycle Centre
NT News
Nursery Gardens Industry
Parap Village Apartments
Pearl Galleria
Racehorse Owners & Trainers Association NT
QBE
Rydges Darwin Airport Resort
Shenannigans Irish Pub
SignCity
Southern Cross Television
Schweppes
Territory Insurance Office
Top Country 92.3
Top End Consulting
Top End Linemarkers
Trafficking
Waste Solutions

Variety
Viva La Vida

Private Dining Partners Ted Bailey Grandstand Tables

Ausfuel
Corestaff
Gusher
Gulf Transport
JR Communications
NT Pest & Weeds
O'Donoghues First National
Precision Drafting Australia
Southern Cross Television
Tipperary Waters

MARKETING

New Year's Day

2012 New Year's Day racing produced an overcast day, with a relatively small crowd of just over 400 people on course. However the 6 race programme was well supported by industry participants with 42 runners on the day.

Australia Day Races

Due to wet weather and an active cyclone warning the 2012 Australia Day Races were postponed and rescheduled for the following Saturday. The poor weather conditions coupled with the changed date produced small crowd of 400 people.

Shenannigans St Patrick's Day

We were fortunate enough this year that St Patrick's Day fell on a Saturday, our scheduled day of racing. The Shenannigans Party Pavilion was a huge success with over 400 tickets being sold from both the Darwin Turf Club and Shenannigans, entry into the Pavilion also included return transfer buses to Shenannigans ensuring seamless traffic movement of people on and off the course. Entertainment of the day included Irish Dancers, live music and local personality Rick Knight as MC. The Wood Lounge once again hosted the Committee and their guests and incorporated the annual introduction of the upcoming Carlton Mid Darwin Cup Carnival Ambassador, Hayley Roddy. With the race day coinciding with St Patrick's Day we experience bumper crowds of over 2190 people. The Shenannigans St Patrick's Day Cup was taken out by Invincible Gold. Shenannigans support of the race day is once again to be congratulated and their contribution to racing and assisting with promotions of this feature day is appreciated.

ANZAC Day Races

This year we were fortunate enough to have Darwin RSL on-board as the Naming Rights Sponsor for ANZAC Day, which not only complemented the theme of the day, put also provided the club with access to senior defence personnel, memorabilia and opportunity to market the race day via the Darwin RSL. With traditional 2-up commencing from 1pm and again after the last race we managed to attract race attendees earlier in the day with 798 patrons on course to enjoy the 5 race programme. Barstool was victorious in taking out the glory of the feature race of the day.

ROANT Race Day

A popular day within the Racing Industry, ROANT Day once again unofficially kicked off the Carnival in 2012 with a crowd of 736 race goers keen for some live racing action. With a 7-race programme, the Racehorse Owners Association of the Northern Territory hosted a luncheon for their members, guests & supporters on the Sid Parker Members' Clubhouse Verandah during the afternoon. Hawks Bay was back in Darwin and ready to prove he still has what it takes to follow up from his 2011 Carlton Mid Darwin Cup win and strode to victory in the NT TAB ROANT Gold Cup. In making ROANT Day a highlight of the Darwin racing calendar, we congratulate their Committee for their dedication to racing in the Territory.

CARLTON MID DARWIN CUP CARNIVAL RACEDAYS & EVENTS

Carlton Mid Darwin Cup Carnival Ambassador

Applicants for the Carlton Mid Darwin Cup Carnival Ambassador will attest to the fact that the competition during Carnival is not only on the track. Once again, several qualified candidates were vying for the sought after position of Carlton Mid Darwin Cup Carnival Ambassador. The successful candidate was local interior designer, Haley Roddy. Haley's strength was her ability to interact and network with all race goers from the regular punter through to VIP's and Sponsors.

Carlton Mid Darwin Cup Carnival Launch

Following on from the success of the previous years the Carlton Mid Darwin Cup Carnival Launch was again held in the Darwin Turf Club's premier venue, the Schweppes Pavilion. Attendance was on par with the previous year with around 600 members, sponsors, NT Government representatives, industry participants, staff and supporters eager to raise their glass and officially welcome the 2012 Carlton Mid Darwin Cup Carnival. The 2012 Carlton Mid Darwin Cup Carnival was officially opened by a showing of the brand new Carnival television advertisement, followed by an address from Darwin Turf Club Chairman, Brett Dixon, to kick off proceedings. Presentations were also made by major sponsor Lincoln Jenkins, Carlton United Brewers and Racing Minister, the Hon. Delia Lawrie MLA. The festivities continued with a live band entertaining guests well into the evening.

Day 1 – HOT100 Darwin Guineas Race Day

Over 2,500 people attended the opening day of the Carlton Mid Darwin Cup Carnival to cheer on Snitzels Choice who took out the feature HOT100 Darwin Guineas in an emotional and win for trainers and the racing industry. Snitzels Choice, was now also in the running for the SKYCITY Triple Crown bonus of \$100,000 for any horse who could win the HOT100 Guineas, SKYCITY NT Derby and the Carlton Mid Darwin Cup. Naming rights sponsor of Day 1, HOT100 provided a consistent live broadcast presence on course from Day 1 to Day 8 of the Carlton Mid Darwin Cup Carnival and their team of presenters did a great job of promoting the Carnival to the masses unavailable to make it to the race track.

Day 2 – Trans Territory Foods Chief Minister's Cup Race Day

Sponsored once again by Trans Territory Foods, the second day of Carlton Mid Darwin Cup Carnival race day saw just over 2,000 people through the gate. Brendan Sawyer and his team at Trans Territory Foods hosted a 200-person function in the upper level of the Executive Marquee, a private marquee situated next to the Sid Parker Members Clubhouse. Day 2, was promoted as a family day this year with the introduction of both Life Be In It and Crocosauras Cove entertaining the children in the shaded 'Activity Hub'. Hawks Bay back in Darwin for the fourth year was again here to run and took out victory of the Trans Territory Foods Chief Minister's Cup.

Day 3 – Bridge Toyota Ladies Day

One of the most anticipated race days on the Darwin Racing calendar, not only for the great racing, but for the glamorous fashion and vibrant entertainment. Growing in popularity from year to year, the many highlights of the day included the prestigious Empire Rose Luncheon, the Bridge Toyota Ladies Day Luncheon in the Schweppes Pavilion, and of course the running of the Bridge Toyota Cup. This year was also the inaugural year for Elements Pamper Marquee which boasted beauty therapist and hairdressers on hand to perform express beauty touch ups, the pamper marquee was consistently busy with a line-up of ladies for the majority of the day, all money raised was donated to the Alzheimer's Foundation. Over 4,820 people attended the day enjoying all the glitz and glamour of Bridge Toyota Ladies Day. The feature race, the Bridge Toyota Cup was won by Sheahan a progressive four-year old who put on a dominant display.

Bridge Toyota Ladies Day – Schweppes Pavilion

Once again the Bridge Toyota Ladies Day Luncheon sold out with 780 ladies attending what is undoubtedly the social event for females in Darwin. With super sized stilettos at the entrance the theme was set as soon as the doors opened. The key highlight of the day was TV sensation Kerri-Anne Kennerley as the Master of Ceremonies and singer/actor Tim Campbell who performed an energetic set bringing all ladies to their feet.

The Ladies also enjoyed a fashion parade exhibiting a few garments from upcoming local designer Kevin Kishore who assisted stylist to the stars Jo Ferguson and our fashion assistant Sommer Saunder on the judging panel for the Best Dressed Competition. Thanks to all the prize sponsors for their contribution on the day.

Day 4 – SKYCITY NT Derby Race Day

Attendance peaked at just under 3,200 patrons on course for SKYCITY NT Derby Day. The 'Black and White' tradition of Derby Day was heavily marketed this year with the majority at punters dressed accordingly. Race Day Naming Rights sponsor SKYCITY Darwin hosted 400 of their VIP guests who enjoyed another superb Top End dry season day in the Executive Marquee. The Derby was taken out by Alice Springs maiden The Third Baseman.

Day 5 – Sky Racing Metric Mile

Quite often a pointer to Carlton Mid Darwin Cup, the top quality horses line up vying for the glory of winning the Metric Mile. Stephen Brown trained horses Sheahan and Bolton put on a great home-straight show with Sheahan getting across the line first making it the second feature race title for Sheahan. Variety Club were welcomed back again this year to hold one of their signature fundraiser luncheons in the Committee Room, featuring their 'Variety Bash' cars which were displayed on the lawns for attendees to enjoy. Our thanks go to major sponsors of the day, Sky Racing, through which our product is beamed on Sky Racing 2 and Sky World for the millions of viewers who can't make it to Darwin to experience the Carlton Mid Darwin Cup Carnival first hand.

Day 6 Colemans Printing Race Day

Always a colourful day and why wouldn't it be, with Colemans Printing behind the success of Day 6 of the Carlton Mid Darwin Cup Carnival once again in 2012. Long-time supporters of the Darwin Turf Club and racing in the Territory, we thank the Colemans Group of Companies including Colemans Printing, Quick Print, Shenannigans, It Fits and Time Out for sharing in this race day sponsorship. Five hundred of their closest friends and clients were entertained in the favourite venue for corporates, the Executive Marquee this year. We also had a fashion parade from It Fits and Lulu Melon to showcase the newest companies in the Colemans portfolio. The day closed in high spirits as the Colemans Marquee opened to all on course patrons after the last race to enjoy the live band.

Breakfast with the Stars

Industry participants know it as the best time of the day and as the sun rose over the track at this popular annual event, attendees at Breakfast with the Stars were not disappointed. This gathering, popular with Carlton Mid Darwin Cup Carnival tours, brought together close to 250 people to enjoy a complimentary breakfast and watch Cup weekend hopefuls go through their paces. Mick Stumbles, local commentator for Darwin Racing, once again hosted the affair with a mix of jokes, tips, interviews and comments relating to the upcoming features on the weekend. It was well worth the early rise as attendees had the added bonus of hearing Peter Moody talk about the journey and racing phenomenon that is Black Caviar.

Carbine Club of Darwin Luncheon and NT TAB Tried Horse Sale

Close to 600 attendees were present in the Schweppes Pavilion for the annual Darwin Cup Carbine Club luncheon. With a great history, synonymous with racing and sport, the Carbine Club luncheon continues to grow in popularity each year, with this year's special guest Peter Moody entertaining the crowd, the event is sure to go down as one of the Carbine Clubs best ever. Special requirements were catered for as only the Darwin Turf Club can and thousands of dollars were raised for Carbine Club charities at the 2012 event. The luncheon was a precursor to the event all racing enthusiasts look forward to, the NT TAB Tried Horse Sale, which was conducted on the inside entrance of the Schweppes Pavilion. Ten lots were up for grabs, with the top price of \$13,000 paid for Timely Exit. Thanks to NT TAB for their support of the

event, ensuring the success of Territory racing for the coming years.

Carlton Mid Darwin Cup Barrier Draw

SKYCITY Darwin once again hosted hopeful Carlton Mid Darwin Cup connections for the drawing of the barriers for the major race of the Carlton Mid Darwin Cup Carnival. The Sandbar was almost at capacity for the star-studded event, featuring MC Rob Gaylard, assisted by Carlton Mid

Darwin Cup Carnival Ambassador, Haley Roddy, local, interstate and international jockeys were present to witness the sealing of their charges' barrier fate for the big race. Our thanks again to SKYCITY Darwin for their support of this event.

Racing Minister's Carlton Mid Darwin Cup Reception at Parliament House

Speakers Green was once more the venue for nearly over 600 guests to Parliament House for the two-hour Racing Minister's Carlton Mid Darwin Cup Reception. The NT Government is a great supporter of racing in the Territory and for Darwin in particular by way of the Carlton Mid Darwin Cup Carnival. Our thanks go to Chief Minister, Paul Henderson and Racing Minister Delia Lawrie for their constant, positive support of the industry. Guests enjoyed an almost perfect balmy dry season evening shared with good company, canapés, beverages and an incredible fireworks display. The Carlton Mid Darwin Cup Carnival is a significant event for the Territory and could not continue without the support of the Northern Territory Government.

Day 7 – bet365 Palmerston Sprint Race Day

This year we welcomed our newest Carnival Race Day Sponsor bet365, who have now located to Darwin and become frequent faces around the track. This Carnival Day saw one of the biggest attendances ever, with a crowd of just over 5,500 out in force to enjoy the Carnival atmosphere and of course, plenty of racing action. Packed with interstate and local visitors, the Members Lawn proved popular once more for those enjoying the Top End dry season and prime position to watch Youbolt run to glory in the bet365 Palmerston Sprint.

Qantas Darwin Turf Club Gala Ball

The expectations increase year on year for what is arguable the largest and most extravagant outdoor Gala Ball in the Southern Hemisphere. The 2012 Qantas Darwin Turf Club Gala Ball, successfully achieved this in 2012 with raving reviews and compliments received! Crowds were capped at 3000 to provide greater comfort and increased service levels for those attending. The headline entertainment was Australian Music sensation Guy Sebastian, who's voice and energy created an atmosphere to remember, along with Gala Ball favourites, Big City Beat and DJ GoodWill, to keep everyone dancing well into the night. Thanks must for to Brad Morgan, General Manager for SKYCITY Darwin and his team for the first class food, beverages and service throughout the evening. One of the highlights of the Carlton Mid Darwin Cup Carnival, is a big draw for interstate guests and locals alike. The Qantas Darwin Turf Club Gala Ball is one of those 'must-do' events while in Darwin for the Carnival.

Sportingbet Australia Darwin Turf Club Calcutta

Sportingbet Australia again took the reins of the Darwin Turf Club Calcutta in a new venue, outside the Vic Hotel in the Darwin Mall. Approximately 300 people attended to enjoy the proceedings, participate in the Calcutta and get some tips from a panel of racing personalities from Darwin and interstate.

Day 8 – Carlton Mid Darwin Cup Race Day

Gates opened as usual at 8am on 2012 Carlton Mid Darwin Cup Day and the eager racegoers passed through security to begin their day of racing, fashion and friends. Just over 21,000 patrons converged on Carlton Mid Darwin Cup Day to see Hawks Bay, retain his title and take out the 'Carlton Mid Darwin Cup'. The crowds were all holding their breathe in anticipation to hear the name of the winning horse as Hawks Bay and Bolton were nose to nose at the finishing post.

The Corporate and Syndicated Marquees in Centrefield enjoyed their hospitality packages prior to joining the rest of the crowd trackside after the last race when the Darwin Turf Club opened up the track for all to dance away the late afternoon to live entertainment.

We congratulate the winners and look forward to welcoming those not as successful back for another chance at glory next year.

Lexus Melbourne Cup Race Day

Lexus Melbourne Cup Race Day 2012 enjoyed crowds in excess of 1,200 people packing the grandstand to watch not only the local racing but the running of the Melbourne Cup. The Southern Cross TV Melbourne Cup Day cocktail party was a great success with over 140 people enjoying the day hosted by Southern Cross TV presenter Amanda Pernechelle. With sweeps run throughout the course all attendees had the opportunity to get involved in the atmosphere of Melbourne Cup.

PROJECTS AND OPERATIONS

Our Projects and Operations Manager, Richard (Hopper) McKeating has had another busy year in 2012.

The work load for Hopper has gone very much 'hand-in-hand' with the growth of our Functions, Dinners, Exhibitions and Trade Shows. The arrangement and co-ordination of not only our internal supply, set up and break down but also the external Suppliers and Contractors for these is crucial and Hopper's professional management of this is notable.

Hopper has built up strong, reliable Supplier and Contractor relationships which are important in relation to long term, cost effective Contracts for the Darwin Turf Club's Projects and Operations.

These are particularly evident during the Carlton Mid Darwin Cup Carnival where Hopper is responsible for the Marquees and Shade, Tables, Chairs and Fencing, Temporary Buildings, Ablutions, Bollards, Stages and Walls, Police, Security, Scanner and Gate Staff, Traffic Management including direction and traffic signs, On-course Communications, TV's, Data Cabling and Connections, Sound and Audio requirements. The organisation and timing of these is crucial and Hopper is

to be commended for his professional and effective management of this.

TAB OPERATIONS

The TAB Operations are very ably led by Carolyn Bulmer, TAB Manager. The TAB Operations are an integral part of the Darwin Turf Club. Carolyn manages a Team of regular casual staff who predominantly work on race days along with the TAB in Ted D'Ambrosio Bar, which is open throughout the week also.

Additionally, Carolyn and her Team also provide staff and equipment support to other Northern Territory race meetings, the Adelaide River and Katherine Cups. These Race Clubs find this support invaluable.

It is during the lead up to and throughout the Carlton Mid Darwin Cup Carnival that this Team swells to its capacity. This culminates on Carlton Mid Darwin Cup day with staff numbers exceeding 100 operating the 96 TAB terminals throughout the course. The logistical management of not only sourcing this volume of casual staff but also training them to be skilled operators is commendable.

For the 2012 Carlton Mid Darwin Cup day Carolyn sourced 40 experienced TAB operators from interstate. This initiative proved very successful. It ensured skilled TAB operators were in place on our busiest day of the year, providing quick, professional service and saved costs. This initiative will be done again in 2013.

The on course TAB commissions earned by the Darwin Turf Club are an important and significant contribution to the overall income. Holding market share is challenging, particularly in light of competing against the ever increasing pressure of other avenues of off course betting.

The 2012 on course TAB commission was \$1,199,475 which was a \$63,168 increase on 2011, an increase of 5.56%. This was on the back of an increase in 2011 of 18.91% on 2010. Carolyn and her Team are to be commended on their achievements.

The Darwin Turf Club TAB Operations are supported by the NT TAB through Tony Flanagan, General Manager and Danny Hubbard, Regional Manager by the way of terminal supply, installation and maintenance. We sincerely acknowledge and thank Tony, Danny and their staff.

TRACK, STABLES AND FACILITIES

This department is managed by David Sharp who leads a team of six full time employees and varying number of casual staff subject to seasonal requirements.

Their list of duties encompasses a multitude of tasks including track maintenance, garden and grounds maintenance, repairs and maintenance to on course buildings and structures, repairs and maintenance of the stabling complex and the setup and breakdown of racedays.

The track is renovated twice yearly to maintain the quality of the surface year round. Reports received from both local and visiting participants throughout the year have been positive. This was also the case with the appearance of the grounds and surroundings.

FUNCTIONS

Functions held at the Darwin Turf Club throughout the year have grown on 2011 and ranged in sizes from as small as 20 to sit down dinners of 800 and Exhibitions and Trade Shows of 2,000 plus. Each of these are held in various locations at the Darwin Turf Club such as the Committee Room, Sid Parker Stand (including Members Bar), Ted Bailey Grandstand (including Wood Lounge, Brinney and Ventilgo Bars), the Betting Ring, Ted D'Ambrosio Bar, the lawn areas and of course the Schweppes Pavilion.

These Functions, Dinners, Exhibitions and Trade Shows are in addition to the Carlton Mid Darwin Cup Carnival Functions and were all very ably assisted by our Sales Manager, Nerida Hilli and Executive Chef, David Brown along with their numerous permanent and casual staff.

As a Team they have collectively achieved very good results for the 2012 year which is evident not only in the financial returns but also from the consistent accolades from Sponsors and clients alike. All the Management and their staff are to be commended on these achievements.

In 2013 the Darwin Turf Club will continue to build upon its professional reputation as being a preferred event and entertainment venue all year round.

Bar Operations

The activities of the Bar Operations traditionally work very closely with the Function and Racing activities held and also mutually share in the accolades and achievements attained. All staff worked very hard throughout the year, particularly through the Carlton Mid Darwin Cup Carnival, and the Management and staff alike is to be commended on their achievements and revenue growth.

Our Bar Operations are supported by our valued beverage partners, Carlton and United Breweries and Schweppes.

Carlton and United Breweries are our Principle Corporate Partner with naming rights for the Carlton Mid Darwin Cup Carnival. The dedication and professionalism of Lincoln Jenkin, Pat Flanagan and their Team at Carlton and United Breweries is greatly appreciated by all at the Darwin Turf Club.

Schweppes are a Major Corporate Partner with naming rights for the Schweppes Pavilion. It is within the Schweppes Pavilion that many our Functions, Dinners, Exhibitions and Trade Shows are held throughout the year. The Schweppes Pavilion continues to be a preferred entertainment and event venue all year round.

The Darwin Turf Club values the mutually beneficial partnerships of Carlton and United Breweries and Schweppes highly.

Schweppes Pavilion Functions - 2012

Heineken Hottest 7's	January	(300)
Waitangi Day	February	(800)
St Patrick's Race Day	March	(600)
Cattlemens Association	March	(357)
Local Government	May	(230)
Hoops 4 Health	May	(150)
Kormilda College	June	(150)

AHA Trade Expo	June	(450)
Bridge Toyota Ladies Day	July	(780)
Grant Thornton	July	(150)
Engineers awards	July	(300)
Carbine Club	August	(600)
Youthworx	August	(2000)
REINT	August	(300)
NT Government Training Expo	October	(300)
Total Recreation	October	(350)
Engagement Party	October	(250)
NT Govt Innovations Awards	October	(250)
Battalion Ball	November	(650)
HIA	November	(266)
1st Army Regiment	November	(380)
John Holland	December	(100)
HB Group	December	(850)

The Schweppes Pavilion has become increasingly popular, customer feed back is excellent and the Darwin Turf Club now has a reputation of being flexible, easy to work with and provides service above & beyond the call of duty. Repeat clientele and new clients including many Squadrons from the Defence Force are holding their functions in the Schweppes Pavilion.

Schweppes Pavilion bookings increased by 56% in 2012.

Centrefield Corporate Partners

Phar Lap Travel	48
Philip Morris	30
Telstra Country Wide	100
Stratco	66
NT Shipping Agencies	30
Sportingbet	120
Electrolux	48
Girraween Vet Hospital	30
Coates Hire	42
National Warranty Company	48
Caltex	66
Fielders	51
Commonwealth Bank	120
The Legends Club	84
Legends of the Straight	1560
Samsung	66
AECOM	30
Asset Finance High Flyers	73
Darwin Private Hospital / Healthscope	66
Pathology	30
Delta Electrics	30
Holcim/Humes	102
Crocodile Gold	48
Workboats Northern Australia	84
Leighton Contractors	48
NT Packaging	66
Patersons Securities Limited	48
L & H Group	48

Schweppes	91
Bunnings	48
Austwide Mining Title Mgt	30
TOLL Marine Logistics	30
City Ceramics	30
CSG NEC	40
Geminex	66
DarwinLife	900

ADMINISTRATION

The Administration team consists of a Reception Officer and a Membership and Ticketing Officer who are encouraged and guided by the Office Manager, Cheryl Guest, to enhance our already recognised good customer skills. Regular contact with our Members through quarterly Newsletters, the Bus Tour to Adelaide River race day which is a major attraction to our young Members, and the Members' Christmas Party in the Members' Club House, has seen the building of a good rapport with our Members, customers and industry participants.

Membership to 31 December 2012

Life	7
Full Members	317
Single Members	22
Honorary Members	38
Corporate Members	40
Senior	206
Members for Life	47
Social Members	78
Colts & Fillies	18
Sponsors	37

Total Members = 810

RACING FACTS

	2012	2011	2010
Runners	1,910	1,947	1,958
Races	228	231	238
Meetings	40	40	42
Average runners per race	8.37	8.42	8.22
Stakes	\$3,830,600	\$3,683,539	\$3,553,500
Licensed Jockeys	11	12	10
Licensed Apprentices	6	3	2
Licensed Trainers	17	18	18

RETURN TO PARTICIPANTS

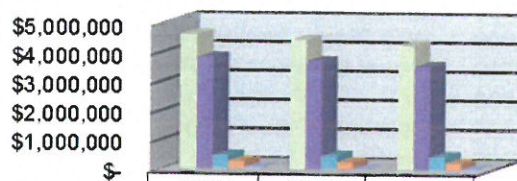
	2012	2011	2010
Prize Money	\$3,830,600	\$3,683,539	\$3,553,500
Unplaced runners	\$465,780	\$466,320	\$459,600
Travel Rebate NT Owners	\$43,400	\$13,600	\$18,000
Unplaced Jockeys Fees	\$247,210	\$272,921	\$235,400

Note:

The higher figure in 2012 is brought about by a substantial increase to the travel rebate and the subsequent increased runners.

The travel rebate refers to payments to NT owners transporting horses to Katherine and Adelaide River's two meetings.

2012 Returns to Racing Participants



	2012	2011	2010
Total Participants Return	\$4,599,33	\$4,431,86	\$4,266,50
■ Prizemoney	\$3,829,54	\$3,708,84	\$3,553,50
■ Non Prizemoney Subsidy	\$465,780	\$468,400	\$459,600
■ Unplaced Riding Fees	\$260,605	\$241,020	\$235,400
■ Travel Rebate Owners*	\$43,400	\$13,600	\$18,000

APPRECIATION

In conclusion, I would like to take this opportunity to thank all the Darwin Turf Club staff for their ongoing support and hard work, along with the staff of Thoroughbred Racing NT which we work so closely with on a day-to-day basis.

To all the Committee who work tirelessly in an honorary capacity, it is very much appreciated by all the staff.

It would also be remiss of me if I did not personally thank our loyal corporate sponsors for their continued contributions and their ongoing co-operation.



Philip Neck – Chief Executive
Darwin Turf Club

2012 Carlton Mid Darwin Cup Carnival - Feature Results

		WINNER	JOCKEY	TRAINER
\$ 185,000	Carlton Mid Darwin Cup	Hawks Bay	S. Arnold	N. Dyer
\$ 130,000	SKYCITY NT Derby	The Third Baseman	K. Gladwin	M. Carson
\$ 130,000	bet365 Palmerston Sprint	Youbolt	J. Beriman	J. McLean
\$ 65,000	Hot 100 Darwin Guineas	Snitzel's Choice	V. Arnott	J. Manning
\$ 50,000	Trans Territory Foods- Chief Minister's Cup	Hawks Bay	A. Nicholls	N. Dyer
\$ 47,500	Sky Racing Metric Mile	Sheahan	S. Hillebrand	S. Brown
\$ 45,000	Bridge Toyota Cup	Sheahan	S. Hillebrand	S. Brown
\$ 45,000	Buntine Handicap	Glare	C. Spry	L. Paech
\$ 35,000	Wolf Blass Lighting Plate	Brinkley Boy	D. Tourneur	L. Paech
\$ 32,500	City of Darwin WFA Plate	The Soldier	K. Gladwin	K. Rogerson
\$ 32,500	Colemans Printing Cup	No Hesitation	B. Hoppo	D. Jupp
\$ 30,000	Fernwoods Fitness Rose Bowl	Cyclone Sarah	P. Crich	K. Petrick
\$ 30,000	Envirobank Invitation Plate	Alert The Jeweller	P. Denton	S. Brown
\$ 30,000	NT Motorcycle Centre Welter	Emboldened	S. Hillebrand	S. Brown
\$ 30,000	Sportingbet Carbine Club Flying Hcp	Bold Line	M. Evans	J. Hickmott
\$ 30,000	Sportingbet 3YO Class 6 Hcp	Effcee	K. Connor	G. Connor
\$ 30,000	SKYCITY Darwin Hcp	Royal Grace	P. Shiers	G. Clarke
\$ 30,000	TIO Party Safe Hcp	Lady Barton	K. Jennings	N. Dyer
\$ 30,000	Winning Edge Presentations Hcp	Birchley	R. Oakford	G. Clarke
\$ 30,000	Schweppes Hcp	Patience	P. Denton	G. Clarke
\$ 30,000	Trafficking Special Conditions Hcp	Test The Scene	D. Tourneur	N. Dyer

Top End Racing Awards

The Top End Racing Horse of the Year Awards were held on Friday 28 September In the Ted D'ambrosio Bar at the Darwin Turf Club. A great night was had by all, and recognised as the racing industry's highest achievers were:

- Bernborough Club Country Performer of the Year Thumb Prints
- ROANT Out-of-Carnival Performer of the Year Dream Face
- Sportingbet Leading Trainer of the Year Stephen Brown
- Schweppes Leading Jockey of the Year Scott Hillebrand
- Garrards Horse and Hound Leading Apprentice Jockey of the Year Alana Brown
- Bridge Toyota Leading Trainer for 2012 Carnival Stephen Brown
- Bridge Toyota Leading Jockey for Carnival 2012 Scott Hillebrand
- Coleman's Printing Media Award NT News
- Enchanted Moments Character of Racing Award Bill Fletcher
- NT TAB Two-year-old of the Year Award Pitta Patta
- Darwin Horse Floats Three-year-old of the Year Award Snitzel's Choice
- Parap Village Apartments Middle Distance Performer of the Year Award Sheahan
- Top End Consulting Sprinter of the Year Award Dream Face
- Carlton Mid Horse of the Year Award Dream Face

2012 Carlton Mid Darwin Cup Carnival Feature Race Winners

The Darwin Turf Club hosted a year of exciting racing highlighted by a tremendously successful 2012 Carlton Mid Darwin Cup Carnival through July and into the first week of August. The following are the feature race summaries from each day of the eight days of high-class racing which made up the Carnival, plus the "unofficial first day" feature, the NT TAB ROANT Cup.



\$16,500 NT TAB ROANT Gold Cup

HAWKS BAY

Owners - Blee Lasslett Synd (Mgr: R Blee), L Glanfield, T Tehan, Mrs M Tehan, K McIntyre, Mrs C Lowe, B Primmer, T O'Connell, J Smithwick & C Dimitriadis

Trainer - Neil Dyer, Kyneton
Jockey - Adam Nicholls

Breeding - 6 g Black Hawk (GB) - La Belle Coquette (Bellotto (USA))

Victorian owned and trained but very much Territory favourite Hawks Bay warmed up for major Carnival assignments with a dominant display to win the NT TAB ROANT Cup (1300m) the week prior to the commencement proper of the Carlton Mid Darwin Cup Carnival. Fresh from a second placing in Group III company in South Australia, Hawks Bay again showed his great love of the Fannie Bay track. The ROANT Cup, a time-honoured event on the Darwin Turf Club calendar, completed a full set of features for Neil Dyer's son of Black Hawk, added to his wins in the Chief Minister's Cup, Metric Mile and Darwin Cup in recent years. With Port Macquarie-based hoop Adam Nicholls in the saddle, Hawks Bay travelled easily just off the pace before hitting the front early in the home straight and dashing away for a hollow victory, over two lengths to the good of the fast-finishing I Am Magic, with Blackbriar a game third a length and a-quarter back. Awe And Wonder ran on well to take fourth ahead of Bolton. The latter was to figure with Hawks Bay in a stirring finish to the Darwin Cup a little over five weeks later.



\$65,000 Hot 100 Darwin Guineas SNITZEL'S CHOICE

Owners - J Manning, Est of late T Sullivan, Brittain Racing, Lakes Crew (S O'Donnell), Surf Coast (M Casey), P McClymans, J Burgess, S Rogers, T Porter and Mrs V Burgess

Trainer - Jason Manning, Darwin
Jockey - Vanessa Arnott

Breeding - 3 g Snitzel - Chilkat (NZ) (Miswaki (USA))

There was hardly a dry eye on Fannie Bay Racecourse after Snitzel's Choice, a horse bought to figure in the 3yo features during the Carnival, showed admirable fighting qualities to carry off the Day 1 highlight. The reason for the sentiment was that co-owner Terry Sullivan, and his wife Trish, had been tragically killed in a vehicle accident just two months previously when returning to Darwin following the Alice Springs Cup Carnival. The couple were hugely popular figures in Darwin racing circles, and it was Terry and trainer Jason Manning who had hatched the plan to bring Snitzel's Choice to Darwin for the Carnival. Having his third start in the Top End, the attractive chestnut son of Snitzel waged a stirring home straight battle with favourite Chieftain Jack, gaining the ascendancy over the final stages to take out the major prize by a length and a-quarter. Well-supported Patience was a game third three-quarters of a-length back, with Tehuti and Uridashi next. The win was the biggest in trainer Manning's career, and it was made all the more special as his partner, Vanessa Arnott, was the successful rider.



\$50,000 Trans Territory Foods Chief Minister's Cup

HAWKS BAY

Owners - Blee Lasslett Synd (Mgr: R Blee), L Glanfield, T Tehan, Mrs M Tehan, K McIntyre, Mrs C Lowe, B Primmer, T O'Connell, J Smithwick and C Dimitriadis

Trainer - Neil Dyer, Kyneton
Jockey - Adam Nicholls

Breeding - 6 g Black Hawk (GB) - La Belle Coquette (Bellotto (USA))

Back in the Top End for his fourth straight year, the ever-popular Hawks Bay made his presence felt early in the Carnival with a stunning win in the Chief Minister's Cup. Neil Dyer's 2011 Darwin Cup winner was having his second Darwin start of the campaign, having scored an easy win in the ROANT Cup a fortnight previously, and showed his great class by bounding clear in the home straight to beat Bolton and I Am Magic decisively. It continued the son of Black Hawk's remarkable record in Darwin - his Chief Minister's Cup win was his seventh from some 15 starts on the track, and with a further three minor placings to his credit as well (including two Darwin Cup second placings), his legend continued to be embellished. And he was not finished during the 2012 Carnival either! He was ridden to victory by Port Macquarie-based heavyweight jockey Adam Nicholls, who certainly made an impression during his stay in the Top End, not only through his association with the Dyer-trained star, but also with the stable of John Peacock, with whom he combined for several wins.



**\$45,000 Bridge Toyota Cup
SHEAHAN**
**Owners – P W Jones,
 Mrs R E Jones, T M Carroll,
 Ms K M Davenport, M T Tripp
 and Mrs Y E Tripp**
Trainer – Stephen Brown, Darwin
Jockey – Scott Hillebrand
**Breeding - 4 g Zabeel (NZ) – Just
 Polite (Dehere (USA))**

Progressive four year old Sheahan, in his third start in the Top End, finally put it altogether with a dominant display in the Bridge Toyota Cup. The Stephen Brown-trained son of champion New Zealand stallion Zabeel, with leading rider Scott Hillebrand in the saddle, was well supported in his quest to post a first Darwin win, and that support was certainly justified as he cruised to a four-and-a-half-length win. Hillebrand allowed him to find his feet in the 1600m contest and then unleashed him around the field approaching the home turn. He strode to the lead on straightening and dashed clear to win impressively, heralding his Darwin Cup credentials in the process. Igles Star fought on gamely for second, with Indeed I Am three-quarters of a-length away third and Samalidan, who had every chance, fourth. Last year's winner, General Mazeratti, headed the remainder. Sheahan would go on to post another feature race win later in the Carnival before competing with credit in the big one on the first Monday in August.



**\$130,000 SKYCITY NT Derby
THE THIRD BASEMAN**
Owners – M D Carson
**Trainer – Malcolm Carson,
 Alice Springs**
Jockey – Kim Gladwin
**Breeding - 3 c Grandera (IRE) –
 Puddinhead (USA) (Affirmed
 (USA))**

In one of the biggest upsets ever in a feature race at Darwin, Alice Springs maiden The Third Baseman chose the perfect occasion to break his duck when he strolled away with the SKYCITY NT Derby. An action-packed event – three horses came to grief approaching the home turn and another lost a rider when cannoned into by a loose horse following the event – culminated in The Third Baseman, owned and trained by Malcolm Carson, scoring by a widening four lengths from favourite Chieftain Jack, with the same margin back to Welldoya. Guineas winner Snitzel's Choice had every chance but had to be content with fourth, while Lady Barton ran on into fifth. The Third Baseman provided his jockey, journeyman Kim Gladwin, with his second NT Derby, having combined with Protesta to win the event in 2008. The son of Grandera was having his seventh start and the best he had managed previously was a solitary third placing. He took his stake earnings from \$2,030 prior to the event to \$87,830 in just over two minutes and six seconds, and paid over \$142 on the Tattsbet tote and \$61 with the bookmakers.



**\$47,500 SKY Racing Metric Mile
SHEAHAN**
**Owners – P W Jones,
 Mrs R E Jones, T M Carroll,
 Ms K M Davenport, M T Tripp and
 Mrs Y E Tripp**
Trainer – Stephen Brown, Darwin
Jockey – Scott Hillebrand
**Breeding - 4 g Zabeel (NZ) – Just
 Polite (Dehere (USA))**

Champion trainer Stephen Brown lined up two horses in the SKY Metric Mile, the last major lead-up to the Carlton Mid Darwin Cup, and sent out a clear warning to his Cup rivals when quinnellaing the event with Sheahan and Bolton. The pair waged a great home-straight battle, with the year-younger son of Zabeel coming out on top over his five-year-old rival by a long neck. The pair made their runs together around the home turn, with Paul Denton (Bolton) gaining first run on Scott Hillebrand (Sheahan). However, over the concluding stages, with Hillebrand riding vigorously, Sheahan gradually got the upper hand to score narrowly but well. The Brown runners were three lengths to the good of former Darwin Cup winner Club Liquid, who led and stuck on well, with Sea Skye a good fourth and Awe and Wonder next. The disappointment of the race was the topweight (65kg) Hawks Bay, who only battled over the final stages. Nevertheless, he was to be right back on his game at his "grand final" in which he again did battle with the Metric Mile principals in an unforgettable contest.



**\$30,000 Colemans Printing Cup
NO HESITATION**

**Owner – G and Mrs C Pickard,
C Fidels, D Jupp, M Chalem,
T Stehbens,
L Aitken, D Oliver and S Bleakley
Trainer – David Jupp, Darwin
Jockey – Ben Hoppo
Breeding - 5 g Not A Single
Doubt – Three Cheers (Peintre
Celebre (USA))**

No Hesitation, a former smart two and three-year-old when trained in Sydney by Clarry Connors, gained his first Top End win in fine style when taking out the Colemans Printing Cup on Day 6 of the Carnival. Nowadays trained by David Jupp and with Adelaide-based rider Ben Hoppo in the saddle, No Hesitation proved too strong over the concluding stages for Test The Scene (who Hoppo had ridden into second at its previous start), with Joken Jim next ahead of Scrublands and Faster Stronger. No Hesitation, a son of Not A Single Doubt, was having his fifth start in Darwin. He had shown promise at his first two outings, finishing third on each occasion, but had then disappointed in two subsequent runs. However, Jupp knew that the five-year-old still retained his share of ability and after finishing down the track on the opening day of the Carnival, set his charge for the 1300m of the 0-76 event. His plan worked perfectly, with No Hesitation regaining his best form in a feature race of the Carnival.



**\$130,000 bet365 Palmerston Sprint
YOUNBOLT**

**Owners – Mrs G Cappellin,
M Krauser, M M and Mrs J
Krauser, A Bramich,
N Chan, R Keenan and
A Giannakopoulos
Trainer – Jarrod McLean, Yangery
Jockey – Jackie Beriman
Breeding - 6 g Exceed And Excel –
Shalt Not (St Covet)**

A meticulous plan hatched 4,000 kilometres from Darwin paid off handsomely when Youbolt scored an upset win in the bet365 Palmerston Sprint. Prepared at Yangery, near Warrnambool, by Jarrod McLean, Youbolt had been set for the short-course feature some months beforehand by his astute young trainer, and the plan came to fruition on the first Saturday in August with a tremendous performance. With rising star apprentice Jackie Beriman in the saddle, Youbolt, a six-year-old son of Exceed And Excel, improved wide around runners approaching the home turn and challenged the gallant pacemaker, Dream Face, early in the home straight. After taking control, Youbolt then had to repel the late challenge of another visitor, South Australian-trained Dubawi Gold, over the final stages but had enough in reserve to hold on and score by a short neck, with Dream Face weakening slightly into a meritorious third. Sense Of Sun, who was badly checked in the running, came from the rear for an eye-catching fourth, with Bold Line next. Youbolt provided his young rider with her biggest win, and in the process she became the first female rider to win the coveted sprint prize.



**\$185,000 Carlton Mid Darwin Cup
HAWKS BAY**

**Owners - Blee Lasslett Synd
(Mgr: R Blee), L Glanfield, T
Tehan, Mrs M Tehan, K McIntyre,
Mrs C Lowe, B Primmer,
T O'Connell, J Smithwick and
C Dimitriadis
Trainer - Neil Dyer, Kyneton
Jockey - Steven Arnold
Breeding - 7 g Black Hawk (GB) -
La Belle Coquette (Bellotto
(USA))**

The legend of Hawks Bay in Top End racing gained even further lustre when the "King of Kyneton" scored his second win in the Carlton Mid Darwin Cup after a titanic struggle with favourite Bolton. Neil Dyer's iron horse, under a cloud coming into the feature, showed his tremendous will to win by climbing off the canvas under a masterful Steven Arnold ride to score a narrow win. After jumping well, Arnold positioned Hawks Bay one off the fence in fifth place as the field made its way into the back straight. At the 750m mark he asked his mount to improve and the big brown strode forward, making light of his record weight of 64.5kg. On the home turn he had joined the leaders but was being hotly pursued by Bolton (Stephen Baster) and stablemate Sheahan. Bolton had the momentum up and as the two protagonists drew clear of the pack, it looked as though the Stephen Brown-trained six-year-old would overtake the topweight. But Arnold galvanised Hawks Bay for one last gigantic effort and the fans' favourite put his head down right where it mattered to deny Bolton by the barest of margins. Sheahan took third but such was the dominance of the first pair, he was six and a-quarter lengths away, with two and a-half lengths back to Sea Skye and Club Liquid.

CARLTON MID DARWIN CUP CARNIVAL STATISTICS

	2012	2011	2010	2009	2008
Nominations	966	861	886	901	920
Acceptances	694	623	685	694	660
Starters	611	553	577	601	575
Races	66	60	60	60	60
Fields Less than 8 Starters	10	19	12	12	14
Prizemoney	\$1,866,500	\$1,763,500	\$1,636,000	\$1,461,000	\$1,455,000
Attendance	44,237	42,556	38,427	35,893	33,417
Sponsorship	\$1,523,296	\$1,110,709	\$1,039,534	\$1,075,577	\$1,016,145
Bar Sales	\$1,111,436	\$1,039,189	\$1,167,023	\$895,313	\$759,131
On course TAB					
• Totalisator	\$3,024,569	\$3,072,612	\$2,571,187	\$2,535,316	\$2,776,017
• Fixed Price	268,488	\$379,198	\$56,382	N/A	N/A
NT TAB	\$659,172	\$709,871	\$907,882	\$806,944	\$759,971
Interstate UNITAB	\$2,829,616	\$2,612,105	\$2,703,579	\$2,212,519	\$2,276,477
Bookies - Darwin	\$3,340,754	\$3,224,686	\$2,519,925	\$2,903,926	\$2,776,017
Bookies - Interstate	\$592,577	\$749,408	\$682,256*	\$1,124,379	\$2,711,156
Qantas Gala Ball	2,960	2,891	3,836	3,739	3,448

*Interstate gallops meetings were cancelled on Darwin Cup Day.



DARWIN TURF CLUB INC**Annual Financial Statements****Purpose and Scope**

In the opinion of the Executive Committee, the Darwin Turf Club is not a reporting entity. The Financial Statements of the Club have been drawn up as a Special Purpose Financial Report for distribution to the members, and for the purpose of fulfilling the requirements of the Northern Territory Associations Act.

INCOME STATEMENT

for the year ended 31 December 2012

	Notes	2012 \$	2011 \$
Revenue			
Operating Income	2	5,691,327	5,107,839
Racemeeting Income	3	2,841,738	2,352,442
Racing Income		275,739	296,390
Rental Income	4	1,516,731	1,398,626
Grants Received	5	5,906,135	5,224,810
Other Income	6	331,270	408,199
Total Revenue		16,562,940	14,788,306
Expenses			
Operating Expenses	7	4,890,950	4,255,713
Racemeeting Expenses	8	797,847	702,506
Racing Expenses		266,563	259,410
Administration Expenses	9	4,539,630	4,229,925
Depreciation Expense		687,294	656,601
Other Expenses		251,034	211,714
Returns to Industry Participants	10	4,555,934	4,422,780
Total Expenses		15,989,252	14,738,649
Net Result for the Reporting Period		573,689	49,657

The Income Statement is to be read in conjunction with the notes to the financial statements.

DARWIN TURF CLUB INC

BALANCE SHEET

as at 31 December 2012

	Notes	2012 \$	2011 \$
CURRENT ASSETS			
Cash and Cash Equivalents	11	283,586	51,248
Trade and Other Receivables	12	215,190	300,980
Inventories	13	171,805	147,606
Prepayments and Other Current Assets		54,348	44,500
Total Current Assets		724,929	544,334
NON-CURRENT ASSETS			
Plant and Equipment	14	12,222,724	12,203,353
Other Non-Current Assets		5,385	5,385
Total Non-Current Assets		12,228,109	12,208,738
Total Assets		12,953,038	12,753,072
CURRENT LIABILITIES			
Payables	15	1,574,201	1,361,824
Provisions	16(a)	180,361	128,790
Loans	17(a)	527,738	623,561
Total Current Liabilities		2,282,300	2,114,175
NON-CURRENT LIABILITIES			
Provisions	16(b)	7,384	13,729
Loans	17(b)	2,846,675	3,382,179
Total Non-Current Liabilities		2,854,059	3,395,908
Total Liabilities		5,136,359	5,510,083
Net Assets		7,816,678	7,242,989
Accumulated Funds			
Retained Profits		7,810,795	7,237,106
Reserves	18	5,883	5,883
Total Equity		7,816,678	7,242,989

The Balance Sheet is to be read in conjunction with the notes to the financial statements.

DARWIN TURF CLUB INC

STATEMENT OF CASHFLOWS
for the year ended 31 December 2012

	Notes	2012 \$	2011 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Customers		10,834,659	9,837,582
Receipts from Government (TRNT) Funding		5,901,854	5,221,069
Interest Received	6	1,893	3,076
Payments to Suppliers and Employees		(14,855,614)	(13,674,937)
Interest and Cost of Finance Paid		(312,464)	(341,769)
Net Cash Provided by/ (Used In) Operation Activities	19(a)	1,570,328	1,045,021
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchase of Plant and Equipment		(706,663)	(1,577,493)
Net Cash (Used In) Provided by Investing\Activities		(706,663)	(1,577,493)
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from borrowings		340,000	1,520,000
Repayments of borrowings		(971,327)	(824,998)
Net Cash Provided by/ (Used In) Financing Activities		(631,327)	695,002
Net (Decrease) Increase in Cash Held		232,338	162,530
Cash at the Beginning of the Financial Year		51,248	(111,282)
Cash at the End of the Financial Year	(19b)	283,586	51,248

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements.

DARWIN TURF CLUB INC.

Notes to the financial statements for the year ended 31 December 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of these financial statements are:

(a) Statement of Compliance

In the opinion of the Management Committee, the Darwin Turf Club Incorporated is not a reporting entity because there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy all of their information needs. The financial statements of the Darwin Turf Club have been prepared as a special purpose financial report for distribution to the members and the funding body to meet the requirements of the Northern Territory Associations Act.

The special purpose financial report has been prepared in accordance with the basis of preparation and accounting policies described below. Australian Accounting Standards (including Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board have not been complied with except to the extent stated below.

(b) Basis of Preparation of the Accounts

The financial report is presented in Australian dollars and has been prepared on an accrual basis of accounting.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Darwin Turf Club.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(c) Taxation

The Darwin Turf Club is exempt from the payment of income tax.

(d) Going concern

The financial statements of the Darwin Turf Club have been prepared on the basis that the Darwin Turf Club is a going concern and will continue to operate. The Darwin Turf Club relies on funding provided through Thoroughbred Racing NT Incorporated (TRNT) and the financial statements are prepared on a going concern basis on the understanding that such funding will continue.

DARWIN TURF CLUB INC.

Notes to the financial statements for the year ended 31 December 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised.

Government Grants - Grants are taken up as income in the year to which the funds relate.

Membership Fees - Membership fees are recognised on a straight-line basis over the financial year in which they relate.

(f) Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

(g) Cash and Cash Equivalents

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

(h) Receivables

Trade and other receivables are recorded at amounts due, less any provision for doubtful debts.

(i) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Assets are depreciated on a straight-line basis so as to allocate the net costs against revenue over the estimated economic lives of the assets. As a general policy, only assets with a value of \$1,500 or more are capitalised, items under this value being charged as an expense in the income statement in the year of purchase.

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

Class	Depreciation Rate
Buildings	2.50% - 10.00%
Building Improvements	2.00% - 20.00%
Course Improvements	5.00% - 10.00%
Stable Complex & Improvements	2.00% - 20.00%
Plant & Equipment	2.50% - 33.33%
Furniture & Fittings	7.50% - 20.00%
Motor Vehicles	12.50%

DARWIN TURF CLUB INC.

Notes to the financial statements for the year ended 31 December 2012

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of the other assets is the fair value less costs to sell.

(k) Payables

Payables are stated at cost.

(l) Employees' Entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave. Liabilities arising in respect of annual leave and long service leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Long service leave expected to be paid later than one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The Darwin Turf Club also contributes to various accumulating Employee Superannuation Plans.

(m) Comparatives

Where changes have occurred in the presentation of the Financial Statements, prior year figures have been reclassified for comparative purposes.

(n) Segment Reporting

The Darwin Turf Club operates predominantly in one industry, being that of Thoroughbred Racing in the Northern Territory.

(o) Inventories

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to inventories on a first in first out basis.

DARWIN TURF CLUB INC**Notes to the Financial Statements (continued)
for the year ended 31 December 2012**

	2012 \$	2011 \$
2 OPERATING INCOME		
Bar	1,791,710	1,526,764
Catering	1,278,022	1,001,803
Functions	1,422,120	1,442,965
Tab Commissions	1,199,475	1,136,307
	<u>5,691,327</u>	<u>5,107,839</u>
3 RACE MEETING INCOME		
Admissions	981,269	936,518
Race books	79,825	96,393
Merchandise	36,969	63,426
Advertising & Sponsorship	1,743,675	1,256,105
	<u>2,841,738</u>	<u>2,352,442</u>
4 RENTAL INCOME		
Bookmakers	798,734	768,405
Douglas St Stable Complex	513,393	499,577
Other	204,604	130,644
	<u>1,516,731</u>	<u>1,398,626</u>
5 GRANTS RECEIVED		
Government (TRNT) Operational Grants	5,392,546	4,841,703
Government (TRNT) Capital Grants	513,588	383,107
	<u>5,906,135</u>	<u>5,224,810</u>
6 OTHER INCOME		
Livestock Scheme	77,864	75,500
Colts & Fillies	723	2,082
Membership Fees	194,565	174,939
Interest Received	1,893	3,226
Insurance Recoveries	20,054	86,374
Other Income	36,172	66,078
	<u>331,270</u>	<u>408,199</u>

DARWIN TURF CLUB INC

**Notes to the Financial Statements (continued)
for the year ended 31 December 2012**

	2012	2011
	\$	\$
7 OPERATING EXPENSES		
Bar & Catering Cost of Sales	1,176,612	1,069,376
Bar, Catering & Function Expenses	158,074	100,259
Hireage	929,388	590,349
Bar, Catering, Function and TAB Salaries and Wages	1,571,090	1,429,479
Outsourced Catering and Gala Ball	1,055,786	1,066,250
	<hr/> 4,890,950	<hr/> 4,255,713
8 RACEMEETING EXPENSES		
Advertising	352,627	240,929
Raceday Cost of Sales	119,413	102,133
Racing Salaries and Wages	196,645	268,263
Sponsorship Costs	59,184	52,076
Sundry Expenses	69,978	39,105
	<hr/> 797,847	<hr/> 702,506
9 ADMINISTRATION EXPENSES		
Administration Expenses	390,857	304,912
Borrowing Expenses	312,464	341,769
Marketing Expenses	259,941	314,081
Occupancy Expenses	768,582	783,214
Repairs and Maintenance Expenses	576,466	529,443
Salaries and Employee Benefit Expense	2,132,529	1,860,961
Livestock COGS	98,791	95,545
	<hr/> 4,539,630	<hr/> 4,229,925
10 RETURNS TO INDUSTRY PARTICIPANTS		
Prizemoney	3,829,549	3,683,539
Unplaced Jockey /Runner Payments	726,385	739,241
	<hr/> 4,555,934	<hr/> 4,422,780

DARWIN TURF CLUB INC

**Notes to the Financial Statements (continued)
for the year ended 31 December 2012**

	2012 \$	2011 \$
11 CASH ASSETS		
Cash on Hand	184,772	104,193
Cash at Bank	98,814	(52,945)
	<u>283,586</u>	<u>51,248</u>
12 RECEIVABLES		
<i>Current</i>		
Debtors	252,187	349,928
<i>less</i> Provision for Doubtful Debts	(64,207)	(48,948)
Accrued Income	27,209	-
	<u>215,190</u>	<u>300,980</u>
13 INVENTORIES		
<i>Stock on Hand</i>		
Bar	199,703	140,439
<i>less</i> Provision for Obsolete Inventory	(36,766)	-
Catering	7,537	5,837
Merchandise	1,330	1,330
	<u>171,805</u>	<u>147,606</u>
14 PLANT AND EQUIPMENT		
Building at Cost		
At Cost	11,141,779	11,141,779
Building Improvements	1,324,784	1,311,939
Accumulated Depreciation	(3,682,868)	(3,275,644)
	<u>8,783,695</u>	<u>9,178,074</u>
Course Improvements at Cost		
At Cost	422,587	422,587
Accumulated Depreciation	(201,770)	(168,697)
	<u>220,817</u>	<u>253,890</u>
Stable Complex and Improvements at Cost		
At Cost	3,689,444	2,725,938
Accumulated Depreciation	(956,247)	(837,676)

DARWIN TURF CLUB INC

Notes to the Financial Statements (continued)
for the year ended 31 December 2012

	2012 \$	2011 \$
	<u>2,733,196</u>	<u>1,888,262</u>
Plant and Equipment		
At Cost	999,646	933,870
Accumulated Depreciation	(608,464)	(494,578)
	<u>391,181</u>	<u>439,292</u>
Furniture & Fittings at Cost		
At Cost	116,221	102,821
Accumulated Depreciation	(52,838)	(43,619)
	<u>63,382</u>	<u>59,202</u>
Motor Vehicles at Cost		
At Cost	59,091	40,318
Accumulated Depreciation	(28,639)	(23,321)
	<u>30,452</u>	<u>16,997</u>
Work in Progress		
At Cost	0	367,636
	<u>0</u>	<u>367,636</u>
Total Property, Plant and Equipment		
Total at Cost	17,753,551	17,046,888
Accumulated Depreciation	(5,530,828)	(4,843,535)
Total Written Down Amount	<u>12,222,724</u>	<u>12,203,353</u>
15 PAYABLES		
Creditors and Accrued Expenses	959,078	835,506
Receipts in Advance	615,994	526,318
GST Payables/(Receivable)	(870)	-
	<u>1,574,201</u>	<u>1,361,824</u>

16 PROVISIONS

(a) Current

DARWIN TURF CLUB INC

**Notes to the Financial Statements (continued)
for the year ended 31 December 2012**

	2012 \$	2011 \$
Employee Entitlements		
- <i>Annual Leave</i>	162,751	111,055
- <i>Long Service Leave</i>	17,609	17,735
Total Current Provisions	180,361	128,790
(b) Non- Current Employee Entitlements		
- <i>Long Service Leave</i>	7,384	13,729
Total Non-Current Provisions	7,384	13,729

17 LOANS

(a) Current

Loans

<i>Loans - Commercial Bill</i>	395,224	361,724
<i>Loans - Stable Complex</i>	22,830	19,508
<i>Loans - Extra Building</i>	28,829	28,030
<i>Loans - Marquee</i>	80,855	74,298
<i>Loans - TRNT</i>	-	140,000
Total Current Loans	527,738	623,561

(b) Non-Current

Loans

<i>Loans - Commercial Bill</i>	1,668,015	2,064,911
<i>Loans - Stable Complex</i>	101,372	124,520
<i>Loans - Extra Building</i>	302,357	332,402
<i>Loans - Marquee</i>	774,931	860,346
Total Non-Current Loans	2,846,675	3,382,179

18 RESERVES

Colts and Fillies	5,883	5,883
	5,883	5,883

DARWIN TURF CLUB INC

Notes to the Financial Statements (continued)
for the year ended 31 December 2012

	2012 \$	2011 \$
19 STATEMENT OF CASH FLOWS		
(a) Reconciliation of Operating Result to Net Cash used		
In Operating Activities		
Net Surplus (Deficit)	573,689	49,657
Depreciation	687,294	656,601
(Profit)/Loss on Sale of Plant and Equipment	-	-
Provision for Obsolete Stock	36,766	-
<i>Changes in Assets and Liabilities</i>		
- Decrease (Increase) in Debtors and Accrued Income	85,790	(4,482)
- Decrease (Increase) in Inventory	(60,967)	43,385
- Decrease (Increase) in Prepaid Expenses and Other Current Assets	(9,847)	19,256
- Increase (Decrease) in Creditors and Accrued Expense	122,702	48,011
- Increase (Decrease) in Revenue in Advance	89,676	277,901
- Increase (Decrease) in Provisions	45,225	(45,309)
Net Cash Provided by (Used In) Operating Activities	1,570,328	1,045,020
(b) Reconciliation of Cash		
Cash on Hand and at Bank	283,586	51,248

DARWIN TURF CLUB INC.
Statement by the Association Management Committee

COMMITTEE MEMBERS

Chairman	Brett Dixon
Secretary	Philip Neck
Treasurer	Robert Longuet
Public Officer	Philip Neck
Committee Member	Charles Burkitt
Committee Member	Brendan Wilding
Committee Member	Michelle Graham
Committee Member	Dale Bicheno
Committee Member	Greg Smith
Committee Member	Cameron McNally
Committee Member	Amy Williamson
Committee Member	James Herraman

PRINCIPLE ACTIVITY

The principle activity of the Association during the financial year was to hold race meetings for Thoroughbred horses. This activity has not changed from previous years.

OPERATING RESULT

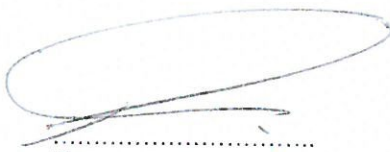
The net result for the year was \$573,689, the prior year was \$49,657.

In the opinion of the management committee of the Darwin Turf Club Incorporated (DTC):

- (a) the DTC is not a reporting entity;
- (b) the accompanying financial report, being a special purpose report, is drawn up so as to present fairly the state of affairs of the DTC as at 31 December 2012 and the results of the DTC for the period ended on that date;
- (c) the accounts of the DTC have been properly prepared and are in accordance with the books of account of the DTC; and
- (d) there are reasonable grounds to believe that the DTC will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution by the Management Committee.

Dated at Darwin on this 3 day of April 2013.



Treasurer



Secretary

Independent auditor's report to the members of Darwin Turf Club Incorporated

We have audited the accompanying financial report, being a special purpose financial report, of Darwin Turf Club Inc. (the "Association"), which comprises the balance sheet as at 31 December 2012, the income statement and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes, and the committee's report.

The Responsibility of the Committee for the Financial Report

The Association's Committee is responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1, is appropriate to meet the requirements of the Associations Act and the Association's constitution and is appropriate to meet the needs of the members. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a financial report that 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 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, 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 met the independence requirements of the Australian professional accounting bodies.

Basis for Qualified Auditor's Opinion

As is common for organisations of this type, it is not practicable to establish an efficient system of internal control over income, other than grant income, prior to its initial entry in the accounting records. Accordingly our audit in relation to income, other than grant income, was limited to amounts recorded.

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been determined to be necessary had the limitation referred to in the preceding paragraph not existed, the financial report presents fairly, in all material respects, the financial position of Darwin Turf Club Inc as of 31 December 2012 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Act.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to the balance sheet as at 31 December 2012 which shows that the Association's current liabilities exceeded its current assets by \$1,557,371. As described in Note 1(d) the Association is reliant on continued funding provided through Thoroughbred Racing NT Incorporated to continue as a going concern. As a result of these matters there is significant uncertainty whether the Association will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Association not continue as a going concern.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Darwin Turf Club Inc. to meet the requirements of the Associations Act and the Association's constitution. As a result, the financial report may not be suitable for another purpose.



Merit Partners



Matthew Kennon
Director

Darwin
Date: 9/4/2013

Track Record Holders

DISTANCE	TIME	HORSE	DATE
900 m	51:33	TERM	16/07/2003
1000 m	56:10	LORD HAROLD	10/07/2004
1100 m	01:02:17	CANALI	3/07/2010
1200 m	01:07:42	JADE CITY	9/06/2007
1300 m	01:13:59	SHOUT OUT LOUD	26/06/2010
1500 m	01:29:05	HI TAIL	29/06/2002
1600 m	01:34:86	PALMYRA BOY	24/07/2010
1800 m	01:49:28	KINGSTON RESERVE	22/07/1995
1900 m	01:54:40	BRAVE DECISION	20/07/2002
2000 m	02:01:22	CLUB LIQUID	4/08/2008





PAST WINNERS

Carlton Mid Darwin Cup 2000m

Table listing race winners from 1956 to 2012, including names like Satan's Son, Dawn Shadow, Bright Gun, Wood, Daring Man, Bonteena, Incisive, The Yank, Little Rascal, Ray Witt, Api'an, Son of Cyrus, Hepburn, Chatell, Lord Tiny, Final Hope, Vernal, Chosen, Nastarse, Thurso, Plain Mick, Kerr Street, Rare Metal, Flaugh-a-Ballagh, Scarvila, Templeman, Brinney, Lord Chamberlain, Silver Shark, Clam's Comet, Instant Policy, Lothaway County, Lothaway County, Dead Heat, Kingston Reserve, Ventilago, Tucker Box, Bellile, On the Beam, Star Bullet, McJoey, Brave Decision, Wild Heart, Mr Tambourineman, Lanson, Nozi, General Market, Club Liquid, Activation, Shout Out Loud, Hawks Bay, and Hawks Bay.

MIX 1049 Darwin Guineas 1600m

Table listing race winners from 1981 to 2012, including names like Korak, Lady Hoffman, Radiant Rhyme, Overflowed, Bolmar (NZ), Romant'ic Spirit, Wahed, Ap'ian Way, Brinney, Rocky Ambition, Gold Yum (NZ), High Talaq, Ken's Choice, Doright, Juc'ent, Ventilago, Sars, Dynamic Tycoon, Nystrom, Souch Street, Pass the Vas, Grey Desert, Edge to Edge, Delway, Sandover, Cary Granite, Brad Star, He's Here, Hawks Bay, Mahaffey Road, The Ruffian, and Snitzel's Choice.

SKYCITY NT Derby 2000m

Table listing race winners from 1981 to 2004, including names like Korak, Cinders Realm, Radiant Rhyme, Evening King, Brotherly (NZ), Scarvila, Mr Moet (NZ), Hit Again Benny, Imperial Surf, Brinney, Lord Chamberlain (NZ), Gold Yum (NZ), High Talaq, Killiney, Doright, Destined (NZ), Ventilago, Rocket Flight, Dynamic Tycoon, Dancing Apollo, Brooklyn Bullet, Prince Dubai, Young Challenger, Tjilpi, and Not Abandoned.

bet365 Palmerston Sprint 1200m

Table listing race winners from 1976 to 1993, including names like Dormie Star, Scoutmaster, Potation, Mahwong, Step Right Up, Man the Light, Mr Ziesel, He Could Be, Le Roi Soleil, Game Warden, Dead Heat, Mr Mars, Game Warden, Ima Realist, Red Roxy, Lord of the Vale, Royal Sydney, Squire Gray (NZ), Squire Gray (NZ), and Margin.

2005	SA	PATARCHIE	2:02.58	D Coffey
2006	SA	BAD BOYS	2:02.90	M Heagney
2007	SA	BRAD STAR	2:01.89	P Shiers
2008	NT	PROTESTA	2:03.92	K Gladwin
2009	VIC	HAWKS BAY	2:02.80	P Shiers
2010	NT	MACCAS DREAM	2:04.66	C Haddon
2011	VIC	THE RUFFIAN	2:04.74	P Shiers
2012	NT	THE THIRD BASEMAN	2:06.38	K Gladwin



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Notice of Meeting

Members are advised that the Annual General Meeting of the Darwin Turf Club Inc shall be held in the Members Clubhouse Bar at 7pm on Wednesday 20 December 2006.

Business

1. Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on 30 January 2006.
3. Matters Arising from the Minutes
4. Presentation of the 2005-06 Annual Report, Statement of Financial Performance and Statement of Financial Position
 - a. Chairman's Report
 - b. Treasurer's Report
 - c. Adoption of Annual reports
5. Election of Patron
6. Election of Officers (announcement of the result of postal voting that closes at 5pm on Tuesday 19 December 2006)
7. Election of Auditor
8. Notices of Motion for consideration
9. General Business



Chairman's Report

On behalf of the Darwin Turf Club Committee I have pleasure in presenting the Club's Annual Report and Financial Statements for the year ended 30 September 2006.

Financial

The Club made a net surplus of \$793,754 for the year ended 30 September 2006.

This of course includes non cash expense of depreciation and amortisation of \$491,615 as well as a \$600,000 capital works grant from the NT Government. Your Treasurer Tony Watkins will give a more detailed report at the Annual General meeting.

Carlton Darwin Cup Carnival

This years racing has again been led by the highly successful Carlton Darwin Cup Carnival which produced many highlights including the feature event, the \$150,000 Carlton Darwin Cup, won by Adelaide raider Nozi. Other feature winners included Bad Boys (SKYCITY NT Derby) and Mukareena (Schweppes Palmerston Sprint). The eight feature days of the Cup Carnival presented good quality fields and a wonderful atmosphere with Toyota Ladies Day again exceeding all expectations. Outside Carnival we have continued to improve our racing product and increased the returns to industry participants.

The Qantas Darwin Turf Club Gala Ball held at SKYCITY continued it's tradition as being the Northern Territory's most prestigious social event with 2,344 people attending. Regular comments have been made that it is the best Ball in Australia and the largest outdoor Ball,

which we are very proud of and more importantly appreciative of the economic impact it has on the local economy.

Corporate Partnerships

I would like to take this opportunity to extend our appreciation and gratitude to our Corporate Partners, in particular our major partners Fosters Australia, SKYCITY, Cadbury Schweppes, Sportingbet Australia and Qantas, who assist us in presenting a high profile racing product and social events through their support. We are extremely fortunate to have a wonderful group of loyal and dedicated Partners and we will continue to provide increased value to them for their investment.

Capital Projects

The Club continues to strive for improved training and raceday facilities which has seen several projects come to fruition in recent years. These include the Equine Swimming Pool which is now in full utilisation and a very important asset. Additional to this we have built two 24 horse Stable Blocks, and will continue on this program of capital development as and when funds permit.

Committee

This year we see the retirement of Mr. Ted Bailey after 30 years of service on the Darwin Turf Club Committee, with 12 years as Chairman. Ted has arguably had the most significant impact on this Club and we are deeply indebted to him. It is impossible to quantify the value that Ted has provided with probably his most prolific contributions being the construction of our magnificent grandstand which is now aptly named "The Ted Bailey Stand", and the extraordinary growth of the Darwin Cup Carnival which is recognised on a national scale and is probably one of the most significant contributors to the Northern Territory economy.

During the year Gordon Simmons moved to Adelaide and resigned from the Committee after many years of serving the club. We wish him well for the future and thank him for his services. The Committee appointed Lisa O'Donoghue, who



is an Associate Solicitor at Minter Ellison, to replace him and of course under the Rules of the Club, Lisa has to stand for re election this year.

I would like to acknowledge and thank the Darwin Turf Club's three representatives on the Thoroughbred Racing NT board (the principal racing authority) being Brett Dixon, Tony Watkins and Phil Bradford. The contribution made by these three may not be directly evident to members however it is quite significant and very important to the operations of the Darwin Turf Club as it involves the licensing of Industry Participants and the Funding Agreement and Distribution of funds.

I wish to commend the tireless efforts of your Committee who contribute a significant amount of time to the Club and the Industry, all in an honorary capacity.

Acknowledgements

On behalf of the Darwin Turf Club I wish to acknowledge the contribution and tremendous support the industry has received from the Northern Territory Government. Our gratitude must be extended to our previous Racing Minister the Hon. Syd Stirling for his passion

and understanding of the Racing Industry and the acknowledgment of the impact it has on the local economy. We warmly welcome our new Racing Minister Hon. Chris Burns and are highly appreciative of his support to date and the continuity that he presents to the Racing Industry. Thank you to our Patron, His Honor Ted Egan AO Administrator of the Northern Territory, who continues to be a strong supporter and advocate of the Industry.

I also wish to acknowledge and thank our Chief Executive, Des Friedrich, his management team and all our staff for their tireless work and contribution. This is also extended to all of our Industry Participants who provide such a great product.

To you our Members we thank you for your support during an exciting growth period of your Club.



CHARLES BURKITT
Chairman

2006 Darwin Cup Carnival Feature Results

Prizemoney	Race	Winner	Rider	Trainer
\$153,650	Carlton Darwin Cup	Nozi	S. Cahill	P. Trenwith
\$101,250	SKYCITY NT Derby	Bad Boys	M Heagney	J Hickmott
\$86,250	Schweppes Palmerston Sprint	Mukareena	D. Bates	D. Bates
\$36,250	Mix 104.9FM Darwin Guineas	Carygranite	P Shiers	A Trengrove
\$31,000	Liquorwise Chief Ministers Cup	Woodgrain	B.E Johns	A Trengrove
\$30,500	Buntine Hcp	Not Abandoned	N Stanley	V Oldfield
\$30,500	Toyota Camry Cup Class 5	Nozi	S Cahill	P Trenwith
\$30,250	TVN WFA Metric Mile	Nozi	S Cahill	P Trenwith
\$25,300	Wolf Blass Lightning Plate	Identifiable	B.E Johns	K Sweeney
\$25,250	Rose Bowl Fillies & Mares Class 3	Catwalk Minnie	N. Stanley	B. Merrall
\$20,550	Qantas Invitation Class 3	Titan Ruler	N Rawiller	G.Kennewell
\$20,300	Sportingbet Australia 3 YO Class 3	Gigglefit	P Shiers	A. Trengrove
\$20,300	NT Turning and Milling Class 6	Allwood	S. Scriven	S. Arnold
\$20,300	SKYCITY Class 2	Bound By Faith	N. Rawiller	B Merrall
\$20,300	TIO Class 4	Direction Decided	S.Ridler	N. Connor
\$20,300	Darwin Turf Club Class 2	Marzotto	S. Scriven	S. Arnold
\$20,300	Great Southern Plantations Sp Cond (1)	Ash the Toff	V.Arnott	J.Manning
\$20,250	Carbine Club Flying Hcp	Getting Lucky	C.Moon	N. Moody
\$20,250	Adultshop.com Welter	Mukareena	D. Bates	D. Bates
\$20,250	Local / Liquorwise WFA Plate	Getting Lucky	C. Moon	N. Moody
\$20,250	Darwin Private Hospital 3 YO Class 6	Irontrak	D. Bates	D. Bates



Chief Executive's Operations Report

2005-06 has been a year of encouragement for the Racing Industry in Darwin, with continued gradual improvement in facilities, raceday activities and income streams.

The Carlton Darwin Cup Carnival continues to grow at a steady rate with Carlton Cup Day and the Qantas Ball setting record attendances.

Racing Review

This year we had our pre cup carnival racedays disrupted which resulted in Darwin holding extra meetings in May and early June as the country tracks were water logged. The country meeting for Pine Creek and Adelaide River were then held later in June, the result being a reduction in our starter numbers during that period.

We also lost our ANZAC Day racemeeting due to the threat from Cyclone Ingrid which also affected our starter and race ratios.

When taking these issues into account, the club can be satisfied with the result.

Carlton Darwin Cup Carnival

Again very successful with a number of interstate trainers attending and every portable yard that the Club has was occupied.

Carlton Darwin Cup Day

The most successful day on record with 3750 being catered for in the Kingston Reserve in centrefield, and an overall attendance of just under 16,000.

The Club has spent significant funds on trying to meet customer expectations and this year we provided more shade, tables & chairs, Bars, Totes and Food outlets and it is hoped that by 2007

Carlton Darwin Cup Day the new hill extension will be complete to provide additional space and facilities to meet the expected growth of this day. Special thanks to Fosters Australia our major Corporate Partner for their support to make this day a success, and to our many other Corporate Partners for this day.

It was also pleasing to see that the Paula Trenwith trained Cup winner Nozi was part owned locally.

Schweppes Palmerston Sprint Day

This day continues to grow and this year the stake for the feature race was increased to \$85,000 and will increase to \$100,000 in 2007 thanks to significant support from Cadbury Schweppes.

Attendance was up on this day and Mukareena (part owned locally by Foxy Robinson) winning the sprint was a tremendous feat by trainer/jockey David Bates.

SKYCITY Derby Day

This year, again due to the tremendous support of our Corporate Partner SKYCITY, the stake of the SKYCITY NT Derby was increased to \$100,000 and was won in fine style by Bad Boys from the Adelaide stable of John Hickmott.

The SKYCITY Triple Crown Bonus of \$100,000 for winning the MIX 104.9 Darwin Guineas, the SKYCITY NT Derby and Carlton Darwin Cup did not get to Cup Day when Carygranite who won the first race did not follow up with a win on SKYCITY Derby Day.

The result of this and a significant Family Day promotion saw an attendance record for this day, a large number of them being guests of SKYCITY.

Toyota Ladies Day

The decision to move the main Toyota Ladies Day Luncheon from the Sponsors Area to the new hill area has been a resounding success with a record 800 guests attending the function this year and attendance on the day exceeding 2600, another record.

This day is improving in quality every year thanks to the support of Toyota and a large number of local businesses who contribute to the raceday activities such as fashion parades. Karl Secondis and Darlene Chin deserve a special mention as their enthusiasm and attention to detail is amazing.

Qantas Darwin Turf Club Gala Ball

What an occasion! From the time our Guests arrived at SKYCITY until they left some 6 hours later it was a night to remember.

The Darwin Chorus Chorale set the scene with the Qantas theme song "I Still Call Australia Home", followed by a grand fireworks display, outstanding food and quality entertainment followed by the main act for the night "Bjorn Again" who had everyone on their feet dancing the night away under the stars.

A big thank you to Qantas for their continued support which ensures the success of the Qantas Gala Ball, and congratulations to the team at SKYCITY for another memorable experience.

New Themes and Promotions

This year the club endeavoured to promote a different focus for each day of the Carnival to increase participation from a wider section of the community.

This started with the **Launch of the Carlton Darwin Cup Carnival** that was moved back to Raintree Park in the Smith St Mall in the city centre, the day before the Mix 104.9FM Darwin Guineas day which was centered on the younger set, followed by **SKYCITY Derby Day's Family Theme** with one family winning a trip to Disneyland in Hong Kong valued at \$6000.

Day 5 saw the inaugural running of the **Darwin Mitsubishi Australian Punter of the Year** where each of the 42 entrants had to put up \$1000 and then invested a minimum of \$150 per race on the 7 races in Darwin. The Punter with the highest balance at the end of the day drove off in a new Mitsubishi Colt valued at some \$17,000. The result of this promotion was outstanding with on course TAB Turnover increasing by \$100,000 plus on the day.

Darwin Mitsubishi also sponsored the **Win a Car** competition over the Carlton Darwin Cup Carnival that gave every patron attending the races on any of the 8 days a chance to win an opportunity to draw a horse in race 6 on Cup day. The person who drew the horse that won the race also won a Mitsubishi Colt. Thanks must go to Darwin Mitsubishi for their support.

Coleman's Printing Raceday is now being aimed at the corporate sector to entertain the first wave of interstate guests and "Duffy's Lunch" on the verandah of the Sid Parker Stand again exceeded all expectations due to the valued input of the

Coleman Group.

This year Thoroughbred Racing NT in conjunction with ROANT held the inaugural **OAMPS NT Racing Awards**, acknowledging the best performers in the NT. This function was held at Fannie Bay on the night after the SKYCITY NT Derby with everyone's favourite Undue taking out the Horse of the Year. Next year these awards will be held in Alice Springs at the start of their Cup Carnival. On behalf of the NT Racing Industry we thank OAMPS for their support.

Carlton Darwin Cup Week Social Mania

Cup week was as hectic as ever and only the fittest survived.

It commenced with the Bernborough Club Lunch on Monday, followed by Coleman Printing's Raceday on Wednesday. Thursday it was out to the track at 6am for the Trans Territory Food's "Breakfast with the Stars" followed by the Carbine Club Lunch. Friday there was the Carlton Darwin Cup acceptors barrier draw in Sweethearts Bar at SKYCITY at noon, then onto the Racing Ministers Cocktail Party at Parliament House in the evening. Saturday was Schweppes Palmerston Sprint Raceday then onto the Qantas Gala Ball that night. On Sunday afternoon it was back to the track for the Carlton Darwin Cup Calcutta followed by the inaugural "Tried Horse Sale" that saw 10 pre raced horses sold to locals in an endeavour to build numbers during the wet season (to date they have won 7 races).

Then it was on to Carlton Darwin Cup Day that saw the Channel Seven "Sunrise Show" greet the day with live crossovers going nationwide from Fannie Bay. The crowd that started arriving at 7am was a record of just under 16,000 with the after Cup party and dancing on the track again being popular.

This week is truly a test for the stayers.

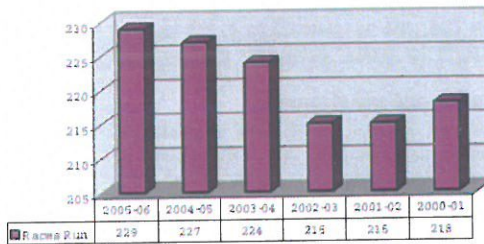


Darwin Turf Club Racing Statistics

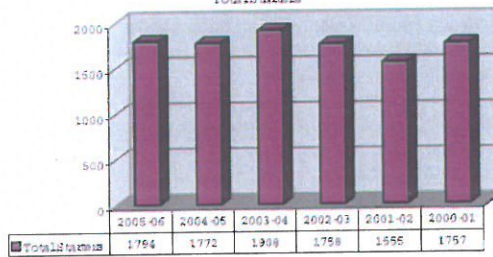
	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
Meetings	42	39	38	41	38	38
Races run	229	227	224	215	215	218
Average No. races	5.45	5.9	5.8	5.3	5.7	5.7
Total starters	1794	1772	1908	1758	1555	1757
Average No Starters	7.84	7.8	8.5	8.2	7.2	8.0
Attendances	41,975	41,064	40,973	39,843	39,392	39,404
Sponsorship	1,134,733	1,030,683	828,930	651,685	710,239	700,960



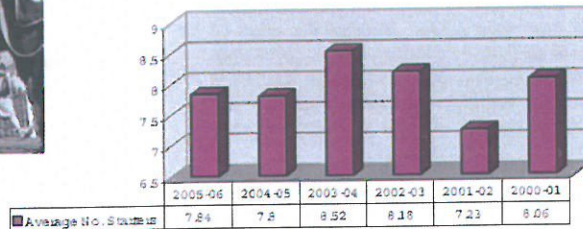
Races Run

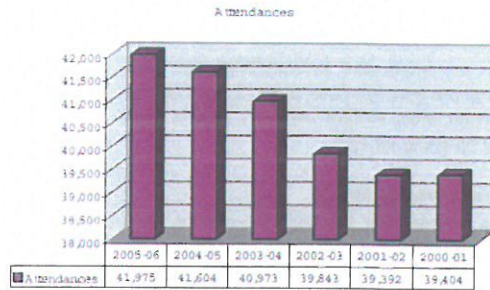
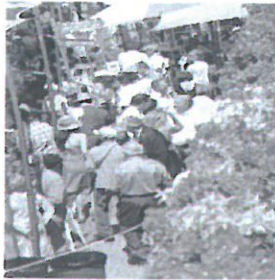


Total Starters



Average No. Starters



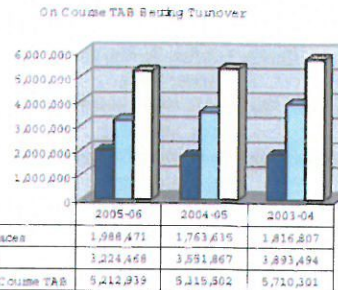


Return to participants

	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002	2000-2001
Prizemoney	2,490,500	2,361,500	2,362,500	2,165,763	2,096,760	1,039,156
Unplaced runners	257,665	224,490	226,850	100,210	41,850	20,450
Unplaced Jockey fees	132,770	176,480	123,850	91,850	64,280	91,035
Travel Rebate NT Owners	54,000	42,600	41,000	41,711	49,000	51,850
Cup Carnival rebate	33,750	23,750	31,000	37,039	22,000	31,750
Total	2,968,685	2,828,820	2,785,200	2,436,573	2,273,890	2,234,241

On Course TAB Betting Turnover

	2005-2006	2004-2005	2003-2004
Darwin Races	1,988,471	1,763,635	1,816,807
Interstate	3,224,468	3,551,867	3,893,494
Total On Course TAB	5,212,939	5,315,502	5,710,301

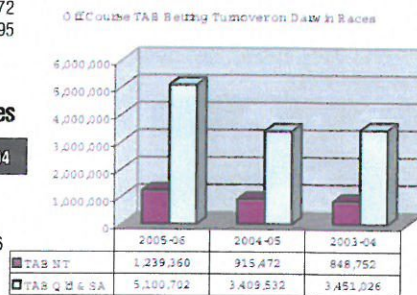


On Course Bookmakers

	2005-2006	2004-2005	2003-2004
Local Races	2,413,724	3,248,492	3,014,472
Interstate Races	2,707,364	2,502,899	2,355,995

Off Course Betting Turnover on Darwin Races

	2005-2006	2004-2005	2003-2004
TAB NT	1,239,360	915,472	848,752
TAB QLD & SA	5,100,702	3,409,532	3,451,026



Corporate Partners

This year we have had further growth in Corporate Partnerships outside of the Carnival and we thank and acknowledge our many Corporate Partners (refer page 10) for their loyal support which without, Racing in Darwin would not be going forward.

Darwin Racing Awards

The Awards night this year was held on Friday 6th October with 160 people in attendance. The ABC's Charlie King was again emcee for the event. The winners were as follows;

NT TAB 2 Year Old of the Year

Gigglefit

Winnellie Hotel/Motel 3 Year Old of the Year

Irontrack

Darwin Horse Transport Middle/Slayer of the Year

Woodgrain

Territory Events Hire Sprinter of the Year

Little Uma

Carlton Horse of the Year

Undue

Qantas Leading Trainer of the Year

Bart Merrall

Qantas Leading Jockey of the Year

David Bates

John Grice Memorial Leading Apprentice of the Year

Scott Hillebrand

Settings/Magic Party Shop Character of Racing

Ron Oldmeadow

Former jockey who rode in Darwin in the 1960's and continues to be a popular figure and loyal supporter of NT Racing.

Special Award for Service to Racing

Dennis Booth

Dennis has completed nearly every job possible at the DTC, including a stint on the Committee.

Our thanks to the many local business that sponsored these awards, and made this night the success it was.



8

Darwin Racing Hall of Fame

The Club this year reviewed the Darwin Racing Hall of Fame Honour Board as there had been no inductees since 1998. There are now two categories, people and horses.

After a lot of research and careful consideration three more inductees were announced at the Darwin Racing Awards. They were:

Ted Bailey - Has been a Committee person for 30 years (12 as Chairman) and has led the club through a big period of development.

David Bates - Master Trainer and Jockey who has won 17 Jockey Premierships in Darwin as well as all the major races

several times.

Undue - Completed a fairy tale story by becoming the only NT trained and owned horse to win a Group 1 race ...2006 Doomben 10,000

Facilities

This last year we have spent a considerable amount of funds on infrastructure that the Committee believes will pay dividends for the club in the future.

In the training facilities area last year we completed the equine Swimming Pool and this year we have completed two 24 sets of horse stables as well as building a new road and turning circle that makes provision for another two sets of 19 horse stables, the first of which is scheduled to be started in March 2007.

The "hill extensions" are continuing slowly and are planned for completion in time for the 2007 carnival. This will provide a huge increase in public space and allow the provision of more Food outlets, TAB's, Toilets and Bars to service the patrons.

This year the club has also laid permanent electrical cabling in centrefield, installed a new Semaphore Board (with the financial support of Hidden Valley Ford), upgraded and rewired the raceday communications room, installed closed circuit surveillance equipment and purchased a large quantity of tables and chairs for the lawns. The on going cost of hiring over the Carlton Darwin Cup Carnival continues to cost the club a great deal of money and as the carnival grows we are seeking ways of holding and/or reducing those costs.

Corporate Bookmakers Facilities

Presently we have 5 Corporate Bookmakers located at Fannie Bay and we have another 3 ready to move to Darwin. As our resident Bookmakers are also expanding their businesses and we have no other space available, we are presently looking at constructing a purpose built facility that will see them all under the one roof which will also free up the space in our present facilities for other use.

Summary

On behalf of the management team I wish to thank the Committee for their support throughout the year, the many businesses that have supported us both financially and with support services throughout the year, in particular during the Carlton Cup Carnival.

We also acknowledge the valued support of all industry participants which includes Owners, Trainers, Jockeys, Officials and our own management team who contribute well and beyond the call of duty to make our events a reality, as without all of these groups working together, we could not succeed.



Des Friedrich
Chief Executive Officer

Sponsorship

Principal Partner Fosters Australia

Major Partners
Cadbury Schweppes
Colemans Printing
Hot 100FM/Mix 104.9FM
Qantas Airways
SKYCITY Darwin
Sportingbet.com.au
Toyota Motor Corporation Australia

Important Partners

AAMI
Adultshop.com
Arafura Catering Equipment
Aussie Signs
Baker Young Stockbrokers
Blaze Business Software
Bridge Toyota
Carbine Club
Channel Nine
Darwin City Council
Darwin Horse Transport
Darwin Mitsubishi
Darwin Private Hospital
Fannie Bay Investments
Hidden Valley Ford
Garrards Horse & Hound
Hai Win Shipping
Halkitis Bros
Independent Distillers
JR Communications
Liquor Marketing Group
Liquorwise
Mitavite
NEC
NT Cancer Council
NT Government
NT TAB
Parap Village Hotel
Parmalat
Power and Water Corporation
QBE
Quality Frontier Hotel
Samuel Smith & Son
Senior Citizens Association NT
Shannon's Insurance
Shenannigans Irish Pub
Southern Cross Television
Great Southern Plantations
Tecs & Tecs
Territory Events Hire
Territory Insurance Office
Thoroughvision
Trans Territory Food
Trojon Fencing
Winning Edge Presentations
Winnellie Hotel Motel
Wolf Blass
Yalumba

Valued Supporters

Attitude For Men
Avis
Bernborough Club
BPW
Colts and Fillies Club
Darwin Bus Services
Department of Transport & Works
House of Pearls
Intergrated
Lay Bros Consolidated Investments
Legacy
LJ Hooker
Settings & The Magic Party Shop
NT Kerbing
NT News
Racehorse Owners & Trainers Association NT
Shadeworks
Skal Club
Territory Trophies
Total Event Services
Parap Village Apartments
Variety Club

Corporate Marquee Clients

Adultshop.com
British American Tobacco
CDE Capital
Channel Nine
Clipsal
Colts and Fillies
Commonwealth Bank
Coopers
Darwin Marine Services
Ezy Duz Fishing Charters
Fijitsu
Halkitis
Hanson Construction
Homewrap
House of Pearls
Humes/Readymix
ING Australia
ISAS
JR Lighting and Electrical
Laminex Group
Lion Nathan
Max Employment
Maxxium
NEC
No Rubbers Just Hard Bodies
Onesteel Metaland
Pharlap Travel
Property Millionaires Club
Sportingbet Australia
Sportsbet
Stratco
Telstra
TIO
Titeline Drilling
Westpac Bank



Annual Financial Statements

Purpose and Scope

In the opinion of the Executive Committee, the Darwin Turf Club is not a reporting entity. The Financial Statements of the Club have been drawn up as a Special Purpose Financial Report for distribution to the members, and for the purpose of fulfilling the requirements of the Northern Territory Associations Act.

Income Statement for the year ended 30 September 2006

INCOME	Note	For the 12 months ended 30/09/06	For the 12 months ended 30/09/05
Operating Income	2	3,916,218	3,384,517
Race Meeting Income	3	1,737,569	1,632,638
Racing Income		235,037	243,368
Rental Income	4	618,366	530,191
Grants Received	5	4,468,109	3,763,659
Satellite Uplink		25,519	-
Other Income	6	530,788	434,847
Total Revenue from Ordinary Activities		11,531,606	9,989,220

EXPENDITURE	Note	For the 12 months ended 30/09/06	For the 12 months ended 30/09/05
Operating Expenses	7	2,937,794	2,638,709
Race Meeting Expenses	8	909,503	792,411
Racing Expenses		295,085	354,068
Administration Expenses	9	2,827,594	2,641,886
Depreciation & Amortisation Expense		491,615	443,358
Other Expenses		90,983	6,078
Satellite Uplink		52,511	-
Returns to Industry Participants	10	3,132,767	3,047,769
Total Expenses from Ordinary Activities		10,737,852	9,924,279

NET RESULT FOR THE REPORTING PERIOD		793,754	64,941
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The Income Statement is to be read in conjunction with the notes to the financial statements set out on pages 14-22.



Balance Statement as at 30 September 2006

	Note	As at 30 September 2006 \$	As at 30 September 2005 \$
CURRENT ASSETS			
Cash and Cash Equivalents	11	185,524	230,302
Trade and Other Receivables	12	1,064,438	1,549,553
Inventories	13	123,765	87,719
Prepayments and Other Assets		155,673	108,404
Total Current Assets		<u>1,529,400</u>	<u>1,975,978</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	14	8,142,001	7,034,560
Other Non-Current Assets		5,385	5,385
Total Non-Current Assets		<u>8,147,386</u>	<u>7,039,945</u>
TOTAL ASSETS		<u>9,676,786</u>	<u>9,015,923</u>
CURRENT LIABILITIES			
Payables	15	1,153,902	1,566,082
Provisions	16(a)	98,311	120,436
Leases and Chattel Mortgages		17,895	6,655
Short-Term Unsecured Loan - TRNT		300,000	-
Total Current Liabilities		<u>1,570,108</u>	<u>1,693,173</u>
NON-CURRENT LIABILITIES			
Provisions	16(b)	13,006	4,932
Leases and Chattel Mortgages		-	17,895
Total Non-Current Liabilities		<u>13,006</u>	<u>22,827</u>
TOTAL LIABILITIES		<u>1,583,114</u>	<u>1,716,000</u>
NET ASSETS		<u>8,093,672</u>	<u>7,299,923</u>
ACCUMULATED FUNDS			
Retained Surplus		8,087,789	7,294,040
Reserves	17	5,883	5,883
TOTAL ACCUMULATED FUNDS		<u>8,093,672</u>	<u>7,299,923</u>

The Balance Sheet is to be read in conjunction with the notes to the financial statements set out on pages 14-22.



Cash Flow Statement for the year ended 30 September 2006

CASH FLOWS FROM OPERATING ACTIVITIES	Note	For the 12 months ended 30/09/06	For the 12 months ended 30/09/05
Receipts from Customers		8,229,278	6,238,706
Receipts from Government Funding		4,468,109	3,763,659
Interest Received		16,359	32,386
Payments to Suppliers and Employees		(11,504,783)	(9,551,560)
Interest and Cost of Finance Paid		(1,511)	(1,124)
Net Cash Provided by (Used In) Operating Activities	18(a)	<u>1,207,452</u>	<u>482,067</u>
CASH FLOWS FROM INVESTING ACTIVITIES	Note	For the 12 months ended 30/09/06	For the 12 months ended 30/09/05
Distribution from Palmerston Sports Club		53,486	48,908
Payments for Purchase of Property, Plant and Equipment	14	(1,599,060)	(861,539)
Net Cash Provided by (Used In) Investing Activities		<u>(1,545,574)</u>	<u>(812,631)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		For the 12 months ended 30/09/06	For the 12 months ended 30/09/05
Receipts from Short Term Unsecured Loan		300,000	-
Payments for Lease of Plant and Equipment		(6,656)	(23,278)
Net Cash provided by (Used In) Financing Activities		<u>293,344</u>	<u>(23,278)</u>
Net (Decrease) Increase in Cash and Cash Equivalents		(44,778)	(353,842)
Cash and Cash Equivalents at the Beginning of Period		230,302	584,144
Cash and Cash Equivalents at the End of Period	18(b)	<u>185,524</u>	<u>230,302</u>

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements set out on pages 14-22.



Notes to the financial statements for the year ended 30 September 2006

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of these financial statements are:

(a) Statement of Compliance

In the opinion of the Management Committee, Darwin Turf Club Incorporated is not a reporting entity because there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy all of their information needs. The financial statements of the Darwin Turf Club have been prepared as a special purpose financial report for distribution to the members and the funding body to meet the requirements of the Northern Territory Associations Act.

The special purpose financial report has been prepared in accordance with the basis of preparation and accounting policies described below. Australian Accounting Standards Board, (AASBs) adopted by the Australian Accounting Standards Board (AASB), and other authoritative pronouncements of the AASB have not been complied with except to the extent stated below.

(b) Basis of Preparation

The financial report is presented in Australian dollars and has been prepared on the accrual basis of accounting.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other source. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Darwin Turf Club.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(c) Taxation

The Darwin Turf Club is considered to be exempt from income tax under section 50-10 of the Income Tax Assessment Act 1997.

(d) Going Concern

The financial statements of the Darwin Turf Club have been prepared on the basis that the Darwin Turf Club is a going concern and will continue to operate. The Darwin Turf Club relies on grants provided by Thoroughbred Racing NT Incorporated ("TRNT"), and the financial statements are prepared on a going concern basis on the understanding that such grants will continue.

(e) Other Income

Income from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Membership Fees - Revenue is recognised in the Income Statement when received. TRNT Grants - Revenue is recognised in the Income Statement when accrued.

(f) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and term deposits.



Notes to the financial statements for the year ended 30 September 2006

(h) Receivables

Receivables are stated at their cost less impairment losses.

(i) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation.

Assets are depreciated on either the diminishing value or straight-line basis over their useful lives. New property, plant and equipment acquired during year with a value of less than \$1,000 are generally expensed in the income statement.

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

<u>Class</u>	<u>Depreciation Rate</u>
Buildings	2.50% - 10.00%
Building Improvements	2.00% - 20.00%
Course Improvements	5.00% - 10.00%
Stable Complex & Improvements	2.00% - 20.00%
Plant & Equipment	2.50% - 33.33%
Furniture & Fittings	7.50% - 20.00%
Motor Vehicles	12.50%
Leased Plant & Equipment	20.00% - 50.00%
Leased Furniture & Fittings	7.50% - 20.00%
Leased Motor Vehicles	25.00%
Minor Projects	10.00%

(j) Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of the other assets is the fair value less costs to sell.

(k) Payables

Payables are stated at cost.

(l) Employee Entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave. Liabilities arising in respect of annual leave and long service leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Long service leave expected to be paid later than one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The Darwin Turf Club also contributes to various accumulating Employee Superannuation Plans.

(m) Comparatives

Where changes have occurred in the presentation of the Financial Statements, prior year figures have been reclassified for comparative purposes.



Notes to the financial statements for the year ended 30 September 2006

(n) Segment Reporting

The Darwin Turf Club operates predominantly in one industry, being that of Thoroughbred Racing in the Northern Territory.

(o) Inventories

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to inventories on a first in first out basis.

(p) Leased Plant and Equipment

Leases of plant and equipment under which the Club assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases. Finance leases are capitalised. A lease asset and liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense in the accounting period in which they are incurred. Capitalised leased assets are amortised on a straight line basis over the term of the relevant lease, where it is likely the Club will obtain ownership of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed.

	As at 30 September 2006 \$	As at 30 September 2005 \$
--	-------------------------------------	-------------------------------------

NOTE 2 - OPERATING INCOME

Bar	1,195,802	1,284,587
Catering	550,857	415,069
Functions	1,356,389	1,033,987
TAB Commissions	813,170	650,874
	<u>3,916,218</u>	<u>3,384,517</u>

NOTE 3 - RACE MEETING INCOME

Admissions	499,354	515,157
Race Books	67,955	54,296
Merchandise	35,527	32,502
Advertising and Sponsorship	1,134,733	1,030,683
	<u>1,737,569</u>	<u>1,632,638</u>

NOTE 4 - RENTAL INCOME

Bookmakers	385,763	356,341
Douglas Street Stable Complex	217,796	162,964
Other	14,807	10,886
	<u>618,366</u>	<u>530,191</u>

NOTE 5 - GRANTS RECEIVED

Government Operational Grants	3,868,109	3,463,659
Government Capital Grants	600,000	300,000
	<u>4,468,109</u>	<u>3,763,659</u>



Notes to the financial statements for the year ended 30 September 2006

	As at 30 September 2006 \$	As at 30 September 2005 \$
NOTE 6 - OTHER INCOME		
Livestock Scheme	44,136	4,364
Colts & Fillies	9,894	6,859
Membership Fees	128,234	93,621
Distributions from Palmerston Sports Club	53,486	48,908
Interest Received	16,359	32,386
Profit on Sale of Assets	-	727
Principal Club Recoveries	228,598	178,442
Other Income	50,081	69,540
	<u>530,788</u>	<u>434,847</u>
NOTE 7 - OPERATING EXPENSES		
Bar and Catering Cost of Sales	698,079	657,113
Bar, Catering and Function Expenses	79,026	68,488
Hireage	622,183	550,247
Bar, Catering, Function and TAB Salaries and Wages	833,043	762,149
Outsourced Catering and Gala Ball	705,463	600,713
	<u>2,937,794</u>	<u>2,638,709</u>
NOTE 8 - RACE MEETING EXPENSES		
Advertising	294,609	199,760
Raceday Cost of Sales	59,250	90,152
Racing Salaries and Wages	152,708	194,491
Sponsorship Costs	379,935	286,232
Sundry Expenses	23,001	21,776
	<u>909,503</u>	<u>792,411</u>
NOTE 9 - ADMINISTRATION EXPENSES		
Administration Expenses	383,307	442,162
Marketing Expenses	234,847	154,435
Occupancy Expenses	528,617	530,350
Repairs and Maintenance Expenses	343,689	385,492
Salaries and Employee Benefits Expense	1,337,134	1,129,447
	<u>2,827,594</u>	<u>2,641,886</u>



Notes to the financial statements for the year ended 30 September 2006

	As at 30 September 2006 \$	As at 30 September 2005 \$
NOTE 10 - RETURNS TO INDUSTRY PARTICIPANTS		
Freight and Travel Rebates	87,750	66,350
Jockey Riding Insurance	89,082	143,949
Prizemoney	2,490,500	2,361,500
Trainer / Owner Bonus	-	-
TROBIS Club Contribution	75,000	75,000
Unplaced Jockey/ Runner Payments	390,435	400,970
	<u>3,132,767</u>	<u>3,047,769</u>
NOTE 11 - CASH AND CASH EQUIVALENTS		
Cash on Hand	135,618	115,871
Cash at Bank	(36,334)	3,589
At Call Investments	86,240	110,842
	<u>185,524</u>	<u>230,302</u>
NOTE 12 - TRADE AND OTHER RECEIVABLES		
CURRENT		
Debtors	832,560	1,037,279
Less Provision for Doubtful Debts	(20,237)	(9,247)
	<u>812,323</u>	<u>1,028,032</u>
Accrued Income	252,115	521,521
	<u>1,064,438</u>	<u>1,549,553</u>
NOTE 13 - INVENTORIES		
STOCK ON HAND		
Bar	96,855	75,902
Catering	6,649	4,359
Merchandise	20,261	7,458
	<u>123,765</u>	<u>87,719</u>
NOTE 14 - PROPERTY PLANT AND EQUIPMENT		
BUILDINGS AT COST		
At Cost	5,952,267	5,952,267
Accumulated Depreciation	(1,290,970)	(1,156,678)
	<u>4,661,297</u>	<u>4,795,589</u>



Notes to the financial statements for the year ended 30 September 2006

	As at 30 September 2006 \$	As at 30 September 2005 \$
NOTE 14 - PLANT AND EQUIPMENT Cont . . .		
BUILDING IMPROVEMENTS AT COST		
At Cost	1,001,023	940,567
Accumulated Depreciation	(435,341)	(379,485)
	<u>565,682</u>	<u>561,082</u>
COURSE IMPROVEMENTS AT COST		
At Cost	601,471	441,263
Accumulated Depreciation	(279,885)	(262,501)
	<u>321,586</u>	<u>178,762</u>
STABLE COMPLEX AND IMPROVEMENTS AT COST		
At Cost	2,579,176	1,592,990
Accumulated Depreciation	(837,824)	(721,596)
	<u>1,741,352</u>	<u>871,394</u>
PLANT AND EQUIPMENT		
At Cost	1,902,651	1,353,443
Accumulated Depreciation	(1,163,599)	(842,424)
	<u>739,052</u>	<u>511,018</u>
FURNITURE AND FITTINGS AT COST		
At Cost	348,575	276,772
Accumulated Depreciation	(298,172)	(220,937)
	<u>50,403</u>	<u>55,835</u>
MOTOR VEHICLES AT COST		
At Cost	107,588	9,091
Accumulated Depreciation	(84,989)	(314)
	<u>22,599</u>	<u>8,777</u>
LEASED PLANT AND EQUIPMENT AT CAPITALISED COST		
At Cost	-	183,265
Accumulated Depreciation	-	(175,007)
	<u>-</u>	<u>8,258</u>
LEASED FURNITURE AND FITTINGS AT CAPITALISED COST		
At Cost	-	66,978
Accumulated Depreciation	-	(66,978)
	<u>-</u>	<u>-</u>



Notes to the financial statements for the year ended 30 September 2006

	For the period ended 30 September 2006 \$	For the period ended 30 September 2005 \$
NOTE 14 - PLANT AND EQUIPMENT Cont . . .		
LEASED MOTOR VEHICLES AT COST		
At Cost	33,066	116,563
Accumulated Depreciation	(16,533)	(91,763)
	<u>16,533</u>	<u>24,800</u>
MINOR PROJECTS IN PROGRESS AT COST		
At Cost	27,601	21,160
Accumulated Depreciation	(4,104)	(2,116)
	<u>23,497</u>	<u>19,044</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT		
At Cost	12,553,418	10,954,359
Accumulated Depreciation	(4,411,417)	(3,919,799)
	<u>8,142,001</u>	<u>7,034,560</u>

RECONCILIATIONS

\$'000s	Buildings	Building Imp.	Course Imp.	Stables & Imp.	P & E	F & F	MV	Leased P & E	Leased F & F	Leased MV	Minor Projects	Total
Carrying amount as at 1 October 2005	4,796	561	178	871	511	56	9	8	0	25	19	7,034
Additions	-	59	160	986	366	5	15	-	-	-	8	1,599
Disposals	-	-	-	-	-	-	-	-	-	-	-	0
Asset Class adjustments		1			8			(8)			(1)	0
Depreciation expense	(135)	(55)	(17)	(116)	(146)	(11)	(1)	0	0	(8)	(2)	(491)
Carrying amount as at 30 September 2006	4,661	566	321	1,741	739	50	23	0	0	17	24	8,142

NOTE 15 - PAYABLES

Creditors and Accrued Expenses	1,017,144	1,490,569
Receipts in Advance	131,544	75,513
GST Payables	5,214	-
	<u>1,153,902</u>	<u>1,566,082</u>



Notes to the financial statements for the year ended 30 September 2006

	For the period ended 30 September 2006 \$	For the period ended 30 September 2005 \$
NOTE 16 - PROVISIONS		
(a) CURRENT		
<i>Employee Entitlements</i>		
<i>- Annual Leave</i>		
Balance 1 October 2005	120,436	94,281
Add Provision for year	80,405	81,380
	<u>200,841</u>	<u>175,661</u>
Less Payments for year	<u>(102,530)</u>	<u>(55,225)</u>
Balance 30 September 2006	<u>98,311</u>	<u>120,436</u>
Total Current Provisions	98,311	120,436
 (b) NON - CURRENT		
<i>Employee Entitlements</i>		
<i>- Long Service Leave</i>		
Balance 1 October 2005	4,932	25,049
Add Provision for year	8,074	(12,946)
	<u>13,006</u>	<u>12,103</u>
Less Payments for year	-	(7,171)
Balance 30 September 2006	<u>13,006</u>	<u>4,932</u>
Total Non - Current Provisions	13,006	4,932
 NOTE 17 - EQUITY		
Colts and Fillies	5,883	5,883
	<u>5,883</u>	<u>5,883</u>



Notes to the financial statements for the year ended 30 September 2006

	For the period ended 30 September 2006 \$	For the period ended 30 September 2005 \$
NOTE 18 - STATEMENT OF CASH FLOWS		
(a) Reconciliation of Operating Result to Net Cash used in Operating Activities		
Net Surplus (Deficit)	793,754	64,941
Depreciation	491,615	443,358
(Profit)/ Loss on Sale of Plant and Equipment	-	-
Distributions from Palmerston Sports Club	(53,486)	(48,908)
<i>Changes in Assets and Liabilities</i>		
- Decrease (Increase) in Debtors and Accrued Income	474,126	(1,047,829)
- Decrease (Increase) in Inventory	(36,046)	3,593
- Decrease (Increase) in Prepaid Expense	(47,269)	170,761
- Increase (Decrease) in Creditors and Accrued Expense	(468,211)	848,996
- Increase (Decrease) in Revenue in Advance	56,030	38,160
- Increase (Decrease) in Provisions	(3,061)	8,995
Net Cash Provided by (Used In) Operating Activities	<u>1,207,452</u>	<u>482,065</u>
(b) Reconciliation of Cash		
Cash on Hand	<u>185,524</u>	<u>230,302</u>

NOTE 19 - SUBSEQUENT EVENTS

Thoroughbred Racing NT (TRNT) was incorporated on 28th October 2005. The TRNT has been established to assume the roles, responsibilities and financial functions that were previously maintained by the Darwin Turf Club as the Northern Territory Principal Racing Authority.



Statement by the Association Management Committee

The Committee has determined that the Association is not a reporting entity. The Committee has determined that this special purpose financial report be prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

In the opinion of the Committee:

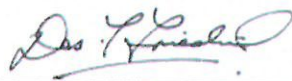
- (a) the accompanying financial report as set out on pages 11 to 22 is drawn up to give a fair and true view of the state of affairs of the Association as at 30 September 2006 and of its result and cash flows for the year ended that date;
- (b) the accounts of the Association have been properly prepared and are in accordance with the books of account of the Association; and
- (b) at the date of this statement there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee.

Dated this 4 day of December 2006.



T WATKINS
Treasurer



D FRIEDRICH
Chief Executive



Independent Auditor's Report to the Members of Darwin Turf Club Incorporated

Scope

The financial report and committee members' responsibility

The special purpose financial report comprises statement of financial performance, statement of financial position, statement of cash flows and accompanying notes set out on pages 11 to 22 for Darwin Turf Club Incorporated ("the Association"), for the year ended 30 September 2006.

The committee members' of the Association are responsible for the preparation and true and fair presentation of the financial report in accordance with the Northern Territory Associations Act (the Act). This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The committee has determined that the accounting policies used and described in Note 1 to the financial report are appropriate to meet the requirements of the Act and the needs of the members.

The financial report has been prepared for distribution to members for the purpose of fulfilling the requirements of the Act. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Audit approach

I conducted an independent audit in order to express an opinion to the members of the Association. No opinion is expressed whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members. My audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

I performed procedures to assess whether in all material respects the financial report represents fairly, in accordance with the basis of accounting described in Note 1 (a) to the financial report, a view which is consistent with my understanding of the Association's financial position, and of its performance as represented by the results of its operations. These policies do not require the application of all accounting standards nor other professional reporting requirements in Australia.

I formed my audit opinion on the basis of these procedures, which included examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report. While I considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

Independence

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements and the Act.

Qualification

As is common for organisations of this type, it is not practicable to establish an effective system of internal control over all income prior to its initial entry in the accounting record. Accordingly my audit in relation to income was limited to amounts recorded.



Qualified Audit Opinion

In my opinion,

except for the effects of such adjustments, if any, as might have been determined to be necessary had the limitation discussed in the qualification paragraph not existed, the financial report of Darwin Turf Club Incorporated is properly drawn up:

- i) so as to give a true and fair view of the Association's financial position as at 30 September 2006 and the results of its operations and cash flows for the year ended on that date, in accordance with the accounting policies described in Note 1 to the financial report;
- ii) in accordance with the Northern Territory Associations Act; and
- iii) in accordance with applicable Accounting standards. As the Association has applied SAC 1 'Definition of the Reporting Entity', accounting standards have only been applied to the extent described in Note 1 to the financial report.



Devendra N Patel FCA
Registered Company Auditor

Partner
KPMG

Darwin
Date: 4 December 2006



ANNUAL GENERAL MEETING
Notes



ANNUAL GENERAL MEETING
Notes



ANNUAL GENERAL MEETING

Notes



CARLTON DARWIN CUP 2000m

1956	NT	SATAN'S SON		P McCracken
1957	NT	DAWN SHADOW		A Meredith
1958	NT	BRIGHT GUN		M Bray
1959	NT	WOOD		V Oldfield
1960	NT	WOOD		W Perks
1961	NT	WOOD		W Perks
1962	NT	WOOD		W Perks
1963	NT	HALF HOUR		R Snelling
1964	NT	SANDBOY		D Kelly
1965	Qld	DARING MAN		R Snelling
1966	NT	BONTEENA		R Caton
1967	NT	INCISIVE		M Hanna
1968	NT	THE YANK		A May
1969	NT	LITTLE RASCAL		C Brown
1970	NT	RAY WITT		N Mifflin
1971	NT	APIAN		A Meredith
1972	NT	SON OF CYRUS		J Morrison
1973	NT	HEPBURN		B Wakefield
1974	NT	CHATELL		C Brown
1975	NT	LORD TINY		M Hanna
1976	NT	LORD TINY		G Lane
1977	NT	FINAL HOPE		G Lane
1978	NT	VERNAL		A Trevena
1979	NT	CHOSEN		B Potter
1980	NT	NASTARSE		J Courtney
1981	NT	THURSO		C Brown
1982	NT	PLAIN MICK		D Balfour
1983	Qld	KERR STREET		K Ballard
1984	Qld	KERR STREET		D Kolpin
1985	NT	RARE METAL		R Lloyd
1986	NT	FLAUGH-A-BALLAGH		R Kemp
1987	NT	SCARVILA		R Lloyd
1988	NT	TEMPLEMAN		G Hall
1989	NT	BRINNEY		D Bates
1990	NT	LORD CHAMBERLAIN		N Paine
1991	Vic	SILVER SHARK		T Arnold
1992	Vic	CLAM'S COMET		W Davis
1993	NT	INSTANT POLICY	2.01.40	D Beadman
1994	NT	LOTHAWAY COUNTY	2.02.74	S King
1995	NT	LOTHAWAY COUNTY	2.02.47	P Payne
	NT	DEAD HEAT		
	NT	KINGSTON RESERVE	2.02.47	S Arnold
1996	NT	VENTILAGO	2.02.24	D Coffey
1997	NT	TUCKER BOX	2.03.58	K Dodge
1998	NT	BELLILE	2.01.70	C Williams
1999	NT	ON THE BEAM	2.04.18	P Denton
2000	NT	STAR BULLET	2.03.63	G Clarke
2001	ACT	MCJOEY	2.03.14	D Bates
2002	NT	BRAVE DECISION	2.02.10	N Paine
2003	NSW	WILD HEART	2.03.00	C Munce
2004	NT	MR TAMBOURINEMAN	2.02.26	J Hallam
2005	NT	LANSON	2.01.51	D Bates
2006	NT	NOZI	2:02.16	S Cahill

SCHWEPPE'S PALMERSTON SPRINT 1200M

1976	NT	DORMIE STAR		G Lane
1977	NT	SCOUTMASTER		N Bracken
1978	NT	POTATION		V Colmer
1979	NT	MAHWONG		A Trevena
1980	NT	STEP RIGHT UP		C Brown
1981	NT	MAN THE LIGHT		D Coffey
1982	NT	MR ZIESEL		D Coffey
1983	NT	HE COULD BE		P Denton
1984	NT	LE ROI SOLEIL		D Bates
1985	NT	GAME WARDEN		D Gauci
	NT	DEAD HEAT		
	NT	MR MARS		G White
1986	NT	GAME WARDEN		D Gauci
1987	NT	IMA REALIST		P Denton
1988	Qld	RED ROXY		D Kolpin
1989	NT	LORD OF THE VALE		B Huppertz
1990	NT	ROYAL SYDNEY		G Lee
1991	NT	SQUIRE GRAY (NZ)	1.10.00	M Lockett

1992	NT	SQUIRE GRAY (NZ)	1.09.90	D Gauci
1993	Qld	MARGIN	1.10.10	K Russell
1994	NT	THE UNIVERSE	1.10.52	P Hutchinson
1995	WA	KINGS RANSOM	1.09.81	G Cortes
1996	NT	TALLY HO	1.09.01	P Denton
1997	NT	TALLY HO	1.09.81	P Denton
1998	NT	RAZAMATAZ	1.08.70	S Brown
1999	NT	BOWLINE	1.10.23	B Sweeney
2000	NT	EIRE JESTER	1.08.74	S Burrows
2001	NT	EL COMBA	1.08.74	D Bates
2002	NT	RADICAL MOVER	1.08.37	D Bates
2003	NSW	TO BE FAIR	1.08.97	D Coffey
2004	NT	LORD HAROLD	1.08.96	J Hallam
2005	NT	CASHKALANI	1.08.65	P Denton
2006	NT	MUKAREENA	1:09.18	D Bates

MIX 104.9 FM DARWIN GUINEAS 1600m

1981	NT	KORAK	1:40.4	D Barron
1982	NT	LADY HOFFMAN	1:43.5	M Hanna
1983	NT	RADIANT RHYME	1:40.8	D Bates
1984	NT	OVERFLOWED	NTT	P Dobbe
1985	NT	BOLMAR (NZ)	1:41.8	B Halter
1986	NT	ROMANTIC SPIRIT	1:40.4	R Moseley
1987	NT	WAHED	1:40.9	K Smith
1988	NT	APPIAN WAY	1:40.3	D Bates
1989	NT	BRINNEY	1:40.0	D Bates
1990	NT	ROCKY AMBITION	1:41.3	M Henderson
1991	NT	GOLD YUM (NZ)	1:38.0	D Barron
1992	NT	HIGH TALAQ	1:37.8	P Hutchinson
1993	NT	KEN'S CHOICE	1:38.6	P Denton
1994	NT	DORIGHT	1:37.46	D Loy
1995	NT	JUCENT	1:37.11	B Cornell
1996	NT	VENTILAGO	1:36.53	D Coffey
1997	NT	SARS	1:36.75	B Cornell
1998	VIC	DYNAMIC TYCOON	1:36.99	L Beer
1999	NT	NYSTROM	1:38.6	G Clarke
2000	NSW	SOUCH STREET	1:38.52	T Walsh
2001	NT	PASS THE VAS	1:38.45	D Bates
2002	NT	GREY DESERT	1:35.73	J Hallam (A)
2003	NT	EDGE TO EDGE	1:36.50	P Denton
2004	NT	DELWAY	1:36:15	P Shiers
2005	NT	SANDOVER	1:35:38	B Huppertz
2006	NT	CARYGRANITE	1:36.21	P Shiers

SKYCITY NT DERBY 2000m

1981	NT	KORAK	2:06.7	D Barron
1982	NT	CINDERS REALM	2:12.3	T Pyers
1983	NT	RADIANT RHYME	2:08.0	D Bates
1984	NT	EVENING KING	2:07.9	B Potter
1985	NT	BROTHERLY (NZ)	2:09.0	R Lloyd
1986	NT	SCARVILA	2:08.9	R Lloyd
1987	NT	MR MOET (NZ)	2:09.9	R Lloyd
1988	NSW	HIT AGAIN BENNY	2:05.7	T Pike
		DEAD HEAT		
	SA	IMPERIAL SURF	2:05.7	R Pietsch
1989	NT	BRINNEY	2:07.0	D Bates
1990	NT	LORD CHAMBERLAIN (NZ)	2:05.5	N Paine
1991	NT	GOLD YUM (NZ)	2:05.9	D Barron
1992	NT	HIGH TALAQ	2:03.6	P Hutchinson
1993	Vic	KILLINEY	2:03.5	P Hutchinson
1994	NT	DORIGHT	2:03.98	D Loy
1995	NT	DESTINED (NZ)	2:03.05	R Jolly
1996	NT	VENTILAGO	2:02.98	D Coffey
1997	NT	ROCKET FLIGHT	2:04.55	P Denton
1998	VIC	DYNAMIC TYCOON	2:03.39	L Beer
1999	NT	DANCING APOLLO	2:06.9	T Norton
2000	NT	BROOKLYN BULLET	2:05.15	A Groves
2001	NT	PRINCE DUBAI	2:05.00	C Lever
2002	SA	YOUNG CHALLENGER	2:02.03	C Lever
2003	NT	TJILPI	2:04.32	D Coffey
2004	NT	NOT ABANDONED	2:04.98	JHallam (A)
2005	SA	PATARCHIE	2:02.58	D Coffey
2006	SA	BAD BOYS	2:02.90	M Heagney





Track Record Holders

DISTANCE	TIME	HORSE	DATE
900 m	51.33	Term	16/7/03
1000m	56.10	Lord Harold	10/7/04
1100 m	1.02.21	Little Uma	02/7/05
1200 m	1.07.94	Getting Lucky	15/7/06
1300 m	1.14.07	Titan Ruler	07/8/06
1500 m	1.29.05	Hi Tail	29/6/02
1600 m	1.35.03	Swerscay	01/8/05
1800 m	1.49.28	Kingston Reserve	22/7/95
1900 m	1.54.40	Brave Decision	20/7/02
2000 m	2.01.40	Instant Policy	02/8/93





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Notice of Meeting

Members are advised that the Annual General Meeting of the Darwin Turf Club Inc shall be held in the Members' Clubhouse at 7pm on Monday 24 November 2008.

Business

1. Apologies
2. Confirmation of the Minutes of the Annual General Meeting held on 10th December 2007.
3. Matters Arising from the Minutes
4. Presentation of the 2007-08 Annual Report, Statement of Financial Performance and Statement of Financial Position
 - a. Chairman's Report
 - b. Treasurer's Report
 - c. Adoption of Annual Reports
5. Election of Patron
6. Election of Officers
7. Election of Auditor
8. Notices of Motion For Consideration
9. General Business

NOTICE OF MOTION REQUESTING AMENDMENT TO THE CONSITUTION RESOLUTIONS AND EXPLANATORY MEMORANDUM

Resolutions

2 Special resolutions have been received and will be considered by the Members of the Darwin Turf at their AGM on Monday 24 November.

Resolution 1.

"With effect from the date of this meeting, the rules of the Darwin Turf Club Inc. be amended by the insertion of Rule 20(d): "The granting of a name or names to any assets of the Club shall be approved as such by the members at an Annual General Meeting."

Proposed: Paul Cattormola

Secoanded: Stewart Cox

EXPLANATORY MEMORANDUM

The constitution is presently silent as to the Committee and/or the membership having the power to allocate names various assets of the Club.

This amendment empowers the membership to have the right to approve the naming of the Club's assets – similar to the memberships' right to approve the appointment of life members

Resolution 2.

That new Rule 4(a) be added to the Constitution

Rule 41- Financial Year

The financial year of the Darwin Turf Club shall commence on the 1st day of July each year and conclude on the 30th day of June the following year.

Moved C Burkitt

Secoanded B Dixon

EXPLANATORY MEMORANDUM

Under the Associations Act the club constitution is required to include the financial year, which means the Darwin Turf Club constitution at present does not comply.

Des Friedrich

Chief Executive Officer

3 November 2008

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Chairman's Report

On behalf of the Darwin Turf Club Committee I have pleasure in presenting the Club's Annual Report and Financial Statements for the year ended 30 June 2008.

Financial

At the request of Thoroughbred Racing NT (TRNT - the principal racing authority) the Darwin Turf Club this year amended its reporting date back to the conventional Financial Year ending 30 June 2008, which in effect has given us a 9 month financial period for this year's Accounts and Annual Report as our previous reporting period ended 30 September 2007. The significance of this is that it has highlighted the fact that year Club relies on the success of the Carlton Draught Darwin Cup Carnival to support racing for the other 10 months of the year, by recording a loss of \$1,092,928 for this nine month period. To enable the Members to draw a better comparison of the Club's performance of the last 12 months we have been able to produce a draft set of accounts for the 3 month period from 1 July 2008 to 30 September 2008 which indicates that the Club has made a significant profit for that period in the vicinity of \$960,081 with the result for the previous 12 month reporting period, a net operating cash profit result of \$91,287 after adjustments. This statement will be reviewed by the Auditors prior to the Annual General Meeting.

Racing

As mentioned above, the period that this year's Annual Report covers does not include the 2008 Carlton Draught Darwin Cup Carnival, but it would be very remiss not to include comment on the significant success of the 5 week carnival including ROANT race day.

You may recall that the 2007 Carnival suffered badly from a shortage of horses with 16 of the 54 races attracting less than 8 starters, the most for over 12 years. As a result of this your Committee with the support of TRNT made a submission to the NT Government through our Minister for Racing Dr Chris Burns MLA highlighting that the feedback

from the Industry for the reasons behind the drop in numbers included:

1. The average Prizemoney for the Carnival had not increased for a number of years and that an incentive to travel from Interstate or Intra-state from Alice Springs was no longer attractive.
2. The quality of the facilities that was available to accommodate their horse's was no longer acceptable and that a safer and more acceptable environment was required, as the value of horses being brought to Darwin had increased significantly.
3. That the cost of accommodation, and associated expenses, in Darwin for the period of the Carnival had increased dramatically, again making the viability of coming to Darwin questionable.

We also advised that the costs of the infrastructure had increased significantly.

As you may now be aware, the NT Government acknowledged our plight and provided an additional \$300,000 towards the costs of promoting and operating the Carlton Draught Darwin Cup Carnival as well as agreeing to a Review of the Thoroughbred Racing Industry Funding Agreement upon completion of the Carnival. Of this grant, \$265,000 was allocated to Prizemoney with the remaining \$35,000 being used to offset partial increases in infrastructure costs.

You will note in the CEO's Operations Report that all the statistics for the Carlton Draught Darwin Cup Carnival have shown increases, with highlights being increased attendance on Bridge Toyota Ladies Day (up over \$80), Carlton Draught Darwin Cup Day (up 1,894) and the Qantas Gala Ball attendance of 3454 (up 626) on 2007.

The performance of Nev Connor to produce Jada City to win the Schweppes Palmerston Sprint without a start since the same race in 2007 was an outstanding feat, and the 8 length track record breaking victory by Dick Leach's Club Liquid in the Carlton Draught Darwin Cup was most impressive, especially when followed up by his win in the listed Murray Bridge Cup in October.

Trainer Kerry Petrick produced "He's Here" for an impressive 7 length win in the Hot 104.9FM Darwin Guineas and Stephen Brown showed that he was back in town by producing "Protesta" to win the SKYCITY Derby by defeating the short priced favourite He's Here.

As mentioned in last year's report we continue to aim at improving our racing product and increase the returns to Industry Participants, especially outside the

Carnival period. It is imperative that all of the following returns to Industry Participants are increased in order to create a viable industry that will provide sustainability throughout the year:

- Stakes Payments to Owners (Prizemoney)
- Non-prizemoney Subsidies (Unplaced Runners)
- Non-prizemoney Jockeys Fees (Riding Fees)

Great emphasis is always placed on the Carnival however reality is, without sustainable off season racing we do not have sufficient product for the highly successful and profitable Carnival to operate.

The Committee have confidence that we can deliver on these increased returns via the Northern Territory Government's invitation to TRNT to review the Thoroughbred Racing Industry Funding Agreement.

Capital Projects

The Club continues with its development of facilities when funds, and other resources, allocated for capital development become available. Of most significance we saw completion of the new building adjacent to the Fannie Bay Racecourse entrance, Brett Dixon House, to accommodate the Corporate Bookmakers. Once construction commenced in October 2007, this 2,500sqm purpose built office project was promptly completed in late May 2008 allowing the tenants to take occupancy by mid July. This building is a tremendous asset to the Club and was funded by finance facilities through Westpac Bank, with a Northern Territory Government guarantee. The term of the loan is fixed for 10 years which coincides with the repayment period. Upon completion of the loan, the Club has the capacity to earn circa \$1 million per annum in rental revenue. The Committee's view is that while the project resolves the immediate requirement for office accommodation (which was placing undue pressure on our raceday facilities), through strategic long term planning, these excess funds will be available in the future as extra own sourced revenue to boost returns to Industry Participants or whatever other requirements at that time. This project was conducted without any strain on existing operational funds, and is a significantly positive development for the Club.

For the benefit of all Members I wish to further clarify that when this project was proposed, three quotes were obtained. Upon consideration of these prices and the ability to deliver the project in a timely manner, Jaytex Construction was selected to develop this project. Adhering to correct procedures at all times the Committee subsequently resolved to name the building "Brett Dixon House". This decision was in recognition of the extensive work and financial contribution through savings that Brett Dixon has personally made to the Club over the last four years, including construction of the Equine Pool, the three stable blocks at the end of Bevan Halter Avenue (including the road and sewerage extension), five

portable toilet blocks, the large signage structures at each barrier starting point, and the extraordinary amount of voluntary time that he contributed to building the Corporate Bookmakers complex external to the contractual commitments. To put this in monetary context, Brett has saved your Club well in excess of \$1.5m while also delivering on projects that may have only still been in design stage and possibly not built. To emphasise the savings benefited by the Club, we have just had Brett Dixon House valued for replacement cost for Insurance purposes at \$4.5m, 50% more than the contract price of construction 12 months ago. Collectively, I am confident that you support your Committee's decision in appropriately naming this significant asset.

In regard to improved accommodation for visiting horses over Carnival, your Committee had preparations to replace the existing pipe yard structures with permanent structures on the same site. However, when these plans were submitted to the Development Consent Authority there were a number of objections lodged that has delayed the approval process. The club is now required to submit:

1. An environmental impact report on the effects of the proposed Carnival Stabling.
2. A Master Plan of the Darwin Turf Club facilities showing all present and proposed buildings.
3. A Landscape Plan for the proposed Carnival Stabling area.
4. A Traffic Plan and study on the number of vehicles that will be likely to visit the Carnival Stabling area each day.

Most of these reports have been completed and it is anticipated that they will be provided to the DCA prior to the end of this calendar year.

If DCA approval is gained, and funding can be sourced, your Committee is hopeful that the new facilities will be in place for the 2009 Carnival. We will also continue our programme of upgrading and building stabling facilities when funds allocated for capital development become available.

It is imperative that your Club is able to fully exploit their assets to generate income from a range of sources to underpin our core purpose of promoting thoroughbred racing, and I encourage all Members to attend the Annual General Meeting so that they are fully, and ACCURATELY, informed on the Clubs Capital Projects and Development.

Corporate Partnerships

I would like to take this opportunity to extend our appreciation and gratitude to our Corporate Partners, in particular our major partners Fosters, SKYCITY, Schweppes, Sportingbet, Bridge Toyota, Northern Territory Government and Qantas, who assist us in presenting a high profile racing product and social events through their support. We are extremely

fortunate to have a wonderful group of loyal and dedicated Partners and we will continue to provide increased value to them for their investment.

Committee

This year we saw the resignation of two Committee Members, being Tony Watkins and John "Foxy" Robinson, due to other business commitments. We thank them for their contribution. I also wish to commend the tireless efforts of your Committee who contribute a significant amount of time to the Club and the Industry, all in an honorary but passionate capacity.

Acknowledgments

On behalf of the Darwin Turf Club I wish to acknowledge the contribution and tremendous support the industry has received from the Northern Territory Government. Our gratitude must be extended to our Racing Minister Dr Chris Burns MLA for his support of the Racing Industry and the acknowledgment of the impact it has on the local economy. Thank you to our Patron, His Honour Mr Tom Pauling AO QC, Administrator of the Northern Territory and Mrs Tessa Pauling, who have been keen supporters of the Industry.

I also wish to acknowledge and thank our Chief Executive, Des Friedrich, his management team and all our staff for their tireless work and contribution.

This is also extended to all of our Industry Participants who provide such a great product.

It was with much pleasure that we got to recognise the significant contribution Bevan Halter has had on the Northern Territory racing industry, when in June, he was inducted into the Darwin Racing Hall of Fame and the "Stable Street" was appropriately named in his honour as Bevan Halter Avenue. It was also with great sadness that we recently lost this Northern Territory racing icon.

To you our Members we thank you for your support and look forward to a year of consolidation and progression.



CHARLES BURKITT
Chairman

2008 Carlton Draught Darwin Cup Carnival Feature Results

Prizemoney	Race	Winner	Jockey	Trainer
\$ 155,750.00	Carlton Draught Darwin Cup	Club Liquid	N. Stanley	D. Leach
\$ 102,250.00	SKYCITY NT Derby	Protesta	K. Gladwin	S. Brown
\$ 102,250.00	Schweppes Palmerston Sprint	Jade City	P. Shiers	N. Conner
\$ 51,500.00	Mix 1049 Darwin Guineas	He's Here	P. Shiers	K. Petrick
\$ 36,000.00	Trans Territory Foods Chief Ministers Cup	Nozi	P. Denton	P. Trexwith
\$ 35,500.00	Darwin Airport Resort Buntine Hcp	Brad Star	P. Shiers	V. Bradley
\$ 35,500.00	Bridge Toyota Cup	Off The Richter	N. Stanley	S. Clarke
\$ 35,500.00	TVN Metric Mile	Lanson	D. Bates	D. Bates
\$ 30,300.00	Wolf Blues Lightning Plate	Blackstone Rose	D. Bates	D. Bates
\$ 25,750.00	Selangor Turf Club Trophy Race	Exaltation	R. Fradd	S. Brown
\$ 25,600.00	Qantas Invitation Plate Hcp	Fascination	D. Bates	T. Halter
\$ 25,500.00	Paspaley Rose Bowl Fillies & Mares Class 3 Hcp	Champion Spirit	D. Bates	D. Bates
\$ 25,300.00	Sportingbet.com.au Class 6 Hcp	Manhattan Jazz	N. Yamada	P. Trexwith
\$ 25,300.00	SKYCITY Hcp	Romantic Dane	P. Mertens	K. Hughes
\$ 25,300.00	TIO Hcp	High Papa	P. Shiers	J. Manning
\$ 25,300.00	Winning Edge Presentations Hcp	Desert Saint	M. Pegasus	A. Trengrove
\$ 25,300.00	Great Southern Limited Spec. Cond Hcp	Sum For Sale	N. Stanley	G. Clarke
\$ 25,250.00	Carbine Club Flying Hcp	Gallium	D. Bates	D. Bates
\$ 25,250.00	Aussie Signs Welter	Kirkkirish	P. Shiers	N. Conner
\$ 25,250.00	Darwin City Council WFA Plate	Mimson	K. Gladwin	S. Brown
\$ 25,250.00	Darwin Private Hospital Class 6 Plate	Vision Of Flight	R. Wheeler	D. Magro



Chief Executive's Report

2007-08 A year of Success, Struggle and continued development.

Overview

2007-08 will go down as a year of challenges for the Darwin Turf Club as we have faced rapidly increasing costs, the additional work associated with building a new 18 horse set of stables, the new Administration Building for the Sports Bookmakers, completion of the extension to the hill and lawn to provide more space for patrons on Cup weekend, the efficient infrastructure for the 1 Carlton Draught Darwin Cup racing on MIX 1049FM most successful Carlton Cup on record.

Despite these issues the Club has finished in financial terms for the year ending 30 September 2008. The Club's performance in the annual accounts for 2007-08 highlights the success of the Carlton Draught Darwin Cup of your club, with a record result for the three month period. The Club's capital works grants for 2007-08 has resulted for the last 12 months in a surplus of 287 compared to deficit

offset by increases in Bar & Function Sales, our Sports Bookmakers, and Sale on one hand and other. This has been at the expense of other reasons (apart from that Government Grant for the Darwin Cup Carnival), deferred

maintenance and reduction in hire costs due to the purchase of permanent assets.

The "Review" of the current Thoroughbred Racing Industry Funding Agreement, that TRNT is presently preparing a submission for, is being looked upon positively as the Thoroughbred Racing Industry must increase returns to the Industry Participants who are the life blood of Thoroughbred Racing, nor can we afford to continue to defer important maintenance that is creating "Duty of Care" issues.

On a positive note, the Carlton Draught Darwin Cup Carnival continues to grow and the opportunities for earning additional revenues during this period are encouraging, as is the Qantas Darwin Turf Club Gala Ball in setting record attendances again in 2008.

Racing Review

One of the difficulties we have had in the past is lining up DTC's performance with the TRNT Financial Year with Balance dates of 30 September and 30 June creating the difficulties. That has been rectified this year by the DTC moving back to 30 June, which has created a 9 month period for this reporting Financial Year.

This makes comparatives very difficult as the 2008 Carlton Draught Darwin Cup Carnival is not included. However we have prepared a draft set of accounts for this 3 month period for the Auditors to check so that we can provide some meaningful information to the Members.

Looking at the last 12 month period we have had 39 racemeetings compared to 40 last year due to the fall of the calendar with ROANT being both at the start and finish of the year on 06-07. This resulted in 10 less races being run and 217 less starters in the 1 July to 30 June comparative period. The good news is that for the Carnival period this year we had 45 more starters than in 2007. Although the 12 month period under review showed an increase in the number of starters, the funding from the NT Government is earned under the Financial Year period ending 30 June which included the 2007 Carnival so from a funding point of view our performance was below par and has resulted in no increase on the 2007-08 funding for 08-09 year which means that this year will again be very tough financially.

The additional \$300,000 Grant your Club received from NT Government was well received and of this \$265,000 was applied to the Prizemoney during the

carnival with the remainder going towards the increased costs of infrastructure such as Shade, Toilets etc. These additional prizemoney increases gave the Carnival a real positive boost, although it was too late to attract additional horses to travel to Darwin (still had 14 fields of less than 8), we are confident that 2009 will have more runners because of it.

Our numbers of Starters and On Course Turnover were also affected from late in 2007 when we lost services of several Trainers that moved interstate. As a consequence the field sizes during December to April were well done on the previous year. We are pleased to advise that with the return of Stephen & Elisha Brown as well as Micheal Hickmott, the arrival of David Jupp and Jamie Huish as well a number of other Trainers increasing the size of their Teams, the numbers have again grown to exceed pre December 2007.

However it is acknowledged that if we are to retain the support of the Industry Participants going forward, urgent action is needed in the area of Prizemoney, Non Prizemoney payments and Jockey's Riding Fees.

Carlton Draught Darwin Cup Carnival Racedays

The increase in the number of starters by 45 was encouraging, as well as every other facet of the Carnival which showed increases in revenues and attendances (up all but one day). The Club has continued to develop the Carnival by creating a theme for each day and this year there were a number of new initiatives introduced to attract a wider interest locally. The extension of the Hill and lawn provided a lot more space but we need to do a lot more in this area with regards to service of patrons as clearly the additional 1890 patrons on Carlton Draught Darwin Cup Day showed up our weaknesses in this area.

ROANT Raceday on 28 June was the unofficial start to the Carlton Draught Darwin Cup Carnival and those taking part in the **Darwin Mitsubishi Australian Punter of the Year** had capacity fields to contend with. This year the "Girls Only" Syndicate cleaned up the guys with a winning total of \$9815 and walked away with the brand new \$22,000 Mitsubishi Lancer Motor car, courtesy of

Darwin Mitsubishi. The classy Sunshine Resource got up in the last stride to beat stablemate Austpak in the NT TAB ROANT CUP.

Mix 1049 FM Darwin Guineas was Day One and had an increase of 15 runners on 2007 which was a positive start. The attendance being only marginally down on the previous year was encouraging as we had the V8 Supercars Racing on this day as well. The feature event, the Mix 1049Fm Darwin Guineas was won impressively by He's Here who looked to be a real prospect of taking out the SKYCITY Triple Crown which has not been won since 1996.

Trans Territory Foods Family Day is Day Two which is supported by Brendon Sawyer and his team is being developed as a day that attracts families to Fannie Bay. With a variety of activities for the younger set, it is the intention of both Trans Territory Foods and Darwin Racing to provide them with a happy experience of being at the Races. Trans Territory Foods also sponsored a \$15,000 bonus incentive for any horse that could win the Special Conditions Hcp on this day and the Schweppes Palmerston Sprint. With the outstanding support of Trans Territory Foods this day will become a real family attraction over the next few years.

Bridge Toyota Ladies Day is the third day of the Carnival and this year was the most successful to date with in excess of 3,300 attending. With 900 attending the Bridge Toyota Ladies Luncheon in the Skyline Marquee, 270 at the Bridge Toyota Capriosca Luncheon on the ground floor of the Executive Marquee, 160 for the Empire Rose Luncheon and 240 in the Ted Bailey Stand the day was an absolute sell out. To accommodate the additional demand this year the club developed "The Village" concept on the lawns in front of the Ted D'Ambrosio Bar with tables and chairs under the shade for 800 people and this was also full. The Bridge Toyota Cup was won handsomely by "Off the Richter" by 5 lengths from Titan Ruler and Goodonya Ziggy in the smart time of 1.37.58

Another huge success was after the races and early evening entertainment by "Dr Elephant" courtesy of our fantastic Corporate Partners in Bridge Toyota, whose support on this day was greatly appreciated by all who attended.

The support of Paspaley for the Paspaley Rose Bowl for fillies and mares (won by Champion Spirit) along with the prizes for the "Fashions of the Field" for the Bridge Toyota Ladies Day Marquee proved extremely popular with the ladies.

SKYCITY Derby on Day Four this year saw the running of the SKYCITY Derby and the second leg of the SKYCITY Triple Crown. He's Here who had won the Mix 1049FM fought out a dour duel over the last 600m with Protesta, who won by a length with 14 lengths back to third, leaving the \$100,000 Triple Crown bonus and trophies in the cabinet until 2009.

Another feature race on this day was the Darwin Airport Resort Buntine Handicap that was won by last years Derby winner Brad Star by 1 ¼ lengths from last years Darwin Cup winner General Market. This win gave Brad Star automatic entry into the Carlton Draught Darwin Cup. The winning return to racing of Minson in the Darwin City Council W.F.A over 1200m beating Alice Springs 3 year old sensation Periduki by 2 lengths also earned him automatic entry into the Schweppes Palmerston Sprint.

Another highlight of the day was the inaugural "Blokies Day Luncheon" in the Skyline Marquee with 167 "blokies" in attendance and from the feedback this event will rapidly grow to similar popularity as Bridge Toyota Ladies Day within a couple of years.

An Extreme New Zealand Adventure Travel Prize for two people was through the generosity of SKYCITY was up for grabs and won by Ms Pat Hogan whose NZ adventure included bungee jumping off the Tower of SKYCITY Casino in Auckland.

Another feature of 2008 SKYCITY Derby Day was the running of the Penang Turf Club Trophy Race



with Guests from the Committee of that Club including Dato Seri Teh Choon Beng, Alex Rogers and their wives being on hand to present the trophies. The club has intentions of creating an International Raceday on this day from 2009 with exchange races being organised with Selangor Turf Club, Penang Turf Club, Perak Turf Club, Macau Turf Club and the Bay of Plenty Racing club from NZ. Perth Racing has also indicated that it would like to have a reciprocal race on this day as well. Darwin Racing believes that this action will have the two fold effect of lifting the profile and popularity of SKYCITY Derby Day as well as awareness through out Australasia that Darwin Racing is alive, well and stages a Carnival not to be missed.

TVN Metric Mile Day on Day Five heralded the start of "Cup Week" with the winner gaining automatic entry into the Carlton Draught Darwin Cup. Lanson, winner of the 2005 Darwin Cup showed his class with a ½ length victory over Club Liquid after a battle for the entire length of the straight, with Austpak 3 lengths away 3rd. Another impressive performance this day was that of Gallium in winning the Carbine Club Flying Handicap, 0.6 of a second outside the track record.

This day also saw Northline celebrate their 25th birthday with over 300 guests enjoying the luxury of the Executive Marquee for the day

Coleman's Printing and the Coleman Group of Companies were once again our corporate partners on **Day Six** with the involvement of Quick Print, Shenannigans and The Deck Bar. The day was also supported by Arafura Catering and the Nursery and Gardens Spectacular. With 500 Guests in the Executive Marquee, having a great afternoon of racing and then being entertained until 8 pm that night with live music, there is no doubt the success of this day will continue to build. Many thanks for the fantastic support must go to the Coleman Group for the success of this day which saw the feature event the Coleman's Cup won by the odds on favourite Sun for Sale.

Schweppes' Palmerston Sprint Day this year again saw a record crowd turn out to see Nev Connor's Champion Sprinter win the Schweppes Palmerston Sprint without having had a start since winning the same race in 2007 in track record time,

truly a remarkable feat. Periduki was a gallant second with Gallium third. The Executive Marquee with Cadbury Schweppes on the Executive Deck and Corporate hospitality on the ground level again proved popular with all seats being taken up. The location of this marquee is extremely popular and well sought after. Schweppes have been great supporters of Darwin Racing and it has been through their valuable sponsorship that the club has been able to increase the Stake of the race to \$100,000.

Carlton Draught Darwin Cup Day

After the record crowd of just under 17,000 patrons in 2007, no one predicted that another 1900 would attend in 2008 but that is exactly what happened and it put pressure on every service that we had from Bars, to Toilets to TAB's & Bookies and we regret to report that a number of our patrons would have had a bad experience and we are adamant that this cannot and will not happen in 2009. The new hill extension and lawn provide a lot more space but we had difficulty recruiting sufficiently skilled staff to provide the service necessary to meet the demands.

This aside the day was an enormous success with a record attendance of 18,882 coming through the gates and enjoying a full days activities which included Skydivers, the Carlton Draught Plastic Cup promotional race, the Pearl Galleria Fashion on the Field, the City of Darwin Brass Band March, the Darwin Mitsubishi Car giveaway and live entertainment after the last race. This all on top of a fantastic days racing culminating in Club Liquids incredible 13 length victory in the Carlton Draught Darwin Cup.

The new Taxi/Corporate Hire Car and patrons drop off area worked treat this year with a lot less congestion and a quicker turn around of vehicles. The bus service provide by the NT Government under the Supervision of Dian Dunn and Aaron Black did a fantastic job in moving in excess of 6,000 people to and from the track, thus reducing traffic congestion as did the use of the centre of the track to park patrons vehicles.

The Kingston Reserve marquees again proved popular with just under 4000 Corporate Guests being entertained and our thanks must go to Peter Lay and his team for a job well done in providing the catering. The two storey marquee was again a feature that gave a 360 degree viewing of the races with Sportingbet, Telstra and TIO continuing their option

to hire this magnificent facility. In 2009 it will also be available for hire on the Saturday and already we have two major Corporates interested in taking up options.

The club also hosted International and Interstate Guests including the Chairman of the Selangor Turf Club Tunku Dato Seri Shahabuddin and committeeman Rick Loh and their wives who were



on hand for the inaugural running of the Selangor Turf Club Trophy Race, which will be held on SKYCITY Derby day in 2009.

The use of the area in front of the Executive Marquee in the Members lawn area for use by Members was again popular with this area in 2009 becoming an area that members can purchase reserved tables of 10 for an additional fee yet to be set.

After the last of the patrons had departed at 9.40pm, it was very satisfying to reflect on another exciting Carlton Draught Darwin Cup Day, with thoughts already under way on how we could improve in 2009!

Publicity

Carlton Draught Darwin Cup Magazine

Coleman's Printing have for many years now produced for Darwin Racing the official "Cup" magazine that features all the activities and coming events during the carnival, as well extensive reviews of the previous year which makes it a must have product for each home and is now circulated nationwide with copies also going to every Principal Racing Body in the Asian Racing Federation. This award winning magazine includes an extensive number of photographs featuring the fashion and action of the carnival and various events. We appreciate the effort that Coleman's Printing goes to with this magazine to promote the Carlton Draught Darwin Cup Carnival.

Live local TV Coverage

The support throughout this year from ABC, Channel Nine and Southern Cross Television was first class and the Darwin Turf Club is indebted to them for taking interest in our activities and providing the exposure to the people of the NT, many of whom cannot get to Fanny Bay.

Live Local Radio Crossover Interviews

Mix 1049FM, Hot 100FM and Territory FM this year introduced live cross overs during most day of the carnival with live interviews of patrons at the track talking about their experiences. This was great as we were able to reach a younger audience using the medium they listen to each day.

Street Parade for the Carlton Draught Darwin Cup

Thanks to the Darwin City Council, trainers and jockeys for the Carlton Draught Darwin Cup were paraded through the streets of Darwin in a motorcade. The event coincided with the horses birthday on Friday the 1st of August and concluded with interviews of industry participants and a ceremonial cutting of a cake to celebrate all horses turning one year older.

Promotions

Darwin Mitsubishi Car Giveaway

This was the Third year this promotion was run with patrons having the opportunity each raceday to submit an entry to be in the draw each raceday to be in the final 12, with the chance to each draw a horse in race 7 on Carlton Draught Darwin Cup Day, with the winner taking home a new Mitsubishi Lancer valued in excess of \$22,000. This year's winner was Krissy Magee who was over the moon to win.

St Patrick's Day Racemeeting with the support of Shenannigans Irish Pub and CSR was again a tremendous success even though the rain early in the day threatened to spoil the party. The crowd of just less than 1900 was on hand to see Mr Knockabout win the feature event the Shenannigans St Patrick's Day Handicap This day continues to grow in popularity due to the support of Shenannigans Irish Pub and we thank them for that support.

NT News Twilight Fantasy Stable Competition

In the early part of this season, in conjunction with the NT News, we put together a "Fantasy Stable Competition" in an endeavour to promote interest in our twilight race meetings. This was promoted by the NT News with readers being invited to select 3 Trainers, 3 Jockeys and 4 Horses (1 emergency) for their Fantasy Stable. Each twilight raceday they earn points according to the performance of their selections with the person winning the most points each week winning a dinner for six at the following twilight meeting. The promotion has been a huge success with 568 entries and our thanks go to Julian Rucci, Peter Brown and Gregor Mactaggart from the NT News for their support with this promotion.

As you will know by now the club this year has 16 twilight race meetings and will be running two twilight series of 7 race nights each with one ending on 19 December and the other Thursday 9 April (Easter) and the NT's newest Sports Bookmaker LUXBET has joined the NT News in sponsoring both the series incentives and prizes. If you have not entered a fantasy stable entry yet then ensure you do for the next series starting in February.

Carlton Draught Darwin Cup Social Events

Carlton Draught Darwin Cup Launch

This year the club merged the launch of the Carlton Draught Darwin Cup Carnival and the Corporate Partners Cocktail Party into one... two weeks before the Mix 1049FM Darwin Guineas Day with the Committee extending an invitation to all members to attend as well as local industry participants and Sponsors. This event was held in the Skyline Hill Marquee and was tremendously successful but unfortunately due to a technical fault not everyone received their invitation for which we apologise.

Bernborough Club Luncheon at Parliament House on the Monday of Cup week was well a sell out with Guest Speaker Pat Hyland being very entertaining and the occasion enjoyed by a large number of locals and visitors.

Trans Territory Foods Breakfast with the Stars

was held on the Thursday of Cup week with over 300 people attending to see the Cup and Sprint hopefuls going through their paces. Interviews by our own Mick Stumbles were the feature of the morning and our thanks to Mick for his continued support of the club by hosting this event with many thanks to Trans Territory Foods who supplied the breakfast.

Carbine Club Sportingbet.com.au Darwin Cup Luncheon

This year moved to the new Darwin Convention Centre and was held as usual on the Thursday prior to the Cup. Although this is an invitation only event, it attracted in excess of 500 who raised a considerable amount at the luncheon, to be donated to various charities. Guest Speaker and entertainer Peter Dee was sensational and really set the crowd alight. Our thanks to the Carbine Club of Darwin for allowing us to stage our Tried Horse Sale in the hall next to their function, immediately after their Luncheon.

Tried Horse Sale

As stated above, this sale was moved to the Darwin Convention Centre to coincide with the Carbine Club of Darwin Sportingbet Luncheon and in so doing created a record price of \$20,500 with the total for the 11 lots being \$109,500, an average of \$9955 per horse. As a result this year the Tried Horse sale will make a small profit. It is worth reflecting on the contribution the horses sold through this sale have had on the wet season racing over the last two seasons. From the 21 horses sold prior to this year, there have been 12 individual winners of 30 races with a total number of 195 starts. Also worthy of note that both last year and this year a horse from the sale has gone out and won on Schweppes Sprint Day. Our grateful thanks must go to Brett Dixon for the tremendous effort he puts in to purchasing these horses, making the arrangements to get them to the NT, have them cared/trained and then presented on the day for sale.

Carlton Draught Darwin Cup Barrier Draw

This was held at Sweethearts Lounge on the lawns of SKYCITY on the Friday before the Carlton Draught Darwin Cup with a good crowd in attendance. The support of SKYCITY to stage the event and provide the drinks and nibbles for the Owners and Trainers is truly appreciated and we thank them for their continued support which makes this a successful event.

Racing Ministers Carlton Draught Darwin Cup Cocktail Party

Always a feature of the Carnival with Racing Minister Dr Chris Burns hosting near to 800 people on the Speakers Green at Parliament House. This event is unique to the Territory with interstate guests holding NT Racing in awe at the support our Government provides. Our appreciative thanks go to our Racing Minister for his support and that of the NT Government.

Qantas Darwin Turf Club Gala Ball

A record 3,448 were in attendance to enjoy Darwin's most prestigious occasion, the Qantas Darwin Turf Club Gala Ball with a night of dining, dancing and quality entertainment under the stars on the lawns of SKYCITY. This is truly an incredible event which has no peers in the NT, if not Australia, from the pre dinner cocktails, the rendition of "I Still Call Australia Home" by Darwin Choral Chorus, the fireworks display, the F/111 flyover and "dump and burn", the magnificent food and ambience, to the stars of the night "Human Nature" the evening was outstanding. Congratulations to Andrew Wilson and Emanuel Cruz and the team at SKYCITY who continue to provide memorable occasions.

Carlton Draught Darwin Cup Calcutta

Held on the lawns of Fannie Bay on Sunday was great way to relax after the Qantas Ball and get mentally prepared for the challenges that lay ahead to pick a winner on Cup day. A crowd over 200 was in attendance with the top price of \$4,700 being paid for Brad Star and the first prize being \$16,847.

Corporate Partners

This year our gross income from Corporate Partnerships is up about 10%, which is a very pleasing result, although we must take note that two of the major sponsors were one off occasions that need to be replaced next year. The good news is that we continue to have good growth in Corporate Partnerships outside of the Carnival and we thank and acknowledge our many Corporate Partners (refer page 18) for their loyal support which without, racing in Darwin would not be going forward.

Darwin Racing Awards

The Awards night this year was held on Friday 3rd October with 140 people in attendance. The ABC's Charlie King was again Master of Ceremonies for the event. The winners were as follows;

NT TAB 2 Year Old of the Year

Little Raptor

Darwin Horse Transport 3 Year Old of the Year

Protesta

Parap Village Apartments Middle

Distance/Stayer of the Year

Club Liquid

Territory Events Hire Sprinter of the Year

Sunshine Resource

Carlton Draught Horse of the Year

Club Liquid

Qantas Leading Trainer of the Year

David Bates (31)

Qantas Leading Jockey of the Year

David Bates (42)

John Grice Memorial Leading Apprentice of the Year

Glen Davis (31)

Enchanted Moments Character of Racing

Graeme (Cookie) Mott

Our thanks to the many local business that sponsored these awards, and made this night the success it was.

Facilities

Hill extension and additional entrance to Racetrack.

The "hill extension" was completed in time for the 2008 carnival and provided much needed additional space for Bars, Food, TABs, Bookies and Toilets but as stated earlier, the additional crowd more than filled this space and we must plan better for 2009 as the service in this extended fell well short of our own expectations. The good news is that we now have the space to plan for 2009 with confidence by providing more food outlets, TAB's, Toilets and Bars to service the patrons in this area. The new entrance to the track by the Brett Dixon House with the adjoining Taxi, Corporate Car, Mini Bus and Private Car drop off area was extremely successful and provided a much safer environment for patrons as they arrived and departed, as well assisting the traffic flow. The lighting from the new building was of great assistance each evening for patrons leaving the racetrack.

Corporate Bookmakers Building

The Corporate Bookmakers, completed in mid June was built by Jaytex PTY Ltd (Brett Dixon). It has 8 tenancies ranging from 600m² to 249m² with 5 units on the bottom and 3 on the 2nd level. Architect George Savvas (Design Concepts) has done a great design and the complex has enhanced the entrance to Fannie Bay. This building has a controlled carpark for the tenant's staff, and an uncontrolled visitor's carpark that doubled as our "drop off" area on large racedays. We wish to again record our thanks to the NT Government for their support which allowed us to raise a loan for this project.

Additional 20 Horse Stable Block

With the assistance of a \$200,000 grant from the NT Government via TRNT, we have erected another stable complex that will accommodate 18 horses. This project cost \$450,000 and we have taken out a 10 year loan for the \$200,000 shortfall. This project was overseen and managed by Vice Chairman Brett Dixon, ably assisted by Facilities Manager Danny Mellow and was completed in May and is now occupied by Shane Clark.

Costs Associated with the Carlton Draught Darwin Cup

The club is trying to address the on going cost of hiring equipment for the Carlton Darwin Cup Carnival which continues to cost the club a great deal of money and as the carnival grows we are seeking ways of holding and/or reducing those costs. With the new Bookmakers complex being completed, we have been able to connect our toilets on the hill lawns to this which was a big saving this year. We are also considering putting in a rising main sewerage connection for the Kingston Reserve to save the cost of having the septic tank removal truck working on Cup Day. This will also allow permanent toilets to be built in centrefield for NT Touch Football to use as well.

This year we relocated the services such as **Bars, Food Stalls, TAB/Bookmakers stands etc to the higher part of the lawn** to allow patrons to have a full view of the horses as they come up the straight which was well appreciated, however as mentioned earlier we need to increase the number of outlets substantially for 2009.

Exporting of Racing Vision

The Club has made considerable progress in its endeavours to find a market for its Racing Vision, and in fact has verbal agreement to look at the viability of a trial run during the 2009 Carlton Draught Darwin Cup into Malaysia, providing the necessary approvals can be obtained.

Although this is very encouraging the club is very mindful that to procure a successful long term arrangement, we must be able to provide a consistent level of product (Starters) each week and to do this we face a some interesting challenges as we work with the industry participants to address the various issues.

To achieve this we have been in consultation with Perth Racing who has experience in Malaysia and we can learn a lot from them.

There is no doubt in the minds of the Committee and management, that developing good relationships with our northern neighbours will be very beneficial to both parties.

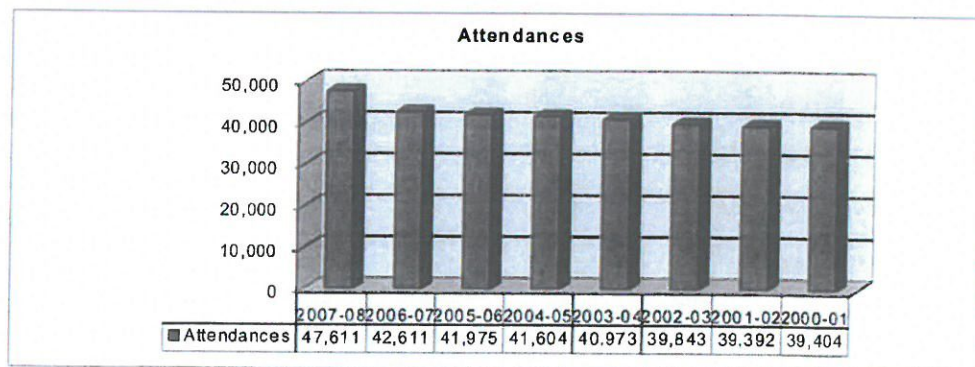
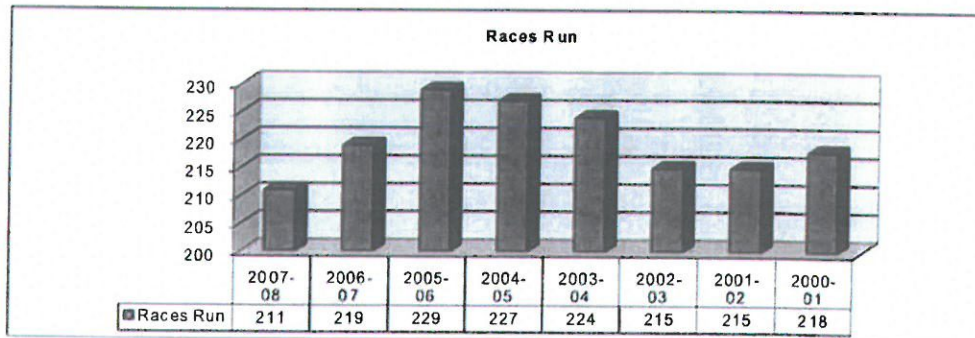
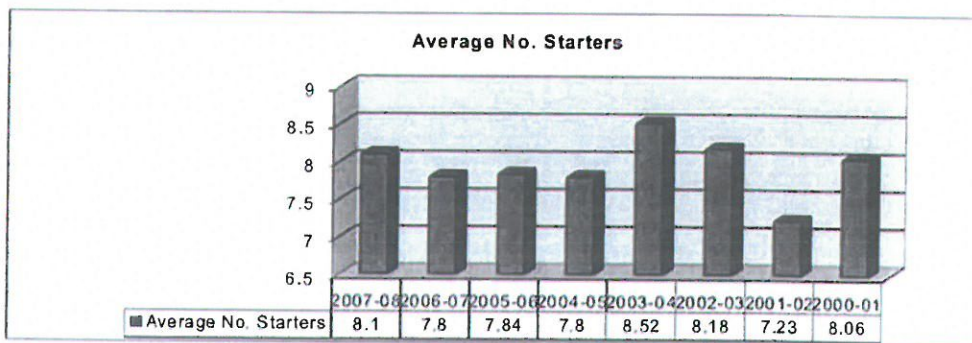
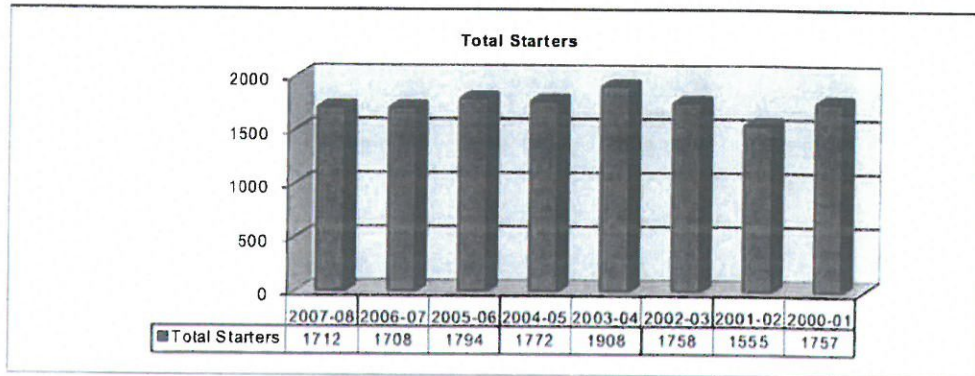
Summary

On behalf of the Management Team I wish to thank the Committee for their support throughout the year, the many businesses that have supported us both

Darwin Turf Club Racing Statistics 2007-2008

	2007-2008	2006-2007	2005-2006	2004-2005	2003-2002	2002-2003
Meetings	40	40	42	39	38	41
Races Run	214	219	229	227	224	215
Average No Races	5.35	5.48	5.45	5.8	5.9	5.24
Total Starters	1641	1708	1794	1772	1908	1758
Average No Starters	7.67	7.8	7.84	7.8	8.52	8.18
Attendances	43,647	42,611	41,975	41,064	40,973	39,392
Sponsorship	1,100,440	1,089,800	1,134,733	1,030,683	828,930	651,685

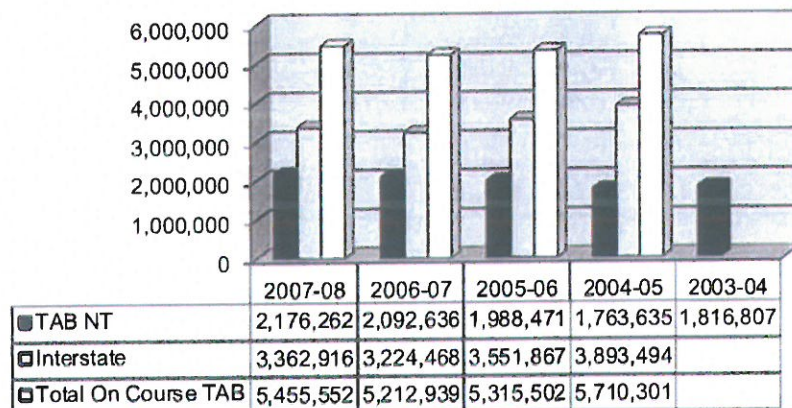
Darwin Turf Club Racing Statistics 2007-2008 (cont)



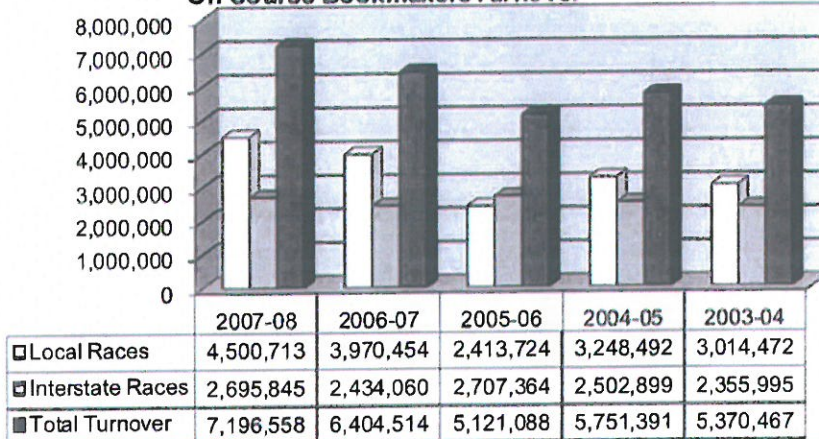
Return to Participants

	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
Prizemoney	2,690,500	2,474,900	2,490,500	2,361,500	2,362,500	2,165,763	2,096,760
Unplaced runners	262,725	264,490	257,665	224,490	226,850	100,210	41,850
Unplaced Jockey fees	116,350	130,005	132,770	116,480	123,850	91,850	64,280
Travel Rebate NT Owners	53,600	45,500	54,000	42,600	41,000	41,711	49,000
Cup Carnival rebate	29,750	17,000	33,750	23,750	31,000	37,039	22,000
	3,152,925	2,931,895	2,968,685	2,768,820	2,785,200	2,436,573	2,273,890

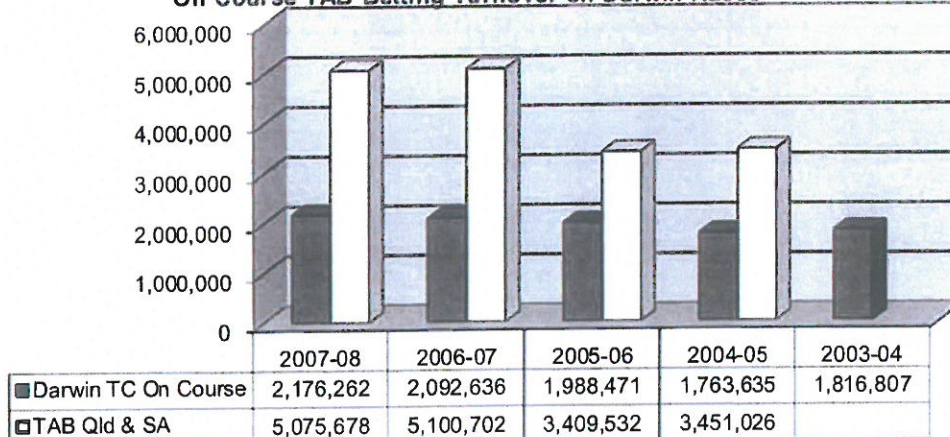
On Course TAB Betting Turnover



On Course Bookmakers Turnover



Off Course TAB Betting Turnover on Darwin Races



2008 CARLTON DRAUGHT DARWIN CUP STATISTICS

TOTALS

	2,008	2,007	2,006	2,005	2,004	2,003	2,002
Nominations	920	803	946	918	943	892	753
Acceptances	660	596	666	673	682	690	578
Starters	575	530	588	591	606	621	525
Races	60	59	60	60	58	59	57
Fields -8 Starters	14	16	13	11	6		
Prizemoney	1,455,000	1,219,000	1,203,200	1,175,500	1,143,000	1,063,500	1,022,000
Attendance	33,417	29,426	28,531	26,784	25,777	24,445	24,467
Sponsorship	1,016,145	894,896	950,498	810,801	833,264	0	0
Bar Sales	759,131	601,379	628,800	592,103	556,851	0	0
On Course TAB	2,776,017	2,741,590	2,702,839	2,561,652	2,644,760	0	0
NT TAB	759,971	681,737	694,078	614,335	539,783	0	0
Interstate UNiTAB	2,276,477	2,201,439	1,855,164	1,855,164	1,888,787	0	0
Bookies - Darwin	2,776,017	8,442,237	3,811,261	3,639,861	2,732,241	0	0
Bookies - Interstate						0	0
Qantas Gala Ball	3,448	2,843	2,349	1,999	1,682	1,611	1,345

Corporate Partners

Principal Corporate Partners

Fosters Australia

Major Corporate Partners

Cadbury Schweppes
Bridge Toyota
Colemans Printing
Hot 100FM/Mix 1049FM
Luxbet.com
Qantas
SKYCITY Darwin
Sportingbet.com.au

Corporate Partners

AAMI
Arafura Catering Equipment
Aussie Signs
AVIS
Battery World
Carbine Club
Channel Nine
Coleman's Group
Darwin Airport Resort
Darwin City Council
Darwin Mitsubishi
Darwin Private Hospital
Frontier Hotels Group
Garrards Horse & Hound
Great Southern Limited
Hai Win Shipping
Halkitis Bros
Hidden Valley Ford
Independent Distillers
JR Communications
Lexus of Darwin
Northline
NT Cancer Council
NT Government
NT TAB
Nursery Gardens Industry
Palmerston Sports Club
Paspaley
QBE
Redbank
Samsung
Senior Citizens Association NT
Shenannigans Irish Pub
Southern Cross Television
Territory Events Hire
Territory Insurance Office
Thoroughvision
Trans Territory Food
Trojon Fencing
Tru-Line
Winning Edge Presentations
Wolf Blass
Wolpers/Grahl

Valued Corporate Partners

Airnorth
Attitude For Men
Bernborough Club
Colts & Fillies Club
Darwin Bus Services
Department of Transport and Works
Enchanted Moments
Fannie Bay Investments
Gardens Park Golf Links
Gulf Transport
Iizen Equities
Lay Bros Consolidated Investments
Legacy
LJ Hooker
NT Kerbing
NT News
Parap Village Apartments
Pearl Galleria
Phillip Morris Ltd
Racehorse Owners & Trainers Association NT
Shadeworks
Skal Club
Territory Trophies Engraving
Total Event Services

Corporate Marquee Clients

Bluescope Fielders Distribution
British American Tobacco
Bunda Livestock Station
Bunnings
Bytecraft
Cairns Industries
Clipsal
Coates Hire
Commonwealth Bank
Coopers
Country Liberal Party
Darwin Private Hospital
Elders Limited
FCM Travel Solutions
Fox United
HB Group
High Rise Crane Rigging
Home Wrap
Humus/Cemex
IGT
ISAS
Lion Nathan/Aristocrat
Onesteel Metaland
Pharlap Travel
Remote Mining & MM Tilttray
Samsung
Sporting Bet
Sportsbet Australia
Stracto
Telstra
TIO
Trade Building Supplies
Westpac Business Banking

Annual Financial Sheet

Purpose and Scope

In the opinion of the Executive Committee, the Darwin Turf Club is not a reporting entity. The Financial Statements of the Club have been drawn up as a Special Purpose Financial Report for distribution to the members, and for the purpose of fulfilling the requirements of the Northern Territory Associations Act.

Income Statement for the period ended 30 June 2008

Revenue	Notes	2008 (9 months) \$	2007 (12 months) \$
Operating Income	2	1,287,609	4,337,725
Racemeeting Income	3	156,197	1,711,433
Racing Income		150,984	352,968
Rental Income	4	582,471	791,382
Grants Received	5	1,914,816	2,950,796
Other Income	6	84,101	335,490
Total revenue		4,176,178	10,479,794

Expenses	Notes	2008 (9 months) \$	2007 (12 months) \$
Operating Expenses	7	938,688	3,294,780
Racemeeting Expenses	8	189,002	887,702
Racing Expenses		171,114	181,547
Administration Expenses	9	2,184,700	2,877,440
Depreciation and Amortisation Expense		329,729	479,131
Depreciation write back		0	-203,253
Other Expenses		111,968	266,319
Returns to Industry Participants	10	1,343,905	3,074,146
Total Expenses		5,269,106	10,857,812
Net Result for the Reporting Period		(1,092,928)	(378,018)

The Income Statement is to be read in conjunction with the notes to the financial statements set out on pages 22-29.

Balance Sheet as at 30 June 2008

	Notes	2008 (9 months) \$	2007 (12 months) \$
CURRENT ASSETS			
Cash and Cash Equivalents	11	512,305	271,374
Trade and Other Receivables	12	1,472,357	885,411
Inventories	13	140,544	95,016
Prepayments and Other Current Assets		121,264	83,391
Total Current Assets		2,246,470	1,335,192
NON-CURRENT ASSETS			
Plant and Equipment	14	10,932,296	7,975,150
Other Non-Current Assets		5,387	5,385
Total Non-Current Assets		10,937,683	7,980,535
Total Assets		13,184,153	9,315,727
CURRENT LIABILITIES			
Payables	15	3,126,514	1,478,950
Provisions	16(a)	129,965	117,780
Loans	17(a)	287,211	0
Total Current Liabilities		3,543,690	1,596,730
NON-CURRENT LIABILITIES			
Provisions	16(b)	5,533	3,343
Loans	17(b)	3,012,205	0
Total Non-Current Liabilities		3,017,738	3,343
Total Liabilities		6,561,428	1,600,073
Net Assets		6,622,725	7,715,654
ACCUMULATED FUNDS			
Retained Profits		6,616,842	7,709,771
Reserves	18	5,883	5,883
Total Equity		6,622,725	7,715,654

The Balance Sheet is to be read in conjunction with the notes to the financial statements set out on pages 22-29.

Cash Flow Statement for the period ended 30 June 2008

	Notes	2008 (9 months) \$	2007 (12 months) \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		4,397,101	7,870,546
Receipts from Government (TRNT) Funding		1,817,865	2,950,796
Interest Received		1,302	8,657
Payments to Suppliers and Employees		-5,681,845	-10,039,497
Interest and Cost of Finance Paid		-128,030	-104
Net Cash Provided by / (Used In) Operating Activities	19(a)	228,393	790,398
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Plant and Equipment		0	23,636
Payments for Purchase of Plant and Equipment	14	-3,286,877	-410,289
Net Cash (Used In) / Provided by Investing Activities		-3,286,877	-386,653
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipts from borrowings		3,301,386	0
Repayment of borrowings		-1,971	-300,000
Payments for Lease of Plant & Equipment		0	-17,895
Net Cash Provided by / (Used In) Financing Activities		3,299,415	-317,895
Net (Decrease) Increase in Cash Held		240,931	85,850
Cash at the Beginning of the Financial Year		271,374	185,524
Cash at the End of the Financial Year	19(b)	512,305	271,374

The Cash Flow Statement is to be read in conjunction with the notes to the financial statements set out on pages 22-29.

Notes to the financial statements for the period ended 30 June 2008

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of these financial statements are:

(a) Statement of Compliance

In the opinion of the Management Committee, the Darwin Turf Club Incorporated is not a reporting entity because there are unlikely to exist users who are unable to command the preparation of reports tailored so as to satisfy all of their information needs. The financial statements of the Darwin Turf Club have been prepared as a special purpose financial report for distribution to the members and the funding body to meet the requirements of the Northern Territory Associations Act.

The special purpose financial report has been prepared in accordance with the basis of preparation and accounting policies described below. Accounting Standards, Australian Accounting Interpretation and other authoritative pronouncements of the Australian Accounting Standards Board have not been complied with except to the extent stated below.

(b) Basis of Preparation of the Accounts

The financial report is presented in Australian dollars and has been prepared on an accrual basis of accounting. The financial report relates to the 9 month period from 1 October 2007 to 30 June 2008. The comparative numbers relate to the year ended 30 September 2007.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Darwin Turf Club.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the financial report.

(c) Taxation

The Darwin Turf Club is exempt from the payment of income tax.

(d) Going concern

The financial statements of the Darwin Turf Club have been prepared on the basis that the Darwin Turf Club is a going concern and will continue to operate. The Darwin Turf Club relies on funding provided through Thoroughbred Racing NT Incorporated (TRNT) and the financial statements are prepared on a going concern basis on the understanding that such funding will continue

(e) Other Income

Income from the sale of goods is recognised in the income statement when the significant risks and rewards of ownership have been transferred to the buyer.

Membership Fees - Revenue is recognised in the Income Statement when received. Government Grants - Revenue is recognised in the Income Statement when accrued.

(f) Goods and Services Tax

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the acquisition of the asset or as part of an item of the expense.

Receivables and payables are recognised inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Notes to the financial statements for the year ended 30 June 2008

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and term deposits.

(h) Receivables

Receivables are stated at their cost less impairment losses.

(i) Property, Plant and Equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation.

Assets are depreciated on a straight-line basis so as to allocate the net costs against revenue over the estimated economic lives of the assets. As a general policy, only assets with a value of \$1,000 or more are capitalised, items under this value being charged as an expense in the income statement in the year of purchase.

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

<u>Class</u>	<u>Depreciation Rate</u>
Buildings	2.50% - 10.00%
Building Improvements	2.00% - 20.00%
Course Improvements	5.00% - 10.00%
Stable Complex & Improvements	2.00% - 20.00%
Plant & Equipment	2.50% - 33.33%
Furniture & Fittings	7.50% - 20.00%
Motor Vehicles	12.50%
Minor Projects	0% - 10.00%

(j) Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of the other assets is the fair value less costs to sell.

(k) Payables

Payables are stated at cost.

(l) Employees' Entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include annual leave and long service leave. Liabilities arising in respect of annual leave and long service leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Long service leave expected to be paid later than one year is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The Darwin Turf Club also contributes to various accumulating Employee Superannuation Plans.

Notes to the financial statements for the year ended 30 June 2008

(m) Comparatives

Where changes have occurred in the presentation of the Financial Statements, prior year figures have been reclassified for comparative purposes.

(n) Segment Reporting

The Darwin Turf Club operates predominantly in one industry, being that of Thoroughbred Racing in the Northern Territory.

(o) Inventories

Inventories are carried at the lower of cost and net realisable value. Costs are assigned to inventories on a first in first out basis.

(p) Leased Plant and Equipment

Leases of plant and equipment under which the Club assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases. Finance leases are capitalised. A lease asset and liability equal to the present value of the minimum lease payments are recorded at the inception of the lease. Contingent rentals are written off as an expense in the accounting period in which they are incurred. Capitalised leased assets are amortised on a straight line basis over the term of the relevant lease, where it is likely the Club will obtain ownership of the asset. Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed.

	2008 (9 months) \$	2007 (12 months) \$
2. OPERATING INCOME		
Bar	480,573	1,273,738
Catering	373,122	533,231
Functions	82,265	1,802,923
Tab Commissions	351,649	727,833
	1,287,609	4,337,725
3. RACEMEETING INCOME		
Admissions	44,755	532,742
Race books	10,735	46,430
Merchandise	917	42,461
Advertising & Sponsorship	99,790	1,089,800
	156,197	1,711,433
4. RENTAL INCOME		
Bookmakers	390,536	466,200
Douglas St Stable Complex	173,963	273,778
Other	17,972	51,404
	582,471	791,382
5. GRANTS RECEIVED		
Government (TRNT) Operational Grants	1,715,333	2,833,070
Government (TRNT) Capital Grants	199,483	117,726
	1,914,816	2,950,796

Notes to the financial statements for the period ended 30 June 2008

	2008 (9 months) \$	2007 (12 months) \$
6. OTHER INCOME		
Livestock Scheme	0	67,100
Colts & Fillies	0	0
Membership Fees	8,989	136,286
Distributions from Palmerston Sports Club	46,309	22,618
Interest Received	1,302	8,657
Profit on Sale of Assets	0	7,783
Principal Club Recoveries	25,435	0
Insurance Recoveries	0	24,432
Other Income	2,066	68,614
	<u>84,101</u>	<u>335,490</u>
7. OPERATING EXPENSES		
Bar & Catering Cost of Sales	350,585	847,263
Bar, Catering & Function Expenses	48,207	176,504
Hireage	34,176	562,268
Bar, Catering, Function and TAB Salaries and Wages	505,720	899,951
Outsourced Catering and Gala Ball	0	808,794
	<u>938,688</u>	<u>3,294,780</u>
8. RACEMEETING EXPENSES		
Advertising	31,786	197,711
Raceday Cost of Sales	16,678	52,133
Racing Salaries and Wages	37,527	96,238
Sponsorship Costs	94,232	508,587
Sundry Expenses	8,779	33,033
	<u>189,002</u>	<u>887,702</u>
9. ADMINISTRATION EXPENSES		
Administration Expenses	136,832	233,224
Borrowing Expenses	126,030	17,778
Marketing Expenses	96,013	262,471
Occupancy Expenses	451,805	543,629
Repairs and Maintenance Expenses	310,143	427,570
Salaries and Employee Benefits Expense	1,063,877	1,392,766
	<u>2,184,700</u>	<u>2,877,440</u>
10. RETURNS TO INDUSTRY PARTICIPANTS		
Freight and Travel Rebates	29,000	62,500
Jockey Riding Insurance	46,915	85,951
Prizemoney	1,042,000	2,474,900
Trobris Club Contribution	0	56,250
Unplaced Jockey/Runner Payments	225,990	394,545
	<u>1,343,905</u>	<u>3,074,146</u>

Notes to the financial statements for the period ended 30 June 2008

	2008 (9 months) \$	2007 (12 months) \$
11. CASH ASSETS		
Cash on Hand	70,678	99,138
Cash at Bank	441,627	172,236
	512,305	271,374
12. RECEIVABLES		
<i>Current</i>		
Debtors	1,451,313	886,688
Less Provision for Doubtful Debts	-15,347	-15,347
	1,435,966	871,341
Accrued Income	36,391	4,950
GST Receivable	0	9,120
	1,472,357	885,411
13. INVENTORIES		
<i>Stock on Hand</i>		
Bar	38,884	76,266
Catering	13,709	9,032
Merchandise	12,980	9,718
Livestock	74,971	0
	140,544	95,016
14. PLANT AND EQUIPMENT		
Buildings at Cost		
At Cost	6,079,872	6,079,872
Accumulated Depreciation	-1,534,819	-1,427,334
	4,545,053	4,652,538
Building Improvements at Cost		
At Cost	1,001,023	1,001,023
Accumulated Depreciation	-538,624	-493,389
	462,399	507,634
Course Improvements at Cost		
At Cost	645,928	615,552
Accumulated Depreciation	-325,380	-305,795
	320,548	309,757
Stable Complex and Improvements at Cost		
At Cost	2,998,740	2,619,772
Accumulated Depreciation	-801,917	-727,735
	2,196,823	1,892,037

Notes to the financial statements for the year ended 30 June 2008

	2008 (9 months) \$	2007 (12 months) \$
14. PLANT AND EQUIPMENT (Contd)		
Plant and Equipment		
At Cost	1,647,746	1,634,330
Accumulated Depreciation	-1,261,187	-1,194,093
	386,559	440,237
Furniture & Fittings at Cost		
At Cost	353,134	350,734
Accumulated Depreciation	-317,951	-309,602
	35,183	41,132
Motor Vehicles at Cost		
At Cost	57,091	57,091
Accumulated Depreciation	-39,764	-37,503
	17,327	19,588
Work in Progress		
At Cost	2,980,033	118,317
Accumulated Depreciation	-11,629	-6,090
	2,968,404	112,227
Total Property, Plant and Equipment		
Total at Cost	15,763,567	12,476,691
Accumulated Depreciation	-4,831,271	-4,501,541
	10,932,296	7,975,150

\$'000s	Buildings	Building Imp.	Course Imp.	Stables & Imp.	P&E	F&F	MV	WP Projects	Total
Carrying amount as at 1 October 2007	4,652	508	310	1,892	440	41	20	112	7,975
Additions	0	0	30	357	14	2	0	2884	3287
Disposals	0	0	0	0	0	0	0	0	0
Depreciation expense	(107)	(46)	(19)	(74)	(67)	(8)	(3)	(6)	(330)
Transferred	0	0	0	22	0	0	0	(22)	0
Carrying amounts as at 30 June 2008	4,545	462	321	2,197	387	35	17	2,968	10,932

Notes to the financial statements for the year ended 30 June 2008

	2008 (9 months) \$	2007 (12 months) \$
15. PAYABLES		
Creditors and Accrued Expenses	798,056	1,168,445
Receipts in Advance	2,324,201	310,505
GST Payables	4,257	0
	3,126,514	1,478,950
16. PROVISIONS		
<i>(a) Current</i>		
Employee Entitlements		
- Annual Leave	117,609	108,095
- Long Service Leave	12,356	9,685
Total Current Provisions	129,965	117,780
<i>(b) Non-Current</i>		
Employee Entitlements		
- Long Service Leave	5,533	3,343
Total Non-Current Provisions	5,533	3,343
17. LOANS		
<i>(a) Current</i>		
Loans		
Loans – Commercial Bill	276,315	0
Loans – Stable Complex	10,896	0
Total Current Loans	287,211	0
<i>(b) Non-Current</i>		
Loans		
Loans – Commercial Bill	2,825,072	0
Loans – Stable Complex	187,133	0
Total Non-Current Loans	3,012,205	0
18. EQUITY		
Colts & Fillies	5,883	5,883
	5,883	5,883

Notes to the financial statements for the period ended 30 June 2008

	2008 (9 months) \$	2007 (12 months) \$
19. STATEMENT OF CASH FLOWS		
(a) Reconciliation of Operating Result to Net Cash used		
In Operating Activities		
Net Surplus (Deficit)	-1,092,929	-378,018
Depreciation	329,729	275,878
(Profit)/Loss on Sale of Plant and Equipment	0	-7,783
Changes in Assets and Liabilities -		
- Decrease (Increase) in Debtors and Accrued Income	-586,946	179,027
- Decrease (Increase) in Inventory	-45,524	28,749
- Decrease (Increase) in Prepaid Expenses and Other Current Assets	-37,873	72,282
- Increase (Decrease) in Creditors and Accrued Expense	-366,135	146,086
- Increase (Decrease) in Revenue in Advance	2,013,696	178,961
- Increase (Decrease) in Provisions	14,375	9,806
- Plant and equipment transferred	0	285,410
Net Cash Provided by (Used In) Operating Activities	228,393	790,398
(b) Reconciliation of Cash		
Cash on Hand and at Bank	512,305	271,374

NOTE 19 - TELEPORT DARWIN

The Darwin Turf Club Incorporated (DTC) has a 50% joint venture with Thoroughbred Racing NT Incorporated (TRNT) in Teleport Darwin. Teleport Darwin is a unit trust that has been established to export vision. Teleport Darwin owns the satellite uplink equipment located at the DTC.

The results of Teleport Darwin have not been brought to account in either the DTC or TRNT's accounts.

Statement by the Association Management Committee

COMMITTEE MEMBERS

Chairman	Charles Burkitt
Secretary	Des Friedrich
Treasurer	Phil Bradford
Public Officer	Des Friedrich
Committee Member	Brett Dixon
Committee Members	Brendan Wilding
Committee Member	Ian Paynter
Committee Member	Justin Coleman
Cpmmittee Member	Robert Longuet
Committee Member	John Robinson
Committee Member	Lisa O'Donoghue

PRINCIPAL ACTIVITY

The principle activity of the Association during the financial year was to hold race meetings for thoroughbred horses. This activity has not changed from previous years.

OPERATING RESULT

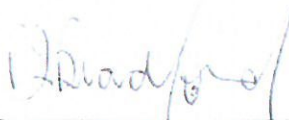
The net result for the year was (\$1,029,929), the prior year was (\$378,018)

In the opinion of the management committee of the Darwin Turf Club Incorporated (DTC):

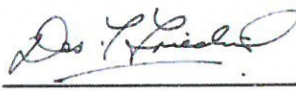
- (a) the DTC is not a reporting entity;
- (b) the financial statements and notes as set out on pages 22 to 29, being a special purpose financial report, are drawn up so as to present fairly the state of affairs of the DTC and the results of the DTC on that date in accordance with the basis of accounting described in Note 1;
- (c) the accounts of the DTC have been properly prepared and are in accordance with the books of account of the DTC; and
- (d) there are reasonable grounds to believe that the DTC will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution by the Management Committee.

Dated at Darwin on this third day of November 2008.



P Bradford
Treasurer



D FRIEDRICH
Chief Executive

Independent Auditor's Report to the Members of Darwin Turf Club Incorporated

We have audited the accompanying financial report, being a special purpose financial report, of Darwin Turf Club Inc, which comprises the balance sheet as at 30 June 2008, and the income statement and cash flow statement for the period 1 October 2007 to 30 June 2008, a summary of significant accounting policies, other explanatory notes and the statement by the Committee.

The Responsibility of the Committee for the Financial Report

The Committee of the Association are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial reporting requirements of the Associations Act and are appropriate to meet the needs of the members. The Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. These policies do not require the application of all Accounting Standards and other mandatory financial reporting requirements in Australia.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, 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 entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting requirements under the Associations Act. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

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 Australian professional accounting bodies.

Basis for Qualified Auditor's Opinion

As is common for organisations of this type, it is not practicable to establish an efficient system of internal control over all income prior to its initial entry in the accounting records. Accordingly my audit in relation to income was limited to amounts recorded.

Qualified Auditor's Opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been determined to be necessary had the limitation referred to in the preceding paragraph not existed, the financial report presents fairly, in all material respects, the financial position of Darwin Turf Club Inc as of 30 June 2008 and of its financial performance for the period 1 October 2007 to 30 June 2008 in accordance with the accounting policies described in Note 1 to the financial statements and the Associations Act.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to the income statement which indicates that the association incurred a net loss of \$1,092,929 during the period 1 October 2007 to 30 June 2008 and the balance sheet as at 30 June 2008 which shows that the association's current liabilities exceeded its total assets by \$1,297,220. As described in Note 1(d) the association is reliant on continued funding provided through Thoroughbred Racing NT Incorporated to continue as a going concern. As a result of these matters there is significant uncertainty whether the association will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the association not continue as a going concern.



Matthew Kennon
Merit Partners

DARWIN

Date: 6/11/2008

ANNUAL GENERAL MEETING
Notes

CARLTON DRAUGHT DARWIN CUP 2000m

1956 NT SATAN'S SON P McCracken
 1957 NT DAWN SHADOW A Meredith
 1958 NT BRIGHT GUN M Bray
 1959 NT WOOD V Oldfield
 1960 NT WOOD W Perks
 1961 NT WOOD W Perks
 1962 NT WOOD W Perks
 1963 NT HALF HOUR R Snelling
 1964 NT SANDBOY D Kelly
 1965 Qld DARING MAN R Snelling
 1966 NT BONTEENA R Caton
 1967 NT INCISIVE M Hanna
 1968 NT THE YANK A May
 1969 NT LITTLE RASCAL C Brown
 1970 NT RAY WIT'N Mifflin
 1971 NT APIAN A Meredith
 1972 NT SON OF CYRUS J Morrison
 1973 NT HEPBURN B Wakefield
 1974 NT CHATELL C Brown
 1975 NT LORD TINY M Hanna
 1976 NT LORD TINY G Lane
 1977 NT FINAL HOPE G Lane
 1978 NT VERNAL A Trevena
 1979 NT CHOSEN B Potter
 1980 NT NASTARSE J Courtney
 1981 NT THURSO C Brown
 1982 NT PLAIN MICK D Balfour
 1983 Qld KERR STREET K Ballard
 1984 Qld KERR STREET D Kolpin
 1985 NT RARE METAL R Lloyd
 1986 NT FLAUGH-A-BALLAGH R Kemp
 1987 NT SCARVILA R Lloyd
 1988 NT TEMPLEMAN G Hall
 1989 NT BRINNEY D Bates
 1990 NT LORD CHAMBERLAIN N Paine
 1991 Vic SILVER SHARK T Arnold
 1992 Vic CLAM'S COMET W Davis
 1993 NT INSTANT POLICY 2:01.40 D Beadman
 1994 NT LOTHAWAY COUNTY 2:02.74 S King
 1995 NT LOTHAWAY COUNTY 2:02.47 P Payne
 DEAD HEAT
 NT KINGSTON RESERVE 2:02.47 S Arnold
 1996 NT VENTILAGO 2:02.24 D Coffey
 1997 NT TUCKER BOX 2:03.58 K Dodge
 1998 NT BELLILE 2:01.70 C Williams
 1999 NT ON THE BEAM 2:04.18 P Denton
 2000 NT STAR BULLET 2:03.63 G Clarke
 2001 ACT MCJOEY 2:03.14 D Bates
 2002 NT BRAVE DECISION 2:02.10 N Paine
 2003 NSW WILD HEART 2:03.00 C Munce
 2004 NT MR TAMBOURINEMAN 2:02.26 J Hallam
 2005 NT LANSON 2:01.51 D Bates
 2006 SA NOZI 2:02.16 S Cahill
 2007 SA GENERAL MARKET 2:01.95 M Pegus
 2008 NT CLUB LIQUID 2:01.22 N Stanley

SCHWEPES PALMERSTON SPRINT 1200M

1976 NT DORMIE STAR G Lane
 1977 NT SCOUTMASTER N Bracken
 1978 NT POTATION V Colmer
 1979 NT MAHWONG A Trevena
 1980 NT STEP RIGHT UP C Brown
 1981 NT MAN THE LIGHT D Coffey
 1982 NT MR ZIESEL D Coffey
 1983 NT HE COULD BE P Denton
 1984 NT LE ROI SOLEIL D Bates
 1985 NT GAME WARDEN D Gauci
 DEAD HEAT
 NT MR MARS G White
 1986 NT GAME WARDEN D Gauci
 1987 NT IMA REALIST P Denton
 1988 Qld RED ROXY D Kolpin
 1989 NT LORD OF THE VALE B Huppertz
 1990 NT ROYAL SYDNEY G Lee
 1991 NT SQUIRE GRAY (NZ) 1:10.00 M Lockett
 1992 NT SQUIRE GRAY (NZ) 1:09.90 D Gauci
 34 1993 Qld MARGIN 1:10.10 K Russell

1994 NT THE UNIVERSE 1:10.52 P Hutchinson
 1995 WA KINGS RANSOM 1:09.81 G Cortes
 1996 NT TALLY HO 1:09.01 P Denton
 1997 NT TALLY HO 1:09.81 P Denton
 1998 NT RAZAMATAZ 1:08.70 S Brown
 1999 NT BOWLINE 1:10.23 B Sweeney
 2000 NT EIRE JESTER 1:08.74 S Burrows
 2001 NT EL COMBA 1:08.74 D Bates
 2002 NT RADICAL MOVER 1:08.37 D Bates
 2003 NSW TO BE FAIR 1:08.97 D Coffey
 2004 NT LORD HAROLD 1:08.96 J Hallam
 2005 NT CASHKALANI 1:08.65 P Denton
 2006 NT MUKAREENA 1:09.18 D Bates
 2007 NT JADF CITY 1:07.87 P Shiers
 2008 NT JADE CITY 1:08:97 P Shiers

MIX 1049 FM DARWIN GUINEAS 1600m

1981 NT KORAK 1:40.4 D Barron
 1982 NT LADY HOFFMAN 1:43.5 M Hanna
 1983 NT RADIANT RHYME 1:40.8 D Bates
 1984 NT OVERFLOWED NTT P Dobbe
 1985 NT BOLMAR (NZ) 1:41.8 B Halter
 1986 NT ROMANTIC SPIRIT 1:40.4 R Moseley
 1987 NT WAHED 1:40.9 K Smith
 1988 NT APPIAN WAY 1:40.3 D Bates
 1989 NT BRINNEY 1:40.0 D Bates
 1990 NT ROCKY AMBITION 1:41.3 M Henderson
 1991 NT GOLD YUM (NZ) 1:38.0 D Barron
 1992 NT HIGH TALAQ 1:37.8 P Hutchinson
 1993 NT KEN'S CHOICE 1:38.6 P Denton
 1994 NT DORIGHT 1:37.46 D Loy
 1995 NT JUCCENT 1:37.11 B Cornell
 1996 NT VENTILAGO 1:36.53 D Coffey
 1997 NT SARS 1:36.75 B Cornell
 1998 VIC DYNAMIC TYCOON 1:36.99 L Beer
 1999 NT NYSTROM 1:38.6 G Clarke
 2000 NSW SOUCH STREET 1:38.52 T Walsh
 2001 NT PASS THE VAS 1:38.45 D Bates
 2002 NT GREY DESERT 1:35.73 J Hallam (A)
 2003 NT EDGE TO EDGE 1:36.50 P Denton
 2004 NT DELWAY 1:36:15 P Shiers
 2005 NT SANDOVER 1:35:38 B Huppertz
 2006 NT CARYGRANITE 1:36.21 P Shiers
 2007 SA BRAD STAR 1:34.89 P Shiers
 2008 SA HE'S HERE 1:36.97 P Shiers

SKY CITY NT DERBY 2000m

1981 NT KORAK 2:06.7 D Barron
 1982 NT CINDERS REALM 2:12.3 T Pyers
 1983 NT RADIANT RHYME 2:08.0 D Bates
 1984 NT EVENING KING 2:07.9 B Potter
 1985 NT BROTHERLY (NZ) 2:09.0 R Lloyd
 1986 NT SCARVILA 2:08.9 R Lloyd
 1987 NT MR MOET (NZ) 2:09.9 R Lloyd
 1988 NSW HIT AGAIN BENNY 2:05.7 T Pike
 DEAD HEAT
 SA IMPERIAL SURF 2:05.7 R Pietsch
 1989 NT BRINNEY 2:07.0 D Bates
 1990 NT LORD CHAMBERLAIN (NZ) 2:05.5 N Paine
 1991 NT GOLD YUM (NZ) 2:05.9 D Barron
 1992 NT HIGH TALAQ 2:03.6 P Hutchinson
 1993 Vic KILLINEY 2:03.5 P Hutchinson
 1994 NT DORIGHT 2:03.98 D Loy
 1995 NT DESTINED (NZ) 2:03.05 R Jolly
 1996 NT VENTILAGO 2:02.98 D Coffey
 1997 NT ROCKET FLIGHT 2:04.55 P Denton
 1998 VIC DYNAMIC TYCOON 2:03.39 L Beer
 1999 NT DANCING APOLLO 2:06.9 T Norton
 2000 NT BROOKLYN BULLET 2:05.15 A Groves
 2001 NT PRINCE DUBAI 2:05.00 C Lever
 2002 SA YOUNG CHALLENGER 2:02.03 C Lever
 2003 NT TJII.PI 2:04.32 D Coffey
 2004 NT NOT ABANDONED 2:04.98 J Hallam (A)
 2005 SA PATARCHIE 2:02.58 D Coffey
 2006 SA BAD BOYS 2:02.90 M Heagney
 2007 SA BRAD STAR 2:01.89 P Shiers
 2008 NT PROTESTA 2:03.09 K Gladwin

Track Record Holders

Distance	Time	Horse	Date
900m	51.33	Term	16/07/2003
1000m	56.1	Lord Harold	10/07/2004
1100m	01:02.2	Little Uma	2/07/2005
1200m	01:07.4	Jade City	9/06/2007
1300m	01:13.7	Jade City	30/06/2007
1500m	01:29.1	Hi Tail	29/06/2002
1600m	01:34.9	Brad Star	7/07/2007
1800m	01:49.3	Kingston Reserve	22/07/1995
1900m	01:54.4	Brave Decision	20/07/2002
2000m	02:01.22	Club Liquid	4/08/2008

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DARWIN RACING

Darwin Turf Club Incorporated
81 Playford Street, Fannie Bay NT
ABN: 21 373066 193

Darwin Turf Club Inc.

Business Plan

Prepared: November 2011

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Business Plan Summary

The Business

Business name: Darwin Turf Club Incorporated

Business structure: Incorporated Body

ABN: 21 373066 193

Business location: Fannie Bay Race Course, Dick Ward Drive, Fannie Bay

Date incorporated under the Associations Act: 01st June 1958

Products / Services: Thoroughbred Racing, Event Management and Entertainment which also incorporate Wagering and Food and Beverage operations.

The Market

Target markets:

RACING, WAGERING and CARNIVAL

- Members
- Industry Clubs and Associations
- Non-Industry Clubs and Associations
- Corporate Partners and Sponsors
- Corporate Wagering Companies
- Racing Enthusiast
- Local and National Spectators

EVENTS and FUNCTIONS

- Members
- Clubs and Associations
- Government
- Conference and Event Managers
- Corporate Partners and Sponsors
- Charities
- Schools, Colleges and Universities
- Individuals sourcing venues

Marketing strategy:

Darwin Racing's marketing strategy is aligned with its Vision and Mission Statements and is fully detailed later in the "The Market" section of this Business Plan.

The Future

Vision statement:

Maintain the Darwin Turf Club as a leader in thoroughbred racing, event management and entertainment.

Mission Statement:

Through our people we will;

- Continually develop Darwin Turf Club as the Northern Territory's premium racing and preferred event and entertainment venue all year round.
- Focus on the continued growth and success of the Darwin Cup Carnival.
- Ensure we provide the best facilities, highest quality service and value for our Members, Partners, Customers and the Community while maximising the financial returns from our racing and events for the benefit of the Club, its Members, the Racing Industry and Partners.
- Be mindful at all times of the importance of the economic sustainability benefits to the Community in all our business planning.

The Finances

Financial objectives

Our key financial objectives are;

- To increase our sales
- To increase our profits
- To reduce our operational costs
- To reduce our debts

To achieve a positive cash flow.

The Business

Business details

Products / services: Thoroughbred Racing, Event Management and Entertainment which also incorporate Wagering and Food and Beverage operations.

Registration details

Business name: Darwin Turf Club Incorporated

Trading name: Darwin Turf Club Incorporated

Date incorporated under the Associations Act: 01st June 1958

Situated at: Dick Ward Drive, Fannie Bay Northern Territory 0820

Business structure: Incorporated Body

ABN: 21 373066 193

GST: Darwin Turf Club Incorporated is exempt from GST

Domain names: www.darwinturfclub.org.au

Licences, Permits, Registered Trade / Business Names / Trade Marks / Designs:

- Incorporation of an Association
- Racecourse Licence
- Registered Business Name "Darwin Cup Carnival Gala Ball"
- Registered Business Name "Darwin Cup"
- Liquor Licence
- Tobacco Retail Licence
- Registration as a Food Business

Business premises

Business location:

The Darwin Turf Club is located at Fannie Bay Racecourse, Lot 5298, Dick Ward Drive, Fannie Bay Northern Territory 0820.

Detail maps of the Darwin Turf Club are on the following pages (Figures 1, 2 and 3.).

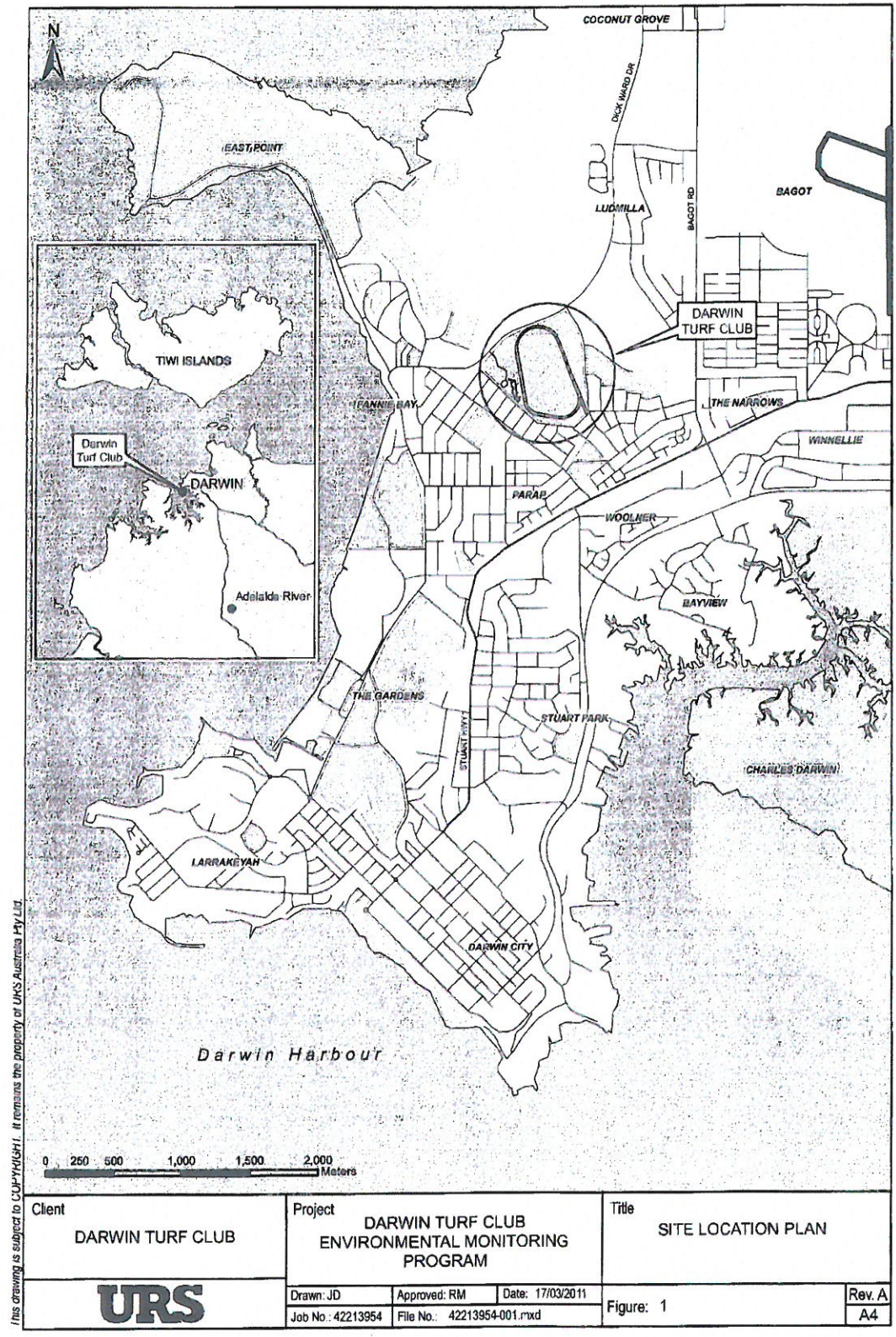


Figure 1: Darwin Turf Club Map No. 1

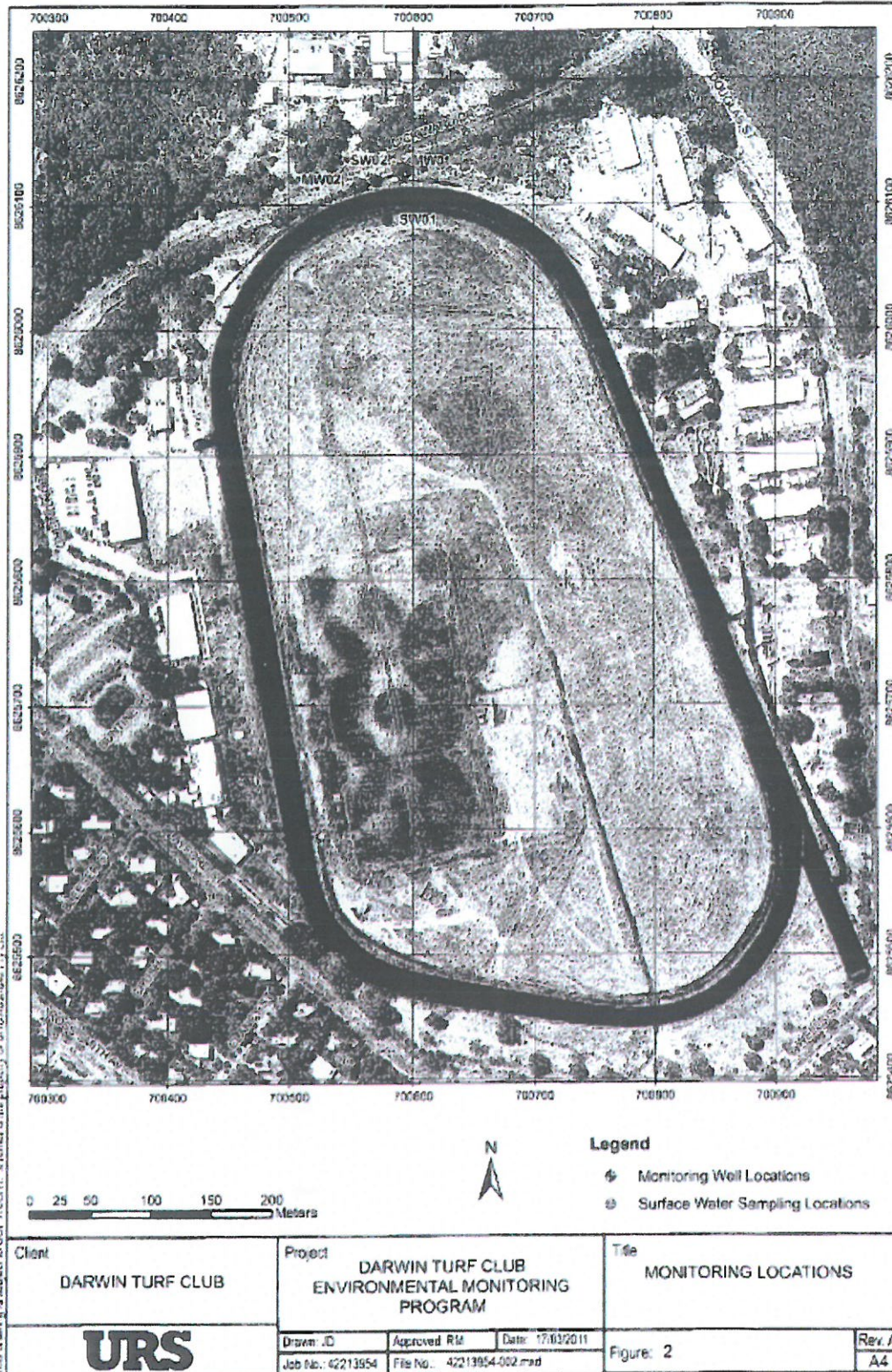


Figure 2: Darwin Turf Club Map No. 2

Darwin Turf Club Map

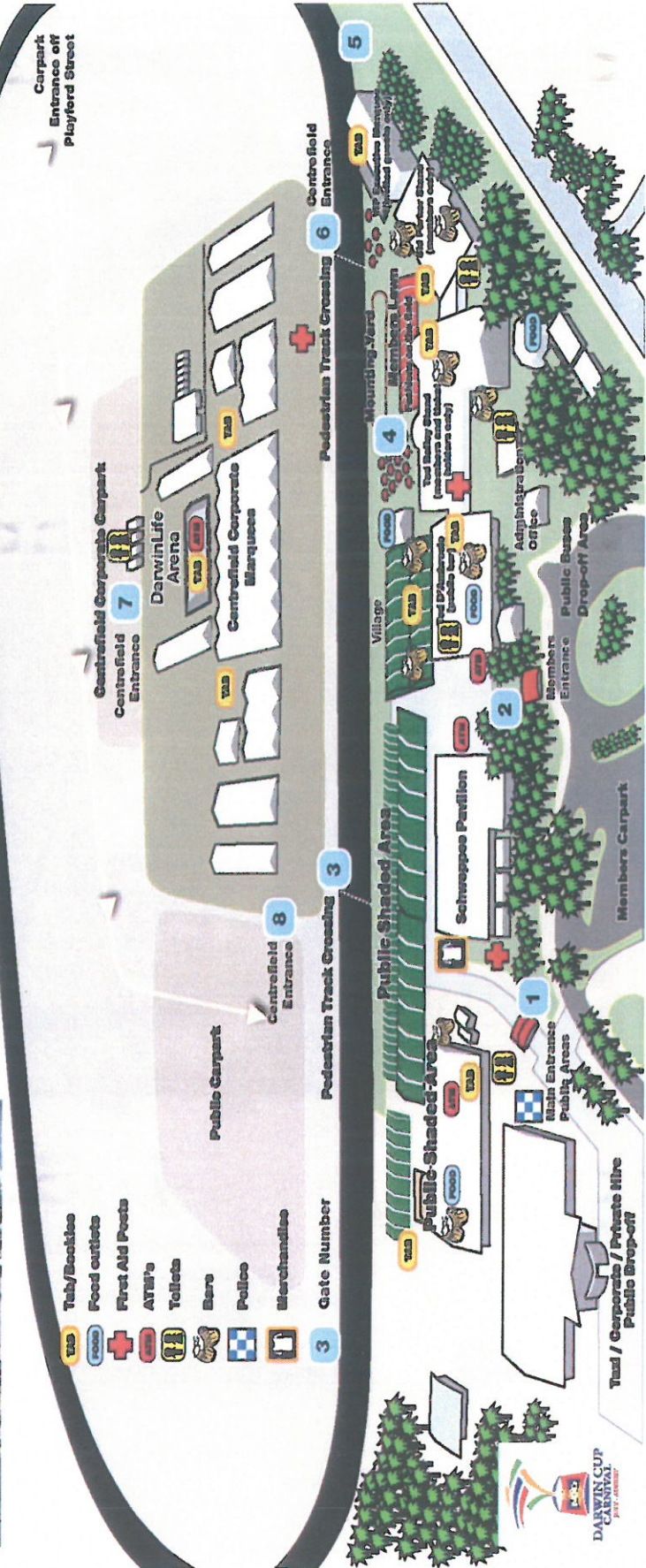


Figure 3: Darwin Turf Club Carnival Map

Organisation Chart

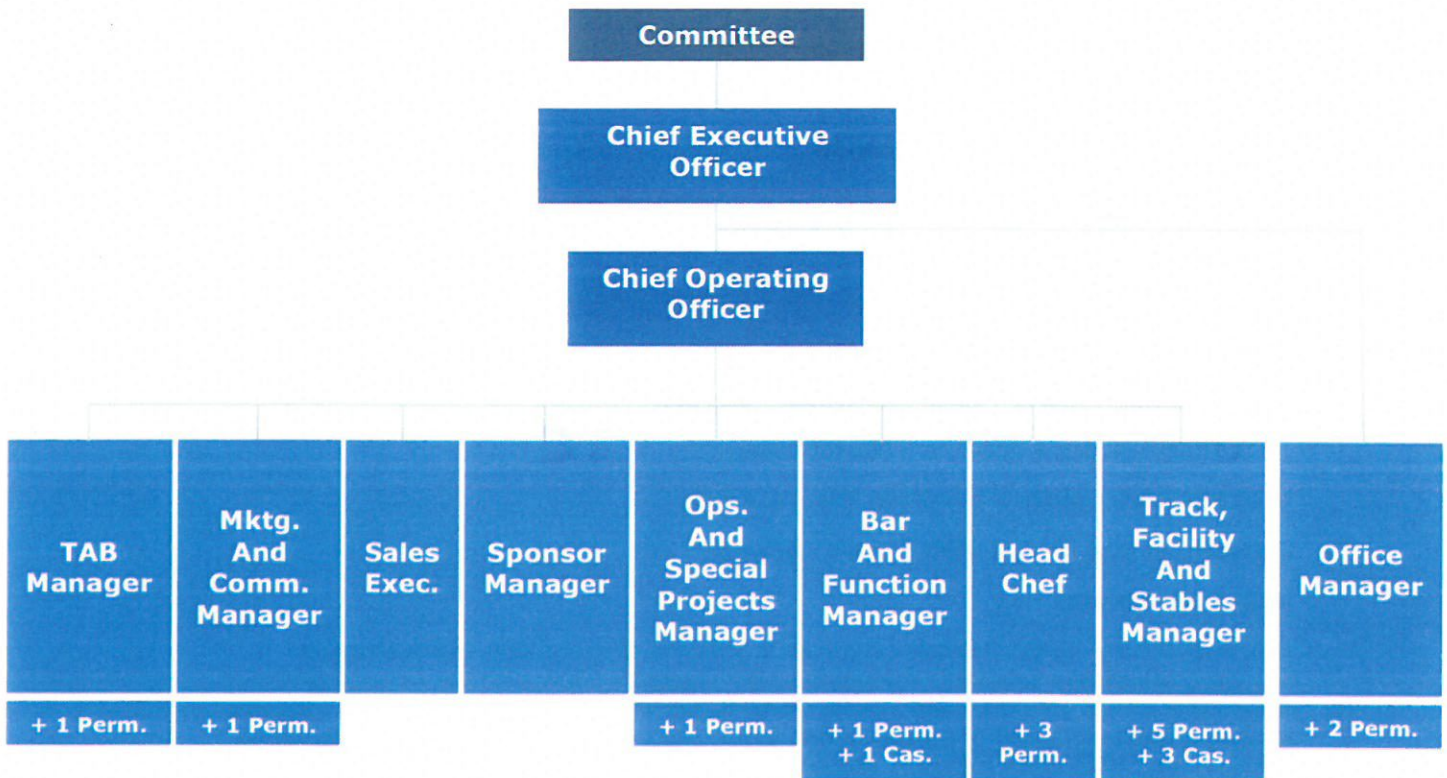


Figure 4: Darwin Turf Club Organisation Chart.

Committee



Figure 5: Darwin Turf Club Committee Chart.

Insurance

Workers compensation:

This is mandatory if we have employees. Estimated Wages - \$2,776,429.

Public and Products Liability Insurance:

Limit of Liability - \$20 Million. Excess - \$1,000 for property damage claims

Machinery Breakdown Insurance:

All machinery at the situation. Limit of any one loss \$20,000. Excess - \$500.

Motor Vehicle Insurance:

1996 Mitsubishi Utility - Market Value

2006 Mitsubishi Colt Sedan - Market Value

2009 John Deere 5083E Tractor and Loader - \$63,000

1999 Nissan Navara 4 Door Ute - Market Value

1998 Mitsubishi Fighter 3 Tonne Flat Top - \$14,000

Unregistered New Holland 6640 Tractor - \$25,000

Business assets:

Industrial Special Risks. All real and personal property of every kind and description (except a specifically excluded) belonging to the Insured or for which the Insured is responsible or has assumed responsibility prior to the occurrence of any damage, including all such property in which the Insured may acquire an insurable interest during the period of insurance. EXCLUDES FLOOD - INCLUDES STORM SURGE. Limit of liability \$20,215,000. Refer to full details of coverage, Liability Limits, Sub-Limits and excesses in the policy.

Management Liability Insurance:

Insurance Class - Directors and Officers. Covers multiple Sub Limits, Extensions and deductibles fully detailed in the Policy Document.

Operations

Production Groups

- Thoroughbred Racing
- Wagering
- Events
- Functions
- Entertainment
- Tenancy

Suppliers

- Owners
- Trainers
- Jockeys
- Associated Stable Staff
- Tenants
- Exclusive Suppliers
- Contract Suppliers
- Various Contractors As Required

Asset Register

The Darwin Turf Club Asset Register is held up to date as at 31st October 2011.

As this is a large document it has been included at Appendix 1 in the Supporting Documents at the end of this Business Plan.

The Market

Market research

Horse racing in Australia first began during the early years of settlement and is now one of the three top Thoroughbred racing nations in the world. Racing was well established in and around Sydney by 1810, with the first official race meet taking place at Hyde Park in October that year.

Darwin Turf Club has a total racecourse circumference of 1,780 metres and a home straight length of 340 metres. The track is unique to others in Australia as it is made from sand mixed with a treated oil substance, as opposed to the traditional turf overlay.

Darwin Turf Club is famous for the running of the annual Darwin Cup, which is held at the track on the first Monday in August. The first Darwin Cup was run in 1956 when the club was allocated record post-war prize money of £235 for their six feature races. Just four horses ran in the inaugural Darwin Cup.

Market targets

RACING

- Members
- Industry clubs and associations
- Non Industry clubs and associations
- Corporate Partners, Sponsors and Corporate Wagering Companies
- Racing Enthusiast
- Local and National Spectators

CARNIVAL

- Members
- Industry clubs and associations
- Non Industry Clubs and Associations
- Corporate Partners and Sponsors
- Racing Enthusiast
- Local and National Spectators

EVENTS

- Members
- Clubs and Associations
- Government
- Conference and Event Managers
- Corporate Partners and Sponsors
- Charities
- Schools, Colleges and Universities
- Individuals sourcing venues

Marketing strategy:

Darwin Racing will be the market leader in Thoroughbred racing, event management and entertainment in our region establishing a centre of performance excellence for current and future participants and stakeholders.

This will be achieved by:

- Growing participation in membership, sponsorship and public attendance by providing exciting entertainment options for a broad audience in conjunction with outstanding service levels
- Maximising the return on assets and resources of the Club to enable reinvestment in growth strategies for the benefit of stakeholders
- Developing new and exciting race programming, wagering, marketing, promotions, food service products and corporate events
- Tackling future strategic issues of significance, to enable profitable medium and long term development of the business

The strategy is to recruit new racegoers, principally from the 25-50 year old age group, to retain the loyalty of existing racegoers and to promote social and occasional racegoers to become regular attendees.

The strategy also incorporates the development of new events outside of the racing calendar and builds relationship with corporate partners to bring their events to the Darwin Turf Club.

The range of activities engaged in will consists principally of:

- Advertising
- Public Relations
- Database Management
- Direct Marketing
- Design and Print
- Event Creation and Management
- Market Research
- Sponsorship Sales Support
- Group Sales and Ticketing Support
- Website and E-marketing Campaigns
- Social Media
- Racecourse Marketing Support Publications

Market targets in detail.

RACING

Membership

2011 OUTCOMES -	Members	Numbers as at 09 November 2011	Numbers as at 22 October 2010
	Full	286	302
	Senior	206	195
	Single	26	25
	Social	59	49
	Corporate	34	36
	Colts and Fillies	24	49
	SUB TOTAL	635	656
	Membership for Life	45	42
	Honorary	34	32
	Life (Awarded)	7	6
	SUB TOTAL	86	73
	TOTAL	721	729

STRATEGIES

- Develop a loyalty program for all memberships
- Special offers to members
- New marketing strategy for attracting 'young' members (Colts and Fillies) – Refer to details contained at Appendix 2 in the Supporting Documentation at the end of this Business Plan
- More social function for members
- Improve member facilities
- Annual international horse racing tour for members
- Increase communication by regularity and methods

Industry Clubs and Associations

ROANT

Bernborough Club

Carbine Club

WTRNT

Darwin Dressage Club

STRATEGIES

- Build stronger relationship with new and existing partners
- Offer facilities at discounted rates
- Offer attractive benefits
- Support industry partners

Non Industry Clubs and Associations

STRATEGIES

- Build stronger relationship with new and existing
- Increase awareness of Darwin Turf Club facilities
- Be price competitive
- Offer money cant buy experiences
- Build stronger relationship with existing suppliers

Corporate Partners and Sponsors

STRATEGIES

- Build stronger relationship with new and existing
- Increase awareness of Darwin Turf Club facilities
- Offer money cant buy experiences
- Develop innovative branding opportunities
- Develop leveraging opportunities
- Develop theme concepts to assist with identifying target groups
- Attend more networking and industry functions

Racing Enthusiast

Race horse owners

Punters

Trainers and Jockeys

STRATEGIES

- Local marketing campaign
- Increase communication
- Upgrade stable and track facilities
- Increase stakes
- Upgrading betting facilities
- 'Owners Gold Card' – Refer to details contained at Appendix 3 in the Supporting Documentation at the end of this Business Plan

Local and National Spectators

Families

25 – 50, male and female

Event goers

Sports enthusiasts

Visitors to Darwin

STRATEGIES

- New Local marketing campaign
- Develop social media
- Simplify ticketing purchase systems
- Theming race days
- Develop social packages
- Increase exposure to the drive market
- Develop marketing campaigns with call to actions specific to industry groups

CARNIVAL

Non Industry Clubs and Associations

STRATEGIES

- Build stronger relationship with new and existing
- Increase awareness of the Carnival
- Offer exclusive areas for private functions
- Discount ticketing for group bookings

Corporate Partners and Sponsors

STRATEGIES

- Build stronger relationship with new and existing
- Increase awareness of the Carnival
- Offer money cant buy experiences
- Develop innovative branding opportunities
- Develop leveraging opportunities
- Improve Centerfield facilities and catering options
- Personal sales calls
- Detailed proposals with lots of graphics/images
- Competitive sponsorship packages
- Participate in Capital city tour with NT Convention Bureau

Racing Enthusiast

Race horse owners

Punters

Trainers and Jockeys

Industry clubs and associations

STRATEGIES

- National marketing campaign
- Increase communication
- Upgrade stable and track facilities
- Increase stakes
- Upgrading betting facilities
- Build stronger relationship with new and existing industry participants
- Tried Horse Sale at the start of Carnival
- Increase TAB and book maker facilities

Local and National Spectators

Families

25 – 50, male and female

Event goers

Sports enthusiasts

Visitors to Darwin

STRATEGIES

- New Local and National marketing campaign
- Develop social media
- Simplify ticketing purchase systems
- Develop new events
- Increasing profile of horse and jockeys at the event
- Carnival Magazine distributed in March
- High profile entertainment on course
- Build profile of Fashion on the Field
- Employ Ambassador early in the year – increase local exposure thru activities
- Providing an outstanding racing product
- Leveraging promotional activity and branding to the broader community
- Packaging ticketing with travel wholesalers
- Launch carnival ticketing at the Darwin Life Home Expo – 28 April 2012

EVENTS

TARGET MARKET

- Members
- Clubs and Associations
- Government
- Conference and Event Managers
- Corporate Partners and Sponsors
- Charities
- Schools and Colleges
- Individuals sourcing venues

STRATEGIES

- Offer special rates to member for functions
 - Birthday deals for members
 - Develop packages that are price competitive
 - Develop marketing campaign specific to events
 - Create an outstanding reputation in function & event services
 - Build relationship with Tourism NTCB to promote DTC
 - Profile the differences and advantages (unique selling points) of the venue
- Change mindset of weakness that may be in market place i.e.: location from CBD

Our customers

Customer demographics

- Mainstream sport audiences and consumers
- Traditional and new generation punters
- Major Event social race goers
- Increase portion of women
- Increase proportion of 18 – 35 year olds
- Domestic and international racing tourists
- Horse lovers and equine horse participants

Key customers

Racing Enthusiasts

- Improve membership benefits and privileges
- Improve facilities
- Enhance on course experience and hospitality

Horse Owners

- Improve ownership benefits and privileges
- Commitment to increase returns and lower costs
- Enhance stable and on course experience

Racing professionals

- Improve viability for industry participants
- Maintain close working relationships

Community

- Creating jobs and opportunities
- Develop other events outside of racing
- Maintain, develop and construct new multi-use community facilities

Government

- Provide clear and concise communication

Business / Sponsors

- Attractive partnership agreements
- Relationship development

Wagering professionals

- Provide suitable areas to conduct their business
- Advertising and branding opportunities

Tenants

- Provide suitable areas to conduct their business
- Maintenance of tenancies
- Competitive rental rates

Customer management

Our customer incorporates Racing Enthusiast, Owners, Racing Professionals, Community, Government, Business, Waging Professionals and Tenants.

We endeavour to maintain good relationships by:

- Regular contact
- Feed back forms
- Enhancing their experience
- Deliver on contractual agreements
- Exceeding their expectations
- Training staff on standard operating procedures
- Developing social media strategy
- Provide personalise and professional service
- Consistency in product
- Ensuring staff operate as a team
- Maintaining facilities
- Attending networking events off site
- Supporting other events and charities
- Flexibility on pricing and conditions
- Provide regular communication
- Complying with Government regulations
- Providing safe environment



S.W.O.T. analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • Strong major event brand recognition • Long established history • Only race course in Darwin • Long term Members • Best weather in Australia for Carnival time • Racing at all times of the year • Branding nation wide through SKY Racing • Socialising and fashion • Scope of interaction with other Clubs nationally and internationally is broad • Association with Touch Football • Schweppes Pavilion & other function areas, not solely relying on horse racing • Brett Dixon House income stream – rent and catering • Qantas DTC Gala Ball recognised as the biggest outdoor event in the Southern Hemisphere • Relationships with our key stakeholders • Various venue areas to sell • Free car parking • Easily accessible from airport and CBD • In-house catering 	<ul style="list-style-type: none"> • Database information is incomplete and not kept up-to-date through loss of staff over the years • Lack of resources throughout Carnival • Lack of knowledge about our customers • Aging fan base & industry participants • Low participation by members outside of Carnival • Perceived cost of owning a racehorse • Race times • Lack of innovation • Lack of own equipment • Kitchen facilities not of standard • Location of kitchen facilities • Lack of staff availability • Lack of qualified and professional staff • Restrictions to email communications through RISA • Relationship with industry participants • Balance sheet limitations ROI • Operational inefficiencies – back packer staff • Aging of facilities • Staff retention due to non consistency of functions • Pricing of functions



Opportunities

- Better use of current info technology
- Access to Social media
- Use of new technology for e-marketing (e.g.: Exact Target)
- Possibility of National Marketing Strategy, united approach
- Community involvement
- Learn more about customers
- Attracting the International market
- Increase profile in the Events & Function market
- More stables for additional interstate horses and trainers
- Building relationships with other Turf Clubs, Nationally and Internationally
- Use of Centerfield for other sporting event, outdoor events such as the Cinema and festivals
- Schweppes Pavilion versatility

Threats

- Public perception of gambling activities
- Animal welfare
- Horse health, threat of disease
- Bad reputation, Darwin is a small town & everyone knows everything about everyone
- Losing tenants in Brett Dixon House
- Changes to Government gaming regulations
- Lack of skill staff – e.g.: chefs
- Lack of trainers and horses
- Event cancellation due to unforeseen circumstances
- Economic downturn
- EPA – oil track restrictions
- Not well maintained facilities
- Change in regulatory environment



Our competitors

Competitor details, their perceived Risk, Strengths and Weaknesses

Competitor	Risk	Strengths	Weaknesses
AFL away games	Medium	Strong AFL influence in the community. Highly anticipated.	Male orientated. Lack of understanding of the sport to general public not brought up with AFL.
Royal Darwin Show	Low	Family fun day, variety of activities.	High cost for families. Location of event.
V8 Supercars	Medium	National event, massive following, extensive media exposure, family marketing focus, high profile entertainment. Good corporate entertainment. Free bus transfers.	Cost, not everyone is keen on motor sport, noise, dusty.
Online betting	High	Don't need to leave home. Easy access, convenience	Non social. Not tangible betting
Sports bars with Sky Racing	Medium	No entry costs, pub atmosphere, no dress codes, other entertainment, location convenience	No live racing. Hard to hear over other activities, no bookies, no glamour.
Greek Glenti	Medium	No entry fee, family orientated, various entertainment options, not expensive f&B	Lack of car parking, not suitable for corporate entertaining
Other venues	High	Purpose built for events, infrastructure, length of time of establishment, repeat clientele, other facilities attached: e.g. accommodation, gambling and dining	Lack of car parking, privacy, other competing venues in close proximity. Inflexible terms and conditions, limited space.



Marketing & Sales

Each of the following Marketing and Sales items are fully detailed in the "Marketing – Timeline 2012" document at Appendix 4 in the Supporting Documentation at the end of this Business Plan.

- **Marketing / Advertising and Promotional Strategy**
- **Marketing and Sales objectives**
- **Unique marketing and selling position**
- **Marketing, Sales and Distribution Channels**



The Future

Vision statement

Maintain the Darwin Turf Club as a leader in thoroughbred racing, event management and entertainment.

Mission statement

Through our people we will;

- Continually develop Darwin Turf Club as the Northern Territory's premium racing and preferred event and entertainment venue all year round.
- Focus on the continued growth and success of the Darwin Cup Carnival.
- Ensure we provide the best facilities, highest quality service and value for our Members, Partners, Customers and the Community while maximising the financial returns from our racing and events for the benefit of the Club, its Members, the Racing Industry and Partners.
- Be mindful at all times of the importance of the economic sustainability benefits to the Community in all our business planning.

Future Development Projects and Repairs and Maintenance

The proposed Future Development Projects and Repairs and Maintenance are respectively embraced in long and short term goals. While Future Development Projects embrace the growth and improvement of the Darwin Turf Club the Repairs and Maintenance program is critical in maintaining the Club's facilities to the highest possible standards.

Future Development Projects would ideally occur in a three to five year time frame and their capital expenditure would be sought through TRNT Capital Works funding applications.

Repairs and Maintenance would ideally occur in a one to three year time frame and their capital expenditure would be sought through DTC Operational funding.



Action plan

Future Development Projects	Date of expected completion	Estimated Cost
Visiting Trainers Stables	2011 / 2012	\$697,000
Committee Room Stairs	1H 2012	\$11,000 (approved \$11k 2011)
Upgrade Power and Water to Bevan Halter Avenue Stables	1H 2012	\$90,000 (approved \$90k 2011)
New Handicap Toilet Demountable Block at Pavilion	2H 2012	\$100,000
Lights for Track work (OH & S)	2H 2012	\$150,000 (approved \$50k 2011)
Race Day Horse Stalls	2H 2012	\$250,000
Replace Dick Leach Stable	2013	\$500,000
Upgrade to Silks and Saddles Bar	2013	\$250,000
Centre Field Permanent Toilets, Showers and Cool Room	2013	\$400,000
Underpasses at 200m and 1,000m	2013	\$2,000,000
Replace Garry Clarke Stable	2014	\$450,000
Replace Louis Paech Stable	2014	\$475,000
New Stable Block Between Clarke and Trengrove	2014	\$500,000
Trot and Canter Track	2014	\$25,000
Lights for Race Track	2014 / 2015	\$6,000,000
Synthetic Race Track and Removal of Existing Track	2014 / 2015	\$16,000,000



Repairs and Maintenance	Date of expected completion	Estimated Cost
Pavilion		
- Upgrade to kitchen preparation area	2012	\$25,000
- Upgrade to external electricity and plumbing	2012	\$75,000
Executive Marquee Removable Kitchen Floor and Permanent Electricity Box	2012	\$25,000
Replace Mark Rattley Stable Roof and Feed Room	2012	\$15,000
Ice Making Machine in the Grand Stand	2012	\$8,000
Two Motor Vehicles for Facilities (Ute & ATV at \$15k each))	2012	\$30,000
Computers and IT Equipment	2012	\$8,000
Two Way Radios (25 at \$200 each)	2012	\$5,000
Chubb Security Camera Upgrade and Safe Relocation	2012	\$15,000
Furniture (Tables, Tablecloths, Chair Covers, Pavilion Wall and Dance Floor)	2012	\$15,000
Trailer for Facilities	2012	\$10,000
Minor Facilities and Various Department Equipment	2012	\$10,000
Grand Stand Kitchen Upgrade	2013	\$60,000
TV replacements for digital conversion (Various Locations on Course)	2013	\$15,000
Replace exterior cool room doors outside Ted's Bar	2013	\$5,000



The Finances

Key objectives and financial review

Financial objectives

Our key financial objectives are;

- To increase our sales
- To increase our profits
- To reduce our operational costs
- To reduce our debts
- To achieve a positive cash flow



Finance required

Funding Reconciliation for Financial Year 2012.

2012	Profit and Loss	\$ 331,000
add	Depreciation	\$ 675,000
	Total DTC Cash	\$ 1,006,000
less	TRNT Operational Funding	\$ (500,000)
less	TRNT Capital Funding	\$ (601,000)
	Total DTC Operational Cash	\$ (95,000)
less	Loan Repayments and Int.	\$ (403,000)
less	TRNT Loan Repayment	\$ (200,000)
less	DTC Self Funded Cap. Ex.	\$ (241,000)
	Total DTC Operational Funding Requirement	\$ (939,000)
add	2012 TRNT Operational Funding	\$ 500,000
less	Opening 2012 Cash Deficit	\$ (645,000)
	Total Closing DTC Cash Position	\$ (1,084,000)
	Note: Model Figure due to payment timing	\$ (1,005,000)



Assumptions

The financial tables on the subsequent pages are based on the assumptions listed below:

- 2012 Budget Model is based on the 2011 actual Revenues and Expenditures from January through October and estimated Revenue and Expenditures November and December.
- 2012 opening balances in the Balance Sheet are based on the October forecast model as at December 31st, 2011.
- This 2012 Budget Model only includes \$500,000 of Operational Funding from TRNT.
- This 2012 Budget Model only includes \$601,000 of Capital Works Funding from TRNT, excluding the new Visiting Trainers Stables which are assumed to be completed and spent prior to December 31st, 2011.
- We have assumed that there are no CPI increases to these costs and no interest rate changes to our current lending facilities.



DARWIN TURF CLUB

**BUDGET BALANCE SHEET 2012
Using October 2011 Forecast**

	2010 June	Jan-12 Budget	Feb-12 Budget	Mar-12 Budget	Apr-12 Budget	May-12 Budget	Jun-12 Budget	Jul-12 Budget	Aug-12 Budget	Sep-12 Budget	Oct-12 Budget	Nov-12 Budget	Dec-12 Budget
CURRENT ASSETS													
Cash & Short Term Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0
Debtors	52,708	36,062	76,200	(5,322)	(634,706)	(1,030,439)	(687,378)	71,403	433,201	54,249	62,961	(15,859)	(22,792)
Product Stocks & WIP	190,268	190,268	190,268	190,268	190,268	190,268	190,268	190,268	190,268	190,268	190,268	190,268	190,268
Other	5,365	5,365	5,365	5,365	5,365	5,365	5,365	5,365	5,365	5,365	5,365	5,365	5,365
Prepayments	49,142	38,577	27,964	13,443	2,831	(8,299)	114,073	102,944	91,737	80,608	69,995	58,789	47,590
Total Current Assets	297,502	270,291	299,817	203,774	(336,223)	(843,066)	(357,652)	370,000	725,591	330,510	328,608	238,583	220,441
NON-CURRENT ASSETS													
Fixed Assets	16,869,020	16,970,020	16,985,020	16,995,020	16,995,020	16,965,020	17,107,020	17,159,020	17,184,020	17,484,020	17,661,020	17,711,020	17,711,020
Accumulated Depreciation	(4,853,781)	(4,921,466)	(4,979,151)	(5,035,836)	(5,094,521)	(5,152,205)	(5,209,890)	(5,267,575)	(5,325,260)	(5,382,945)	(5,440,630)	(5,490,630)	(5,540,630)
WDV Fixed Assets	12,005,239	12,048,554	12,005,869	11,948,184	11,890,499	11,832,814	11,897,129	11,891,445	11,868,760	12,101,075	12,220,390	12,220,390	12,170,390
Total Non-Current Assets	12,005,239	12,048,554	12,005,869	11,948,184	11,890,499	11,832,814	11,897,129	11,891,445	11,868,760	12,101,075	12,220,390	12,220,390	12,170,390
TOTAL ASSETS	12,302,741	12,318,845	12,305,686	12,151,958	11,554,276	10,969,729	11,539,477	12,261,444	12,694,350	12,431,584	12,548,999	12,458,973	12,390,831
CURRENT LIABILITIES													
Bank Overdraft	(645,900)	(779,314)	(988,456)	(884,917)	(456,566)	(100,131)	(76,595)	(548,851)	(292,365)	(351,111)	(564,762)	(689,465)	(1,005,644)
Loans & Lease Liabilities	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	(200,000)	0	0	0	0	0	0	0
Creditors	(371,495)	(371,495)	(371,495)	(371,495)	(371,495)	(371,495)	(371,495)	(371,495)	(371,495)	(371,495)	(371,495)	(371,495)	(371,495)
Provisions & Employee Entitlements	(163,853)	(163,853)	(163,853)	(163,853)	(163,853)	(163,853)	(163,853)	(163,853)	(163,853)	(163,853)	(163,853)	(163,853)	(163,853)
Total Current Liabilities	(1,381,247)	(1,514,662)	(1,703,804)	(1,620,265)	(1,191,904)	(835,479)	(611,943)	(1,083,999)	(627,713)	(886,459)	(1,100,110)	(1,224,814)	(1,540,992)
NON-CURRENT LIABILITIES													
Loans & Lease Liabilities	(3,874,493)	(3,841,993)	(3,809,493)	(3,776,993)	(3,744,493)	(3,710,293)	(3,676,093)	(3,641,893)	(3,607,693)	(3,573,493)	(3,539,293)	(3,505,093)	(3,470,893)
Total Non-Current Liabilities	(3,874,493)	(3,841,993)	(3,809,493)	(3,776,993)	(3,744,493)	(3,710,293)	(3,676,093)	(3,641,893)	(3,607,693)	(3,573,493)	(3,539,293)	(3,505,093)	(3,470,893)
TOTAL LIABILITIES	(5,255,740)	(5,356,655)	(5,513,297)	(5,397,258)	(4,936,397)	(4,545,772)	(4,288,036)	(4,725,892)	(4,435,406)	(4,459,952)	(4,639,402)	(4,729,907)	(5,011,885)
NET ASSETS	7,047,001	6,962,191	6,792,389	6,754,700	6,617,879	6,443,957	7,251,441	7,535,552	8,148,945	7,971,633	7,909,596	7,729,067	7,378,946
MEMBERS EQUITY													
Reserves	5,883	5,883	5,883	5,883	5,883	5,883	5,883	5,883	5,883	5,883	5,883	5,883	5,883
Retained (Profits)/Losses	7,041,117	6,956,307	6,786,505	6,748,816	6,611,995	6,439,073	7,245,557	7,529,668	8,143,061	7,965,749	7,903,712	7,723,183	7,373,062
Total Members Funds	7,047,000	6,962,190	6,792,388	6,754,699	6,617,878	6,443,956	7,251,440	7,535,551	8,148,944	7,971,631	7,909,595	7,729,065	7,378,945



DARWIN TURF CLUB
BUDGET PROFIT & LOSS STATEMENT 2012
 Using October 2011 Forecast

DRAFT

	2011												2012	
	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Budget	Forecast
REVENUE														
Racemaking Income	2,385,751	49,612	181,728	101,125	115,259	947,566	361,199	788,756	126,504	112,559	81,172	79,630	3,016,921	
Racing Income	270,111	20,930	9,475	18,749	8,450	17,718	107,016	33,380	9,957	8,227	11,200	7,000	270,111	
Grants	568,182	0	0	0	0	0	0	500,000	0	0	0	0	500,000	
Operational Capital Works	237,171	0	0	0	0	0	0	0	275,000	175,000	50,000	0	601,000	
Other Racing	82,741	0	0	0	0	0	0	0	3,741	0	0	0	3,741	
Resident Corporate Bookmakers	764,361	52,026	65,358	65,469	65,358	65,358	65,358	68,584	66,971	66,971	65,449	65,449	764,361	
Douglas Stables Complex	476,856	59,727	27,315	35,794	33,799	52,357	97,937	46,511	31,514	30,623	29,424	23,390	476,856	
Fuel/Bus Hire/Sign	112,538	1,518	534	229	5,252	25,210	13,671	26,321	725	16,301	9,221	12,254	112,538	
Other Rental	11,257	0	0	11,257	0	0	0	0	0	0	0	0	11,257	
Colts & Fillies	2,082	0	0	1,555	432	1,018	477	0	0	0	0	0	2,082	
Membership	236,621	204	175	34,866	49,447	51,491	33,827	236	18	1,368	0	0	236,621	
Sundry Income	60,795	206	44	412	555	253	37,658	3,536	17,503	62	112	244	60,795	
TOTAL SALES	5,709,695	183,194	264,627	268,037	278,552	1,161,172	716,174	1,467,323	531,631	411,113	246,578	187,968	6,056,512	
Other Misc Revenue	10,790	0	0	0	0	0	0	0	0	0	0	0	10,790	
TOTAL REVENUE	5,720,486	183,194	264,627	268,037	278,552	1,161,172	716,174	1,467,323	531,631	411,113	246,578	187,968	6,056,512	
TRADING STATEMENT														
Bar Sales	1,455,953	15,936	49,370	32,467	29,077	66,015	391,582	612,950	32,136	52,334	76,570	56,570	1,455,953	
Catering Sales	839,166	21,284	23,818	26,387	28,041	82,517	187,352	251,354	35,472	71,862	54,570	20,835	839,166	
Function Sales	1,217,189	510	0	0	0	112,021	777,552	170,947	(3,329)	68,364	90,668	0	1,217,189	
Function Internal Costs	(166,422)	0	27	1,344	513	865	(9,305)	(48,128)	(5,725)	(69,032)	(56,364)	0	(166,422)	
Annual Income	1,907,074	0	0	0	0	210,263	1,085,323	613,783	(544)	(6,696)	0	0	1,907,074	
Annual Internal Costs	(975,980)	0	0	(8)	0	(46,701)	(287,765)	(1,175)	(1,175)	0	0	0	(975,980)	
Book/Book	72,033	105	565	703	300	3,413	29,376	24,752	250	1,598	275	123	72,033	
Merchandise	63,389	0	100	82	18	33,026	22,821	66	66	(33)	109	0	63,389	
Livestock	75,500	0	0	0	0	60,300	27,500	(13,500)	0	0	0	0	75,500	



COST OF SALES														
Bars	(718,362)	(12,563)	(5,646)	(15,781)	(10,721)	(9,155)	(21,800)	(123,976)	(188,723)	(10,793)	(17,282)	(23,096)	(18,088)	(457,157)
Catering	(528,303)	(14,225)	(6,514)	(9,527)	(10,555)	(11,216)	(53,047)	(74,945)	(100,542)	(14,189)	(26,734)	(21,628)	(8,334)	(335,666)
Outside Catering (Gala Ball & Centrefield)	(1,066,250)	0	0	0	0	0	0	(901,250)	(165,000)	0	0	0	0	(1,066,250)
Rebook	(62,003)	(1,672)	(874)	(1,545)	(1,540)	(1,902)	(5,193)	(39,523)	(1,611)	(4,882)	(803)	(1,500)	(1,050)	(62,003)
Merchandise	(30,977)	0	0	0	0	(4,096)	0	(16,978)	0	0	0	0	0	(30,977)
Livestock	(25,545)	0	0	0	0	0	(29,197)	(60,489)	(2,452)	(2,017)	0	0	0	(95,545)
Opening Bar Stock at Valuation	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704
Closing Stock at Valuation	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704	177,704
Income / (Decrease) in Stock on Hand	(3,355)	0	0	0	0	0	0	0	0	0	0	0	0	0
Opening Catering Stock at Valuation	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234
Closing Catering at Valuation	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234	11,234
Income / (Decrease) in Stock on Hand	2,931	0	0	0	0	0	0	0	0	0	0	0	0	0
Opening Trophies stock	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330
Closing Trophies Stocks	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330	1,330
Income / (Decrease) in Stock on Hand	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL COST OF SALES	(2,303,263)	(28,463)	(15,033)	(26,653)	(22,815)	(36,272)	(89,627)	(1,217,059)	(459,353)	(31,890)	(46,829)	(46,423)	(27,393)	(2,047,998)
TOTAL INCOME	7,903,126	376,346	267,653	331,633	396,210	398,227	1,699,962	1,786,165	2,454,639	544,359	452,409	353,993	233,185	9,499,417
OTHER EXPENSES														
Raceway														
Bars	(40,145)	(72)	(180)	(941)	(1,443)	(1,429)	(3,791)	(20,303)	2,334	(1,237)	(2,235)	(4,560)	(4,930)	(40,145)
Catering	(43,008)	(2,793)	(1,860)	(3,019)	(1,432)	(2,995)	(6,011)	(12,027)	(2,321)	(1,038)	(2,033)	(4,550)	(1,900)	(43,008)
Funerals	(27,663)	0	0	0	(3,314)	(649)	(649)	(16,303)	(2,370)	(757)	(757)	(1,450)	(1,450)	(27,663)
Teahung	(13,462)	(400)	(400)	0	(2,551)	(522)	(2,334)	(1,351)	(3,005)	(979)	(400)	(500)	0	(13,462)
Hires	(595,307)	(19,793)	(650)	205	(1,549)	22,383	(26,334)	(184,531)	(318,005)	(4,075)	(15,857)	0	0	(595,307)
Advertising	(232,042)	(9,840)	(20,514)	(17,547)	(17,424)	(10,411)	(37,003)	(52,396)	(20,433)	(9,419)	(10,466)	(4,610)	(11,960)	(232,042)
Sponsorship	(46,073)	(400)	(2,463)	(651)	(210)	(3,895)	(2,365)	(24,767)	(1,920)	(8,203)	(682)	(500)	0	(46,073)
Raceway Services	(276,093)	(7,874)	(4,058)	0	(7,622)	(4,025)	(13,186)	(61,415)	(71,103)	(93,318)	(2,416)	(8,585)	(4,485)	(276,093)
Sunday Raceway	(39,353)	(2,573)	(2,527)	(326)	(1)	(2,136)	(1,285)	(19,415)	(4,735)	(1,551)	(1,004)	(2,200)	(2,000)	(39,353)
Administration	(622,138)	(10,843)	(22,401)	(32,501)	(20,397)	(8,252)	(25,019)	(19,690)	(27,959)	(34,986)	(48,203)	(17,958)	(44,958)	(622,138)
Depreciation	(676,349)	(57,685)	(57,685)	(57,685)	(57,685)	(57,685)	(57,685)	(57,685)	(57,685)	(57,685)	(57,685)	(50,000)	(50,000)	(676,349)
Marketing	(274,088)	(3,707)	(2,179)	(3,003)	(6,338)	(7,101)	(19,742)	(89,195)	(62,863)	(31,380)	(17,870)	(14,685)	(17,400)	(274,088)
Office	(193,567)	(12,621)	(10,134)	(17,991)	(12,321)	(18,723)	(18,566)	(30,492)	(17,503)	(10,700)	(10,470)	(15,207)	(12,343)	(193,567)
Occupancy	(767,155)	(64,493)	(82,080)	10,308	(66,774)	(66,497)	(66,452)	(81,304)	(68,952)	(76,823)	(102,874)	(64,110)	(63,110)	(767,155)
R&M	(497,444)	(34,226)	21,370	(29,375)	(39,206)	(40,453)	(39,017)	(67,929)	(37,681)	(91,605)	(26,211)	(28,376)	(28,736)	(497,444)
Salary & Wages	(3,150,060)	(162,503)	(156,529)	(145,926)	(142,934)	(223,180)	(255,430)	(651,199)	(636,846)	(190,473)	(177,704)	(261,905)	(261,455)	(3,150,060)
Other Employment	(488,527)	(29,857)	477	(35,466)	(19,863)	(4,830)	(26,157)	(72,185)	(65,351)	(40,344)	(24,630)	(42,016)	(48,266)	(488,527)
Retirees to Industry Participants	(3,000)	0	0	0	0	0	0	0	0	0	0	0	0	(3,000)
Sarallah	(69,840)	0	0	0	0	0	0	0	0	0	0	0	0	(69,840)
TOTAL OTHER EXPENSES	(7,699,312)	(420,149)	(341,837)	(354,542)	(409,032)	(439,148)	(657,498)	(1,467,055)	(1,397,237)	(686,701)	(509,517)	(531,512)	(553,223)	(7,746,473)
EBIT	203,914	(9,910)	(154,802)	(2,609)	(101,821)	(335,922)	842,464	319,111	646,393	(182,312)	(27,036)	(143,510)	(313,121)	791,943
Net Interest	(352,146)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(400,000)
PROFIT AFTER TAX & INTEREST	(146,332)	(64,810)	(169,802)	(37,689)	(136,821)	(173,822)	807,484	284,111	613,393	(177,312)	(62,036)	(180,530)	(360,121)	331,943



**DARWIN TURF CLUB
BUDGET STATEMENT OF CASHFLOWS 2012**

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget
CASHFLOWS FROM OPERATING ACTIVITIES												
Receipts from Customers	415,448	181,951	440,228	859,410	832,233	1,226,548	2,364,444	2,138,165	960,236	530,598	511,225	272,429
Other Receipts	0	0	0	0	0	0	0	0	0	0	0	0
Payments to Suppliers & Employees	(380,363)	(288,593)	(289,190)	(362,549)	(406,608)	(811,812)	(2,615,300)	(1,787,679)	(649,783)	(488,048)	(516,729)	(519,408)
Interest & Other costs of Finance Paid	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)
Income Tax Paid	0	0	0	0	0	0	0	0	0	0	0	0
Net Cashflow from Operating Activities	86	(141,642)	116,038	460,861	390,625	379,736	(385,856)	315,487	275,454	(2,451)	(40,504)	(281,979)
CASHFLOWS FROM INVESTING ACTIVITIES												
Purchases of PP&E	(101,000)	(15,000)	0	0	0	(122,000)	(52,000)	(25,000)	(300,000)	(177,000)	(50,000)	0
Net Cashflow from Investing Activities	(101,000)	(15,000)	-	-	-	(122,000)	(52,000)	(25,000)	(300,000)	(177,000)	(50,000)	-
Free Cashflow	(100,914)	(156,642)	116,038	460,861	390,625	257,736	(437,856)	290,467	(24,546)	(179,451)	(90,504)	(281,979)
CASHFLOWS FROM FINANCING ACTIVITIES												
Repayments to:												
Bank Financiers	(32,500)	(32,500)	(32,500)	(32,500)	(32,200)	(32,200)	(32,200)	(32,200)	(32,200)	(32,200)	(32,200)	(32,200)
TRINT	0	0	0	0	0	(200,000)	0	0	0	0	0	0
Net Cashflow from Financing Activities	(32,500)	(32,500)	(32,500)	(32,500)	(32,200)	(234,200)	(34,200)	(34,200)	(34,200)	(34,200)	(34,200)	(34,200)
TOTAL NET CASHFLOW	(133,414)	(189,142)	83,538	428,361	356,425	23,535	(472,056)	255,287	(58,746)	(213,651)	(124,704)	(316,179)
SUMMARY												
Cash at Beginning of Period	(645,900)	(779,314)	(968,456)	(894,917)	(456,556)	(100,131)	(76,595)	(548,651)	(292,365)	(351,111)	(564,762)	(689,465)
Net Increase/(Decrease) Cash Held	(133,414)	(189,142)	83,538	428,361	356,425	23,535	(472,056)	255,287	(58,746)	(213,651)	(124,704)	(316,179)
Cash at End of Period	(779,314)	(968,456)	(884,917)	(466,556)	(100,131)	(76,595)	(648,651)	(292,365)	(351,111)	(564,762)	(689,465)	(1,005,644)

Supporting documentation

Attached is our supporting documentation in relation to this business plan. The attached documents include:

- Appendix 1 – Asset Register
- Appendix 2 – Colts and Fillies Proposal
- Appendix 3 – Proposed Racehorse Owners 'Gold Card'
- Appendix 4 – Marketing Timeline 2012

Racing and Club Statistics

- Trainers, Jockeys and Apprentices by Month
- Race Day Statistics
- Race Meeting KPI's TRNT 2010 – 2011

Certificate and Licence Copies

- Certificate of Incorporation of an Association "The Darwin Turf Club Incorporated"
- Racecourse Licence
- Certificate of Registration of a Business Name "Darwin Cup Carnival Gala Ball"
- Certificate of Registration of a Business Name "Darwin Cup"
- Liquor Licence
- Tobacco Retail Licence
- Certificate of Registration as a Food Business

Official Number of Attendance at the Darwin Cup Carnival

2011 Carnival Profit and Loss Statement

Code of Conduct – Darwin Turf Club Committee

Darwin Turf Club Incorporated Constitution

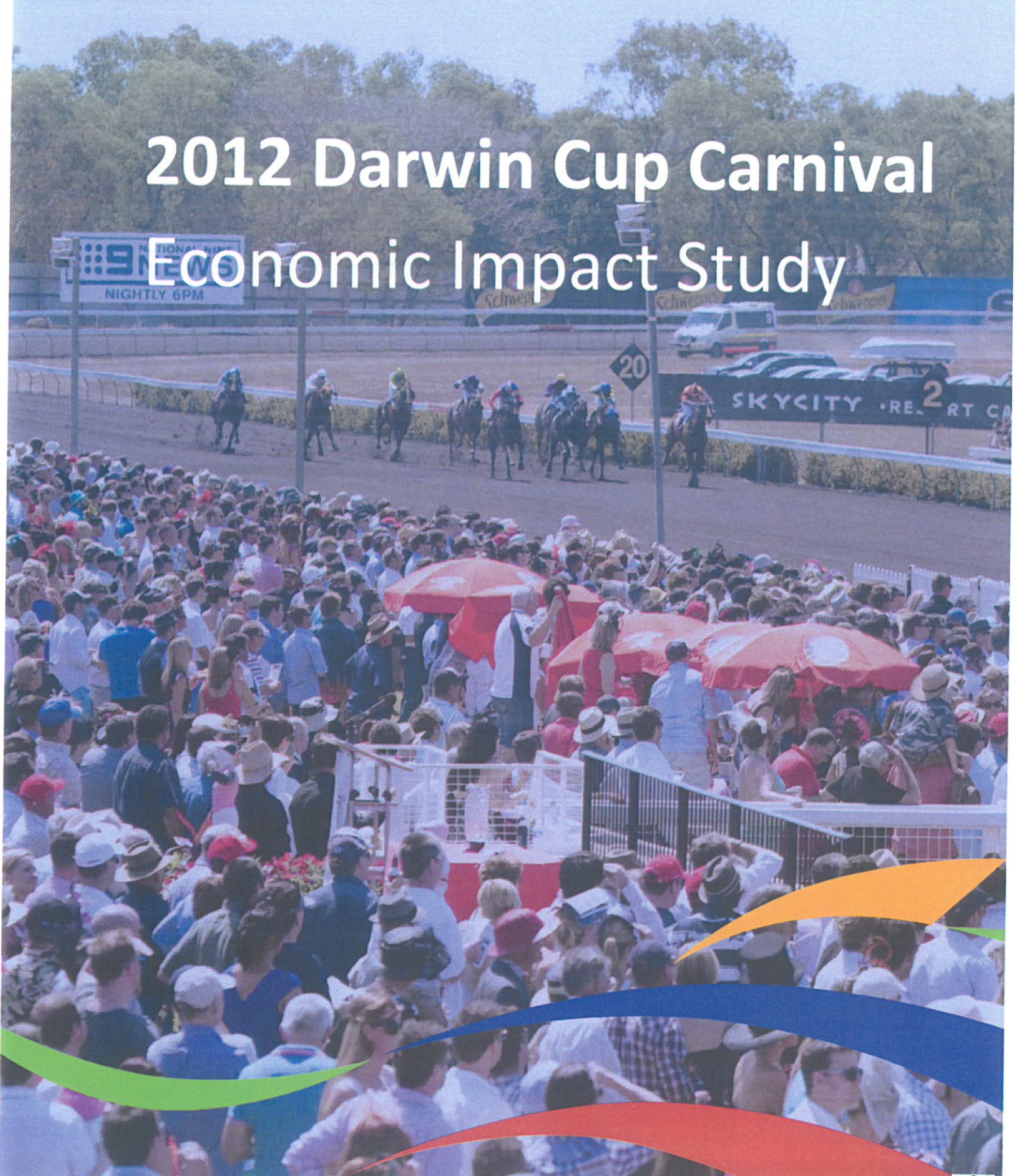


Focused Thinking



DARWIN RACING

2012 Darwin Cup Carnival Economic Impact Study



The Darwin Turf Club (DTC) commissioned IER Pty. Ltd. to conduct an economic impact evaluation of the 2012 Darwin Cup Carnival (DCC).

This study provides an estimate of the total economic stimulus generated by the DCC within Darwin and the Northern Territory. Further to this, it also identifies the real economic growth generated as a result of investment (both commercial and consumer) that is generated by the Carnival.

The data used within this report has been compiled using a mixture of factual and sample driven data. IER conducted detailed face to face interviews with 501 attendees at the 2012 DCC. This data was used to capture key visitor data including reason for visit, expenditure levels and length of stay. IER also sourced actual attendance, wagering and raceday revenue data from the Darwin Turf Club and Thoroughbred Racing NT (TRNT).

IER has accepted these figures in good faith and without audit.

All images in this document are courtesy of the DTC.

The Darwin Cup Carnival

The 2012 Darwin Cup Carnival ran from 7th July to 6th August 2012. The feature raceday, the Darwin Cup, was held on the final day of the Carnival. This economic impact evaluation provides a number of output measures:-

Event Specific Visitors

Those interstate and overseas visitors who either extended their stay, or visited Darwin, for the purposes of attending the DCC.

- **Event Motivated Visitor** - an individual who travels to Darwin for the primary purpose of attending the DCC
- **Extended Stay Visitor** - those who travelled to Darwin for other reasons, but decided to extend their length of stay in order to attend the DCC

Overall Contribution to Economy

The extent to which all expenditure generated by the DCC contributes to the Darwin economy.

- **Direct Spending** - The physical amount spent by attendees on events held during the DCC. This includes all spending by all attendees at the races.

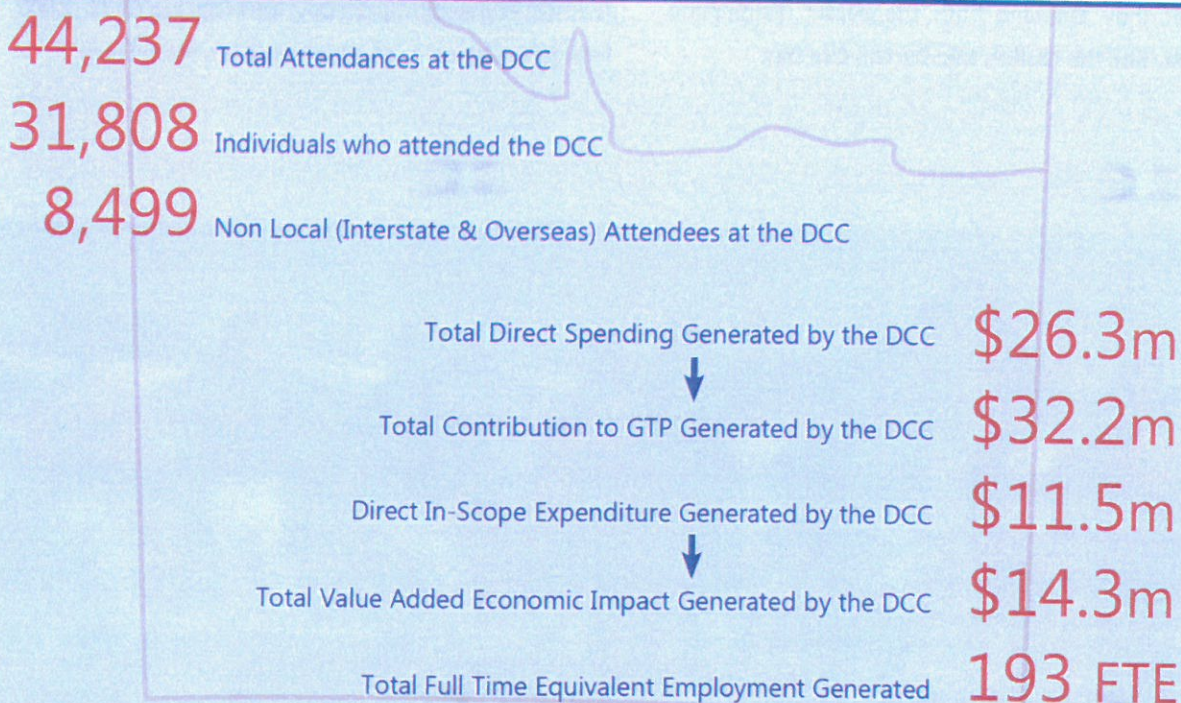
- **Contribution to Gross Territory Product (GTP)** - the total value added contribution that the DCC makes to the Darwin economy.

Growth Generated for the Darwin Economy

The extent to which in-scope expenditure generated by the DCC results in growth to the Darwin economy.

- **Direct in-scope expenditure** - expenditure generated by visitors (from outside the NT) whose primary reason for visiting, or extending their stay, in Darwin was to attend the DCC. Doesn't include spending by NT residents, or 'out of Territory' visitors whose reason for travelling to Darwin was unrelated to the DCC.
- **Value Added Economic Impact** - the total economic growth generated for the Darwin economy as a result of hosting the DCC. It is based on spending by out of Territory visitors, motivated to travel to Darwin in order to attend the DCC.

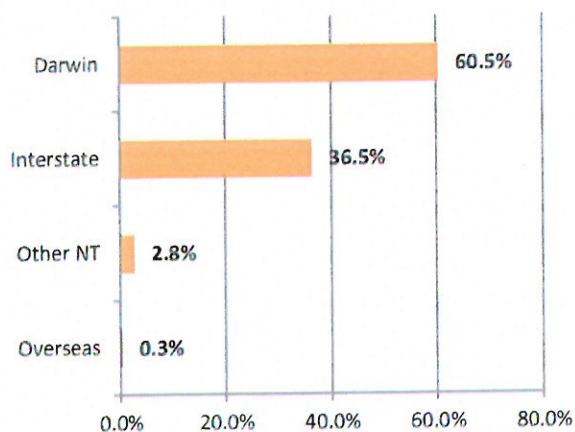
AT A GLANCE - KEY IMPACTS



Attendances at the Darwin Cup Carnival

The 2012 Darwin Cup Carnival attracted total attendances of 44,237 across the eight days. Darwin Cup Day, held on Monday 6th August was responsible for more than 47% of these attendances - or 21,106 people. The following chart illustrates the proportion of attendees at the Darwin Cup Carnival:-

**Visitor Origins
2012 Darwin Cup Carnival**



Across the entire Carnival, more than 36.5% of attendances were made by Interstate visitors.

Of all interstate visitors surveyed, more than one-third said that they attended both the bet365 Palmerston Sprint Day and the Carlton Mid Darwin Cup Day.

Attendances recorded at the Darwin Cup Carnival include those individuals who attended more than one day of the Carnival. Research data revealed that the average person attended 1.39 race meetings during the Carnival. The following table illustrates the attendance patterns of interstate and local attendees:-

Visitor Group	Average Days Attended
Darwin Resident	1.34
Other NT Resident	1.00
Interstate Resident	1.47
Overseas Resident	1.00

The survey also revealed that, on average, Darwin resident raceclub members attended 3.6 race meetings during the Carnival compared to the overall average of 1.39.

The final two days of the Carnival revealed strong attendance by interstate visitors. More than 5,750 interstate visitors attended the Darwin Cup compared - representing 31.1% of the total attendance on that day.

In addition to this, the final Saturday of the Carnival (bet365 Palmerston Sprint Day) attracted just under 1,900 interstate visitors or 59.5% of the day's attendance.



Impact of out-of-State visitors

In determining the economic impact of the DCC, it is first necessary to develop attendance profiles in order to identify whose spending contributes to lifting the Darwin economy. As such, attendees at DCC events were classified into the following segments:-

- **Event Motivated Visitors** - represent those individuals whose travel to the Northern Territory was motivated by the decision to attend the DCC. As event motivated visitors, their entire trip spending and activities are considered to be economic impacts generated by the DCC which grow the Darwin economy.
- **Extended Stay Visitors** - represent those individuals whose travel to Darwin was for reasons other than the DCC, but who decided to stay extra nights in order to attend the event. As visitors who were motivated by other factors, but extended their stay to attend the event, only the spending and activities during the extended stay period are considered to be economic impacts generated by the DCC which grow the Darwin economy.
- **Other Attendees** - represent both Northern Territory residents as well as those individuals whose travel to the Northern Territory was for reasons other than the DCC and those who have not stayed any extra nights to attend the event. Whilst these attendees

still provide economic stimulus to businesses within the economy, their spending and activities cannot be allocated as a value added impact generated by the DCC.

The calculation of total attendance includes the multiple attendances at race meetings by individuals. When total attendances (44,237) are converted to the number of individual attendees, the DCC attracted attendances from 31,808 individuals.

In total, the DCC attracted 8,499 interstate and overseas attendees or 26% of total individual attendees. Of these attendees 4,535 interstate visitors said that the DCC was the main reason for their visit to the Northern Territory whilst a further 985 said that they extended their stay.

There were no overseas visitors who identified the DCC as the primary reason for their visit, however there were 65 overseas visitors who said that they extended their planned length of stay in order to attend the DCC.

The length of stay of interstate visitors (6.1 nights) and the fact that 65 overseas visitors extended their planned length of stay illustrates that there are opportunities through tourism marketing strategies to attract people to the Territory.

Attendee Profile	Total number of Individuals	Individuals Induced by the DCC	Other Individuals attending the DCC
Darwin	22,161		22,161
Other NT	1,148		1,148
Interstate - Event Motivated	4,535	4,535	
Interstate - Extended Stay	985	985	
Interstate - Other	2,898		2,898
Overseas - Event Motivated			
Overseas - Extended Stay	65	65	
Overseas - Other	15		15
Total	31,808	5,586	26,222

Tourism Impacts Generated

Motivating Tourist Visitations

- 4,535 - Interstate visitors who travelled to Darwin because of the DCC
- 985 - Interstate visitors who extended their planned length of stay in Darwin because of the DCC
- 65 - Overseas visitors who extended their planned length of stay in Darwin because of the DCC
- \$436 - Average Daily spend by Interstate visitors
- \$505 - Average Daily spend by Overseas visitors

Accommodation Sector Impact

- \$6.82 mil - spent on accommodation by event motivated and extended stay visitors from outside the Territory
- 31,112 - bed nights generated by these interstate and international visitors to the Carnival
- 6.1 nights - average stay by event motivated interstate visitors
- 3.6 nights - average stay by extended stay interstate visitors
- 2.0 nights - average stay by extended stay international visitors

Retail Sector Impact

- \$0.75 mil - total retail spend by event motivated and extended stay visitors from outside the Territory
- \$0.43 mil - spent by interstate and international visitors, in Darwin, on fashion items
- 67.1% - of interstate and international visitors who purchased fashion items in Darwin to wear to the DCC

Tourism Dispersal to Rest of Territory

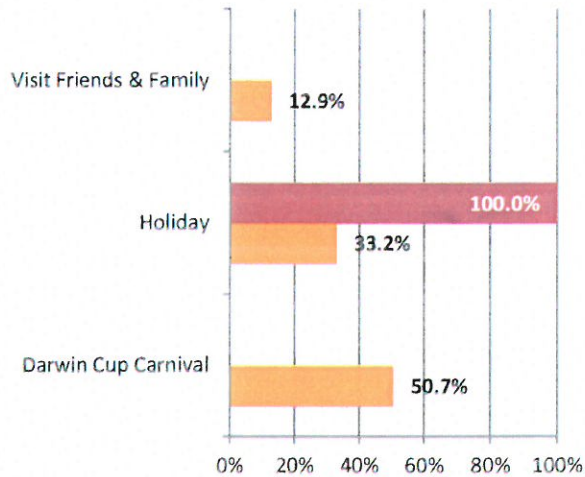
Nearly 5,600 interstate and international tourists visited, or extended their stay in Darwin because of the Darwin Cup Carnival. Whilst this benefits Darwin, there are also benefits that extend to other regions within the Territory. This is particularly true of the interstate visitors who stayed, on average, 6.1 nights

- 65.9% - of interstate and international visitors also went to Litchfield National Park during their visit to Darwin
- 41.5% - of interstate and international visitors also went to Kakadu National Park during their visit to Darwin
- 36.6% - of interstate and international visitors also visited Katherine during their visit to Darwin
- 19.5% - of interstate and international visitors also took in Alice Springs during their visit to Darwin

Tourism Impacts Generated

Interstate and International attendees were asked to outline the main reason for their visit to Darwin. The following chart illustrates this, split by interstate and international visitors:-

Reason for Visiting Darwin



More than half of the interstate visitors surveyed at the Darwin Cup Carnival indicated that it was the primary reason for their decision to visit Darwin. The importance of the Darwin Cup Carnival to the tourism industry is evidenced by the feedback from one major Darwin accommodation property:-

"Most of our bookings over this time were groups or incentive groups. Some repeat from the year previously. It is true that most incentive groups will lock in their contracts minimum 8 months in advance. The FIT (free independent traveller) market is 90% interstate business with 10% intrastate. Our main feeder markets being VIC, NSW & QLD.

Aside from any adhoc conferences or events throughout the year, these results are our strongest over any weekend in the year, including V8 Supercars. Darwin Cup weekend is definitely responsible for driving demand over these dates. The fact that the Ball falls on the Saturday assists in guests staying for longer and making a weekend of it."

More than 31,110 bed nights were generated by event motivated and extended stay visitors to the 2012 Darwin Cup Carnival. Furthermore, many of these visitors also travel to regional destinations ensuring that the economic impacts spread beyond the Darwin boundaries and into the regions.



Fashion Industry Impacts

One of the unique elements of major horse racing carnivals such as the DCC is their linkage to fashion. This linkage - fashioned over many decades and embraced by racegoers from the United Kingdom to Australia - has strengthened over the years, with many racegoers buying more than one outfit over the entire Carnival period. Moreover, many interstate and international visitors actually make their fashion purchases in the destination city.

On average attendees at the DCC purchased 1.6 fashion items each in the Northern Territory (nearly all of which were in Darwin). The following table illustrates the proportion of attendees who purchased fashion items to wear to the DCC.

Visitor Group #	% who purchased fashion items	Average number of items purchased
Darwin Resident	58.5%	2.3
Other NT Resident	30.0%	2.3
Interstate Resident	40.7%	1.9

Overseas residents omitted from table due to low sample size

The analysis of fashion purchases made during the DCC is undertaken within the following framework:-

- Only fashion items purchased in the Northern Territory are counted within this economic impact assessment. To qualify for inclusion in this analysis, the fashion items need to have been purchased specifically to be worn to a DCC race meeting.
- The survey was used to understand the average 'per person' spend on fashion items throughout the carnival.
- Only fashion spending made by interstate and overseas residents is included in the calculation of value added. Even if the visitor was not event motivated, IER believes that the spend can be counted towards the DCC impact as it was the major driver for the purchase.



Fashion Industry Impacts

Racegoers spent nearly \$3.30 million on fashion items and accessories to wear to the DCC. Of this amount, approximately 21% was generated by interstate and international visitors (~\$0.67 mil). Whilst this report focuses on the economic impacts generated by visitors to Darwin, it is important to also acknowledge the stimulus generated for local retailers. Darwin residents spent more than \$2.56 million on fashion items and accessories reinforcing the important role that the event plays in stimulating the local economy.

The following chart illustrates the average spend on fashion items by those who said that they made purchases:-

Visitor Group #	Average Spend by Males	Average Spend by Females
Darwin Resident	\$175.13	\$243.56
Interstate Resident	\$131.34	\$189.47

Overseas residents omitted from table due to low sample size

In addition to the fashion items, racegoers spent an additional \$0.58 million on personal grooming and beauty products associated with their visit to the races.

More than 35,000 fashion items were purchased in the Northern Territory (predominantly Darwin) by attendees at the Darwin Cup Carnival. Females purchased the majority (63%) of these items.

The most purchased items amongst females were:-

- Hats/Fascinators - 40%
- Dresses - 30%
- Shoes - 24%

The most purchased items amongst males were:-

- Shirts - 23%
- Shoes - 13%
- Pants - 10%

Please note that respondents may have purchased (or paid for) items for others. This explains some purchase statistics below such as why 64 males have said that they purchased dresses.

Fashion Item	Minimum Number purchased	% of males that purchased	Minimum Number purchased	% of females that purchased	Minimum Items Purchased
	Male Racegoers		Female Racegoers		
Shoes	2,104	13%	3,570	24%	5,673
Hat/Fascinator	956	6%	5,928	40%	6,884
Dress	64	0%	4,526	30%	4,590
Suit	892	5%	0	0%	892
Ties	1,275	8%	0	0%	1,275
Jacket	446	3%	127	1%	574
Pants/Trouser	1,657	10%	64	0%	1,721
Handbag	64	0%	2,741	18%	2,805
Skirt	255	2%	574	4%	829
Socks/Stockings	574	3%	0	0%	574
Shirt/Blouse	3,825	23%	637	4%	4,462
Jewellery	255	2%	2,486	17%	2,741
Scarves	64	0%	0	0%	64
Sunglasses	701	4%	1,402	9%	2,104
TOTAL	13,131		22,055		35,186

Note:- Some totals may not add due to rounding

Economic Impacts

Direct Expenditure

The 2012 DCC was responsible for generating more than \$26.3 million in direct expenditure within the Darwin economy. This expenditure is made up of the following elements:-

- Racegoer expenditure on-course
- Racegoer expenditure off-course (where they are an event motivated or extended stay visitor)
- Net wagering revenue (wagering revenue retained after winning bets are paid out)
- Sponsorship revenue generated by the Carnival
- Non Raceday social events held as part of the DCC

Direct expenditure represents all money spent by attendees at the DCC as well as spending in the community by interstate and overseas visitors to Darwin.

Interstate residents contribute more than 50.2% of the total direct expenditure amount, with Darwin residents contributing a further 46.0%

The table below outlines the total direct expenditure generated by the DCC within various economic sectors.

Direct in-scope expenditure

Direct in-scope expenditure relates to spending made by interstate and international visitors who either extended their stay, or decided primarily to visit Darwin, in order to attend the DCC.

The direct in scope expenditure generated by the DCC was \$11.5 million - or 43.7% of the total expenditure impact of the DCC.

Accommodation makes up more than 59% of this in-scope expenditure amount, with sponsorship (sourced from outside the Territory) and spending on meals, food & beverages making up 9.8% and 6.9% respectively.

The direct in-scope expenditure could be considered to be money that could be lost to Darwin if the DCC was not held.

TOTAL DIRECT SPENDING (\$ mil)					
Spending Categories	Darwin	Regional NT	Interstate	Overseas	Total
Transport	\$0.52	\$0.03	\$0.23	\$0.00	\$0.79
Food & Beverages	\$2.66	\$0.10	\$1.32	\$0.05	\$4.12
Shopping & Retail	\$0.00	\$0.03	\$0.51	\$0.00	\$0.54
Entertainment	\$0.03	\$0.02	\$0.28	\$0.01	\$0.33
Raceday Entry	\$1.62	\$0.09	\$0.58	\$0.01	\$2.29
Corporate & Dining Packages	\$0.77	\$0.10	\$0.35	\$0.04	\$1.25
Accommodation	\$0.07	\$0.04	\$6.75	\$0.07	\$6.93
Clothing/Fashion Accessories	\$2.56	\$0.06	\$0.65	\$0.01	\$3.28
Personal Grooming/Beauty Products	\$0.52	\$0.00	\$0.05	\$0.00	\$0.58
Net Wagering Revenue	\$1.12	\$0.12	\$0.97	\$0.00	\$2.21
Sponsorship	\$0.94		\$1.13		\$2.07
Non Racing Events	\$1.27	\$0.21	\$0.36	\$0.02	\$1.87
2012 Total Spend	\$12.08	\$0.78	\$13.19	\$0.21	\$26.26

Economic Impacts

Contribution to GTP

In 2012, the Darwin Cup Carnival contributed \$32.2 million to the Darwin economy. This is made up of:-

- \$12.5 million in direct value added and a further
- \$19.7 million in induced value added impact (flow on effects throughout the economy).

This figure takes into account all of the spending associated with the DCC irrespective of where it originates. The flow on effects relate to the impact that DCC related expenditure generates for 'down-the-line' industries that indirectly benefit from the economic activity generated.

Value Added

In order to determine the extent to which the DCC is responsible for 'growing the Darwin economy' it is necessary to only include expenditure that:-

- originates from outside the region, and
- originates from visitors who either extended their stay, or decided primarily to visit Darwin, in order to attend the DCC.

The 2012 DCC was responsible for generating a value added economic impact of \$14.3 million. This is made up of:-

- \$5.3 million in direct value added and a further
- \$8.9 million in induced value added impact (flow on effects throughout the economy).

Therefore, it is estimated that the running of the Darwin Cup Carnival provides an economic boost to Darwin of just under \$14.3 million.

Employment Impacts

The total economic output of the DCC sustains full time equivalent (FTE) employment amongst more than 430 individuals.

Focusing solely on the uplift of \$14.3 million generated by the DCC, it is estimated that the demand generated by Carnival (mostly via event motivated and extended stay visitors) is responsible for sustaining/creating 193 FTE positions in Darwin.





Produced by IER Pty. Ltd.
2012