

NEW ZEALAND METROPOLITAN TROTTING CLUB INC.
ANNUAL REPORT 2015



ADDINGTON 





CONTENTS

- 2 CHAIRMAN'S REPORT
- 6 RACING
- 8 GROUP ONE WINNERS
- 10 RACING & CHARITY PARTNERS
- 12 EVENTS CENTRE
- 14 PROPERTY
- 16 AUDITOR'S REPORT
- 17 SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
- 24 NOTICE OF 2015 ANNUAL GENERAL MEETING



CHAIRMAN'S REPORT

It is with immense pleasure that I present the Annual Report of the New Zealand Metropolitan Trotting Club for the 2014-15 season.

I am delighted to announce that the Club has achieved its 5th consecutive annual operating surplus, of \$274,371 which is particularly satisfying given the significant increases in stakes and distributions that have been implemented over recent years. These increases have seen the average race stake at Addington now exceed all other New Zealand harness racing venues, excluding those venues that host the Harness Jewels, and could not be sustained without the foundation of solid financial returns that the Club has been able to generate in recent years. It is not all that long ago that our Club endured a lengthy period of significant operating deficits, with a subsequent negative impact on returns to owners. Thankfully this is now becoming a distant memory as we continue to build a sustainable financial environment for the benefit of all industry stakeholders.

I am also delighted with the recent announcement of Addington Raceway and Events Centre as the winner of the Retail/Hospitality Medium/Large Enterprise category at the prestigious Champion Canterbury Business Awards. This was a terrific thrill and due reward for a great 2014 calendar year, which was the timeframe being assessed.

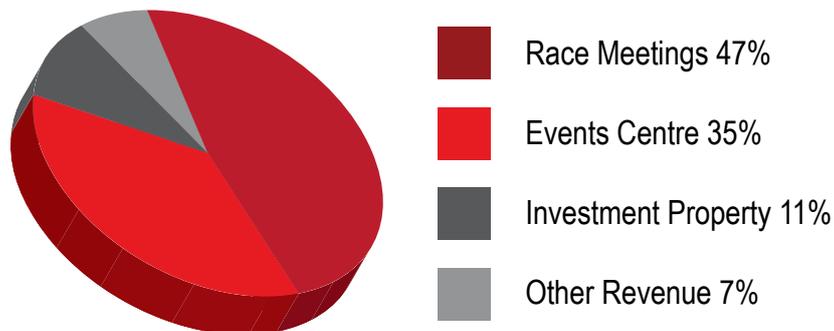
The 2014-15 season has certainly marked a memorable period in the Club's history with a number of exciting developments and achievements set to have a lasting impact on the performance of our Club well into the future.

Cup Week and its related financial performance, has historically always played a significant role in determining the Clubs' overall financial performance for the season, even though the impact in the modern era is not as all-encompassing as it once was.

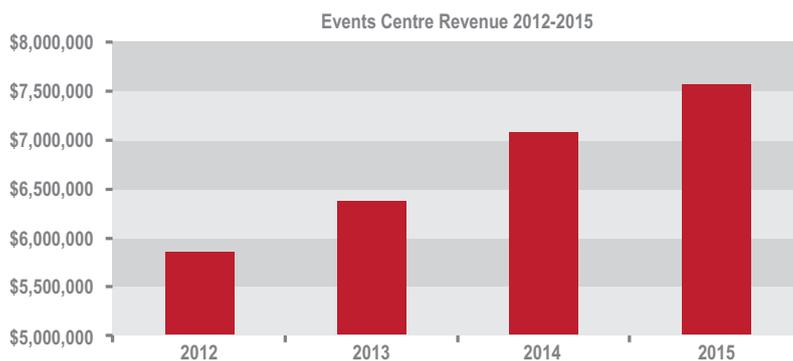
2014 saw the Club record its most commercially successful Cup Day in its history with significant increases in wagering across both days, reinforcing record returns from robust hospitality bookings. Being able to navigate our way through this challenging part of the year in such a fashion effectively sets the Club up fiscally and enables it to look to lock in and grow future opportunities rather than looking to repair budget damage from missing key financial targets set for Cup Week. This is particularly applicable in our current season and has seen the Club significantly advance a number of key projects which will likely improve the long term future of the Club and the harness racing industry in Canterbury.

Income generated from non-race meeting sources continues to sit around 53% of the Clubs' total revenue and without this ongoing contribution we could simply not maintain the current levels of stakes and incentives.

Although the commercial property sector in Christchurch is more competitive than ever, the long term strategy of continuing to strengthen our portfolio produces ongoing returns which underpin the long term financial performance of the Club. Together with a record year from the Functions and Events team, which is extremely satisfying given how this sector has expanded in the City in the last couple of years, the ability to continue to grow non-racing revenue is the key to continuing financial prosperity.



The significant contribution our Club receives from the Functions and Events team cannot be underestimated and is a real credit to all those individuals who make each and every event a special occasion. A genuine 24/7 business these days, the Functions and Events team continue to focus on delivering quality in all that they do and are rewarded time and time again with repeat business, with the wider industry the chief benefactor of their



ongoing success. This season also marked a number of milestones, including notching up the first full year of operation of “Spectators” which is now an integral part of everyday life at the Raceway.

Harness racing will however always sit at the heart of what makes our Club and venue so special, with the hosting of New Zealand’s richest race for pacers, the \$700,000 Christchurch Casino New Zealand Trotting Cup and the richest race for trotters, the \$250,000 Heller’s Dominion Handicap, the pinnacle of the sport in New Zealand every season.

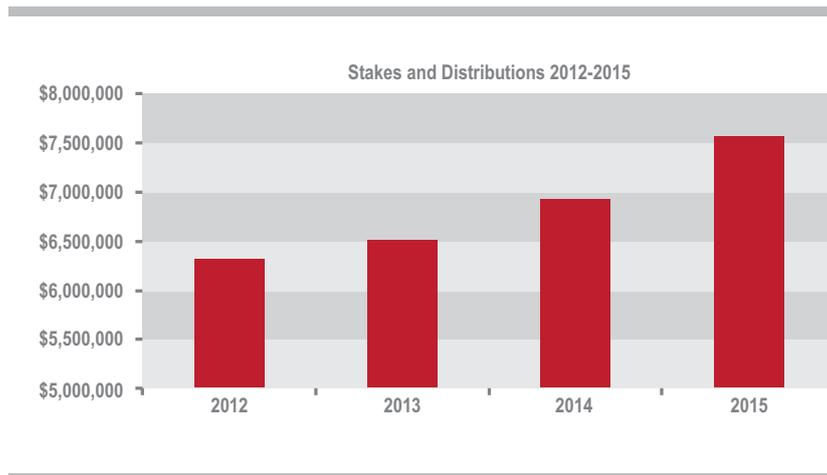
The 2014 running of the Christchurch Casino New Zealand Trotting Cup was certainly one for the ages with three time Cup legend Terror To Love shooting for four straight Cups, something never before achieved. The hype and general media coverage leading up to the event was at “fever pitch” and the Club sincerely thanks owner Terry McDonald, trainers Graham and Paul Court and driver Ricky May for all the effort they put in to assist with the build up to the race. To see live footage on the morning of the race from the Court stables at West Melton on mainstream TV underlines the effort to help promote the race and our industry that these gentlemen and their families and support staff went to. The Christchurch Casino New Zealand Trotting Cup stands alone in our country as the one race that would see such hype surround it, with mainstream media closely following Terror To Love from the time first nominations were taken in August right up to the day of, and even following the great race.

The race itself, a lap from home, was following script with Terror To Love surging to the front and a sense of “déjà-vu” starting to take hold, but it wasn’t to be, with Adore Me from the hottest family in Australasian harness racing, in the colours of the hottest stable in Australasia storming home to become the first mare since Mainland Banner in 2005 to win New Zealand’s most famous horse race.

Christchurch Casino New Zealand Trotting Cup Day remains the biggest day of racing in New Zealand and when in conversation with other administrators from around the world, it never ceases to amaze them that this occurs on an “everyday” Tuesday afternoon which is not a local holiday. Imagine New Zealand rugby scheduling an All Blacks v British Lions test on a Tuesday afternoon! Commercially this year’s Cup Week was the most successful in the

history of the Club with increased returns from a number of revenue streams combining with very solid wagering figures to produce outstanding results for the Club.

This success has directly contributed to us being able to continue to invest heavily in returns to stakeholders with total stakes and distributions paid now up 20% since 2012. These increases are spread across the board from minimum stakes, increased from \$3,000 to \$7,000 or 133% to incentives and include our feature races like the Christchurch Casino New Zealand Trotting Cup (from \$600,000 to \$700,000) and the Hellers Dominion Handicap (from \$200,000 to \$250,000).



Other particularly successful initiatives have included the Seasonal Super Series, where lower grade horses run for stakes of \$23,500 and the now famous Met Multiplier where connections can earn a bonus of \$7,500 after scoring a win and having 15 starts at Addington in any 12 month period. Leading trainer Robert Dunn tops the Met Multiplier leader board with no less than eight individual winners up to the end of July 2015.

The Met Breeders Bonus has also seen breeders of winning horses at Addington take home over \$104,000 in bonuses this season, which at a time when our foal crop continues to decline is, I am sure, greatly appreciated by those at the coal face of our industry's future. The South of the Waitaki race held for the first time on Show Day, for horses trained south of the Waitaki River, was also a great success and promises to be a real feature of Cup Week in the years to come.

These stake increases and other initiatives are all designed with a common goal to increase horse numbers racing at Addington on a regular basis, which in turn increases field sizes which in turn increases wagering revenue. Given industry funding is directly related to wagering revenue on any given raceday, it is imperative field sizes are as high as possible to ensure revenue is maximised and as a result these increased returns to stakeholders can be sustained. I am delighted to report that average runners per race have held steady at 10.98 starters per race compared to the national average of 10.71.

Our Club is extremely fortunate to have such a dedicated and committed group of sponsors and business partners who continue to provide the Club with a sound commercial platform which underpins our racing operation. We sincerely thank them all for their ongoing support, without which we would not be in the position to provide the racing opportunities that we currently do.

The Board of the Club continues to advance the anchor projects contained in its five year strategic plan which was reviewed in February, with some minor tweaks to the pathway already well established.

The site of the former stabling and float parking area on Wrights Road has now had resource consent approved for its future development and although not on the radar in the short term the building blocks are now in place for it to proceed post haste if required. In preparation for future development and to provide the Club with the opportunity to generate revenue from it in the short term, the site has been cleared and made accessible.

We were also delighted to flick the "on switch" to the new big screen for the first time on 4 April which was the end point of a lengthy process which commenced in early 2013. We believe the end product was worth waiting for and it is pleasing to have had so much favourable feedback from patrons; it has certainly added a great deal to the on-course experience.

Other projects still being evaluated include the potential development of a hotel on the footprint, strengthening and refurbishing both the Metropolitan and Twiggers Stands and of course the completion of the new building at 128 Wrights Road under the Joint Venture umbrella. Further, more timely, updates on these projects will be detailed at our upcoming AGM.

The Club remains committed to continual improvement in health and safety for staff, patrons and stakeholders alike, with this objective established for some time as one of our core values. A number of initiatives in recent years, including a number behind the scenes, are the result of this increased focus and have paved the way for the health and safety of all to become part of everyday life at the Raceway.

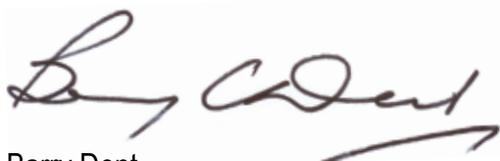
Recent months have seen the review of the Clubs' Constitution, recommended by the independent governance review undertaken in 2012, advanced significantly. The review of the organisational structure was completed in late 2014 with a series of recommendations rolled out internally.

The Club is ably led by a highly capable and diverse Board who possess a wide range of valuable skills. A sincere thank you to all Directors and partners for their valued efforts throughout the season. A thank you, also, to all Committee members and their partners for their ongoing contribution to race meeting hosting and related duties. The management of Club affairs is in capable hands with a strong group of well qualified, dedicated staff working hard on a daily basis under the leadership of CEO Dean McKenzie. A sincere thank you for all your hard work and energy.

We are fortunate to enjoy a strong working relationship with our governing bodies the New Zealand Racing Board and Harness Racing New Zealand; we thank them for their on-going assistance and support. Strong and effective leadership is essential for the industry and our Club to grow and prosper in the future.

As is custom, I take the opportunity to extend from the Club our sympathy to the families of Members who have passed away during the year.

I thank all Members of the Club for their support over the last season. It is very much appreciated. This is your Club so ensure you take the opportunity to utilise its wonderful facilities as often you are able. I also urge you to make an effort to attend the Annual General Meeting on Monday 12 October.



Barry Dent
CHAIRMAN



DIRECTORS AND COMMITTEE

From left to right. David Rankin, Struan Cain, John McDermott, Karen Fordyce, Brent Smith (Deputy Chair), Barry Dent (Chair), John Grainger, Mike Grainger, Shirley Cummings, Nigel Armstrong, Garry Thompson.
Absent: Peter Evans, Rose Dunn, Bruce Hutton, Geoff Ward



RACING

The Club held 35 race meetings during the 2014-15 season including eight Premier meetings, 350 races, 34 Group or Listed races and had an average field size of 10.98 starters (national average 10.71), upholding its position as New Zealand's premier harness racing club.

Stakes continued to increase across the board. The minimum stake paid out increased to \$7,000 for non-feature meetings and feature meetings saw a majority of races run for a minimum stake of \$9,000. All starters are guaranteed a pay-out of 2% of the stake under the new "You Start We Pay" initiative. Premier meetings saw stakes of no less than \$20,000. At the top end the Muscara Standardbred New Zealand Derby and The Breeders' New Zealand Oaks both increased by \$25,000 to \$200,000 and \$150,000 respectively. The Christchurch Casino New Zealand Trotting Cup stake was raised \$50,000 to \$700,000 and the Hellers Dominion rose by the same amount to \$250,000.

During the year, numerous racing initiatives were conducted to support our owners, trainers, drivers and breeders who raced their horses at Club meetings. These promotions included the very successful Alabar Seasonal Super Series held on four occasions throughout the season with a pay-out in stakes of \$282,000. This series continues to attract a high quality level of acceptances. The Met Multiplier once again proved popular with 31 pacers and trotters earning the bonus for their connections and a total of \$232,500 paid out. In January 2014 we introduced the Breeders Bonus which this season has seen a total of 208 bonuses distributed and \$104,000 paid out. This promotion has exceeded our expectations with numerous breeders benefiting.

Combined with these initiatives, the Show Day Futurity, the inaugural running of the South of the Waitaki race also on Show Day, an earlier nomination period for The Breeders' New Zealand Oaks, Muscara Standardbreds New Zealand Derby, Christchurch Casino New Zealand Trotting Cup and Hellers Dominion, and the Christchurch Casino New Zealand Trotting Cup Ranking system have all contributed to raising the profile amongst our participants and industry enthusiasts.

Racing action throughout the season was of the highest quality especially at the elite Group One level. New Zealand Trotting Cup Day on 11 November once again took its place as the leading race day in New Zealand by boasting 12 premier races. The Christchurch Casino New Zealand Trotting Cup was won by champion mare Adore Me who created a world record in recording a phenomenal 3.54.6 for the 3200m. What a win this was for breeder and co-owner Charlie Roberts, co-owners Mary and Paul Kenny, trainers Natalie Rasmussen and Mark Purdon together with driver Mark Purdon. The brilliant Have Faith In Me commenced his march in winning New Zealand's crème de la crème three year old events taking out the NRM Sires' Stakes 3YO Colts and Geldings Final and outstanding trotter Stent won the Granite Benchtop Company New Zealand Trotting Free For All.

On Show Day brilliant pacer Christen Me took out the Woodlands New Zealand Free For All and southern squaregaiter Jaccka Justy was victorious in the Hellers Dominion.

During the March and April Easter Carnival Venus Serena won the PGG Wrightson New Zealand Breeders Stakes, Have Faith In Me shone once again in taking out the Muscara Standardbreds New Zealand Derby, the North Island trained three year old Speeding Spur was successful in the Inkwise New Zealand Trotting Derby and Stent got another Group One winning the Fred Shaw Memorial New Zealand Trotting Championship. Also adding another Group One to his resume was Christen Me who was too good in the Breckon Farms / All Stars Racing Stables Easter Cup.

Top class 2yo colt Chase The Dream won the Garrards Sires Stakes 2YO Colts & Geldings Final in May and his stablemate 3yo filly Fight For Glory was victorious in The Breeders' New Zealand Oaks. Earlier that month boom North Island 3yo filly The Orange Agent took out the Nevele R Fillies Final.

The Canterbury Standardbred Breeders' Association Addington Filly or Mare of the Season was awarded to Fight For Glory.

The season saw numerous New Zealand records broken on the lightning fast Addington track. These included pacers Adore Me, Christen Me, Have Faith In Me – twice, Messini, Pemberton Shard and The Orange Agent. A raft of trotters to break records included Habibti, Hot Pants, Kincaslough, Monbet, Petite One, Prince Fearless, Speeding Spur and Sunny Ruby.

We saw two champions bow out of the racing scene for differing reasons. Addington favourite and three-time New Zealand Trotting Cup Champion Terror To Love retired after the Easter Cup (a race he won previously). "Terror" as he was known loved Addington, winning at the track 16 times highlighted by his mighty New Zealand Trotting Cup wins. We will never forget that herculean performance in 2013 when he lost a huge amount of ground at the start and still managed to beat the best in Australasia. He will never be forgotten and the 3200m starting point belongs to him, now known as the Terror To Love 3200m starting point. His owner Terry McDonald, trainers Graham and Paul Court and regular driver Ricky May were always so accommodating and obliging with Club officials and media throughout his high profile racing career. "Terror" has a stud career in front of him with every chance to be as successful as he was on the track.

The great mare Adore Me called it a day in March after going amiss during the running of the Auckland Cup. Her never say die attitude was there to the end, going down to the bearest of margins having faltered some 400 metres earlier. This was her year and she bowed out at the top of her game. A world record holder not only for her 3200m New Zealand Trotting Cup win but also over a mile in a phenomenal 1.47.7 set at Menangle, Sydney. One of the greatest race mares we have ever seen, she retired for her connections the winner of 26 races, 12 at Group One level and the winner of nearly \$1.7m. A broodmare career beckons.

There were many highlights on the human side of harness racing during the season. Talented junior driver Robbie Close won the Canterbury Equine Clinic Maurice Holmes Memorial – Junior Drivers Trophy. The Islington Tavern Trainers and Drivers Premierships went to the Mark Purdon / Natalie Rasmussen partnership with 58 wins and Dexter Dunn with 48 wins respectively. These senior horsepersons had an outstanding season and raised the bar to another level in regards to achievements and success.

Three notable inductees joined the Addington Harness Hall of Fame in 2014-15. John Lischner was inaugurated for his outstanding lifetime service to the harness racing industry as a horseman and administrator. Top quality trotter and champion sire Sundon took his spot, his progeny have excelled at the highest level over a long period and he has single-handedly advanced trotting breeding in New Zealand by 'quantum leaps'. The third inductee was champion trotter Lyell Creek, a champion racehorse and the greatest trotter produced to date in Australasia. Lyell Creek deservedly earned his nickname of "Creek the Freak".

2014-15 was a successful year for harness racing with breeders, owners, trainers and drivers receptive and rewarded by the Club's innovations. As part of our five year strategic plan instigated in 2012, we have been able to sustain an increase in stakes across the board at all levels. We look forward to continuing our initiatives regarding stakes, bonuses and horse numbers with the clear plan being that there is sustainability on a medium to long term basis.

GROUP ONE WINNERS



ADORE ME

Christchurch Casino New Zealand Trotting Cup



JACCKA JUSTY

Hellers Dominion Trot



FIGHT FOR GLORY

The Breeders' New Zealand Oaks



SPEEDING SPUR

Inkwise New Zealand Trotting Derby



VENUS SERENA

PGG Wrightson New Zealand Breeders Stakes



CHASE THE DREAM

Garrards New Zealand Sires' Stakes Series No.32 Final



HAVE FAITH IN ME

NRM Sires' Stakes Series No.31 Final
Muscara Standardbreds New Zealand Derby



STENT

Granite Benchtop Company New Zealand Trotting Free-For-All
Fred Shaw Memorial New Zealand Trotting Championship



CHRISTEN ME

Woodlands New Zealand Free-For-All
Breckon Farms & All Stars Racing Stables Easter Cup



THE ORANGE AGENT

Nevele R Fillies Final (Series 37)



RACING & CHARITY PARTNERS

RACING PARTNERS

123 Gaming
A Electrical
Active Electrical Christchurch
Armourguard
Air New Zealand
Ainger Tomlin Chartered Accountants
Alabar (NZ)
Allied Security
All Stars Racing Stables
Amalgamated Foods Distributors
Amicus Insurance Brokers
Anthony Shearer
Armitage Williams Construction
Avon City Ford
Barry Dent Superannuation Consulting
BDO Christchurch
Benchmark Homes
Bishopdale & Bush Inn TAB's & Tavern Harewood
Blair Cunningham Construction
Blue Star Taxis
Breckon Farms
Brent Cowan Plumbers
C B Norwood Distributors
Cablecraft Christchurch
Canterbury Copy Services
Canterbury Standardbred Breeders' Association
Canterbury Trotting Owners' Association
Cavell Leitch
Certified Builders Association
Charter Transport
Chesters Plumbing & Bathrooms
Christchurch Casino
Christchurch City Council

Clark Boyce Lawyers
Clarkson Sign Studio
Coca Cola Amatil (NZ)
Crombie Lockwood
Cullen Breeding
D E Coffee & Tea NZ
Dakins Group
Dodds & Associates
Dominion Trading Company
Dress-Smart Hornby
Eastgate Shopping Centre
Estate Fred Shaw
Estee Lauder Companies
Equine Investments
Fahey Fence Hire
Farmlands Co-operative Society
Four Winds Foundation
Gallagher Animal Management Systems
Garden City Florist
Garrards (NZ)
Garry Thompson - Purnell Creighton
Glenys & Philip Kennard - Graphite Developments
Gold Bar Racing
Go Stallions
Granite Benchtop Company South Island
Haleem David
Hamptons ITM
Harcourts Grenadier City Office
Harness Racing New Zealand
Hellers
Hydroflow
HydroServices
Inkwise
International Racehorse Transport

Islington Tavern
Jeff Dermott Painting & Decorating
John Paul II Centre For Life
JPM Contracting
Lamb & Hayward
Lion - Beer, Spirits & Wine (NZ)
Lone Star Riccarton
Magness Benrow
Mainly Waste
Majestic/InterIsland Horse Transport
Marriotts Chartered Accountants
Master Cleaning
McMillan Equine Feeds
Mediaworks NZ
Metalcorp (NZ)
Metalcraft Roofing
Metropol
Mico Plumbing
Mortlock McCormack Law
Muscara Standardbreds
Nevele R Stud
New Zealand Amateur Drivers' Association
New Zealand Racing Board
New Zealand Standardbred Breeders' Association
New Zealand Sires' Stakes Board Inc
Noel Leeming
NRM (NZ)
Pascoes The Jewellers
Paul Kelly Motor Company
Paul Renwick Kitchen & Joinery Centre
Peek Exhibition
Peninsular Beachfront Resort Mooloolaba
Pete Russell
PGG Wrightson Pinelea Farm
PJ Jeans Plumbing World
Prime Panels NZ
Protranz Earthmoving
Raymond Donnelly & Co
Resource Recycling Technologies NZ
Ricoh NZ
RNP Homes Searell & Co
Seiko
Sheppard & Kime
Sheppard & Rout
Sims Pacific Metals
Southern Demolition
Stallions Australasian
Storer Motors
Superior Hummer Limousines
Tabcorp Inter Dominion Series
Tandem Smash Repairs
Teltrac Communications
The Main Report Group

The Recruitment Network
The Trust Community Foundation
The Tyre General
Total Drainage & Construction
Trevinos Restaurant & Bar
United Steel
United Video Franchising
Vero Insurance NZ
Wai-Eyre Farm
Walker Davey
Waste Management NZ
Westfield Riccarton
Woodlands Stud
XCM Group
Yaldhurst Hotel
Zilco NZ

CHARITY PARTNERS

Autism New Zealand
Aviva
Bookarama
Christchurch City Mission
Dogwatch
Dress For Success Fostering Kids NZ
Heart Kids New Zealand
Lions Club of Christchurch South
New Zealand Blood Service
New Zealand Wishbone Trust
Nurse Maude
Ronald McDonald House South Island
Rotary Club of Avonhead
Rotary Club of Christchurch Sunrise
St John
The Breakfast Club
Zonta



EVENTS CENTRE

The Events Centre has recorded another successful year attracting more events, new clients and increasing overall revenue and profitability, culminating in the announcement of Addington Raceway and Events Centre as the winner of the Retail/Hospitality Medium/Large Enterprise category at the prestigious Champion Canterbury Business Awards.

In 2014 we had over 200,000 people visit and use the facilities at Addington, spread across a wide range of activities including conferences, tradeshows, meetings and dinners. Between Cup Day and Christmas alone our team successfully served over 22,000 diners. Throughout this period we also recorded an 82.4% satisfaction rating in overall guest experience for our Christmas at the Races product which was an increase on last years' performance.

The team also achieved a number of goals including meeting the challenge of increased competition and re-negotiating the continuation of our highly valued partnership with the Canterbury Rugby Football Union (CRFU) and The Experience Group to supply pre-and post-match hospitality for games held at AMI Stadium. We have also strengthened significant relationships with existing businesses and new clients such as FIFA, Canterbury & Lincoln Universities, ECANZ, Arrow International, Canterbury Employers' Chamber of Commerce and Fletcher Construction to name a few. In particular we would like to thank Lamb & Hayward, The Experience Group, CRFU, Hawkins and Placemakers for all their support.

From a race day perspective we have had a prosperous year with revenue well exceeding both budget and last year, mainly achieved through an increase in numbers of Funraisers, race night events and good trackside dining attendance.

The Christchurch Casino New Zealand Trotting Cup Day remains a must attend event for locals as well as many from around New Zealand. 2014 was an exceptional year for our hospitality packages which sold out prior to the event with 75% of bookings being repeat customers. Our most prestigious product, Blanc de Blanc Lawn which seats 320 people, was pre-sold prior to going to market. The overall customer satisfaction on the day was high with the following feedback: "The day is the best experience Christchurch can offer," "Good food and beverage and staff attentive to needs made the day," and "The event was well organised, there was a good police / security presence which precluded any out of control behaviour" typical of the comments we received. A number of initiatives in relation to the catering for these areas were implemented, such as designated delivery drivers and dispatch personnel, which ensured hospitality areas were stocked and ready well in advance for the big day.

As we are always looking at ways we can enhance our customers' experience, the following initiatives were implemented within the hospitality packages:

- Offering live entertainment in Spectators and providing a walkway through the Lindauer Lawn for better track viewing
- Carpet flooring was provided in the Monte Carlo marquee, to ensure an upmarket feel, which was extremely well received. This will be done in Johnny Globe in 2015

- Increasing the size of the Lindauer Reserve Mini Marquees from 400 to 500
- All grandstands in the inner track were replaced with viewing platforms
- We merged Lordship marquee into Johnny Globe bringing the capacity to 470 people complete with Oyster Bar

The implementation of the permanent liquor ban in the surrounding area was well received as was the increased presence of police and security screening as customers entered the event. All feedback received from agencies regarding strategies implemented around our host responsibility programme and staff training was very favourable, ensuring a safe and enjoyable venue was delivered on the day for all our patrons.

Our 7 day a week Bar & Bistro “Spectators”, in its second year of operation, has been an unquestionable success with revenue well up on budget, Supporters Club loyalty program with over 1100 members and customer feedback continuing to endorse our operation. Not only have we become known as the home of “Supporters Clubs” where customers have chosen to meet prior to home games at AMI Stadium and events at Horncastle Arena, but we have also been supported by many business groups holding networking functions and after work celebrations, such as Elite 6, Arrow International, Ngai Tahu, Clyne & Bennie, Westpac, ACC and Ernst & Young. The introduction of new drink driving laws in December has certainly changed the face of hospitality, however, with the introduction of mid-strength tap beer and low alcohol wine, along with the Spectators courtesy van, we have taken a proactive approach which has greatly assisted our operations and mitigated many of the resulting challenges. The focus for Spectators as always remains on achieving consistency in our food and service delivery, ensuring we continue to have a strong loyal base of supporters.

With the many changes over the past year, improving the way we communicate and engage with our people will remain a high priority. We realise we are privileged to have a hard working and committed team continually striving to deliver high quality events for our clients, however, we also recognise that the demand for skilled and talented people will remain competitive, so we are aware of our need to maintain a strong focus on internal development and training to ensure we have an engaged and capable workforce.





PROPERTY

The property Joint Venture will enter more of a consolidation phase over the next 12 months once the latest project, the new building situated by the “Terror To Love” starting point, is brought on stream in the first quarter of 2016.

Although facing challenges in the next year as the Christchurch commercial property sector looks to fully recover from the impact of the earthquakes, the Joint Venture is well placed, with 96% occupancy at the end of this financial year, to continue to provide a significant contribution to the Clubs’ ongoing revenue base. No new projects are presently on the Joint Venture books with a focus on completing not insignificant earthquake repairs in existing buildings and bedding down any potential new tenancies, in addition to completing the latest project.

Developments on the balance of the Raceway’s footprint in the last year include earthquake repairs commencing on the Stables and further advancement of strengthening and refurbishment projects for the Metropolitan and Twiggers Stands.

The old stables and float park area has been cleared and made tidy to accommodate current operational requirements and enable analysis of any future redevelopment opportunities. Although no projects are presently on the drawing board, a number of options have been investigated in the last 12 months but none as of yet have met the Clubs requirements.

The site of the old Public Stand has also been thoroughly investigated as a potential site for a hotel development, with significant dialogue currently occurring between the Club and Australian developers.

It was pleasing to receive the following feedback from New Zealand Racing Board CEO John Allen following a recent visit; “I was greatly impressed by the growth of Addington Raceway, with their new facilities, property development initiatives and running of both Harness and Greyhounds at the raceway. They are truly making the most of their assets which is great to see.”



AUDITOR'S REPORT



Chartered Accountants

Independent Auditor's Report

To the members of New Zealand Metropolitan Trotting Club (Inc)

The summary consolidated financial statements on pages 17 to 23, which comprise the summary consolidated statement of financial position as at 31 July 2015, the summary consolidated statement of financial performance, summary consolidated statement of other comprehensive income and expense, summary consolidated statement of changes in net assets/equity and summary consolidated statement of cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of New Zealand Metropolitan Trotting Club (Inc) for the year ended 31 July 2015. We expressed an unmodified audit opinion on those consolidated financial statements in our report dated 18 September 2015. Those consolidated financial statements, and the summary consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those consolidated financial statements.

The summary financial statements do not contain all the disclosures required for full financial statements under generally accepted accounting practice in New Zealand. Reading the summary consolidated financial statements, therefore, is not a substitute for reading the audited consolidated financial statements of New Zealand Metropolitan Trotting Club (Inc).

This report is made solely to the Clubs members, as a body, in accordance with the Constitution and rules of the Club and the Incorporated Societies Act 1908. Our engagement has been undertaken so that we might state to the Clubs members those matters we are required to state to them in our report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Club and the Clubs members as a body, for our work, for this report, or for the opinions we have formed.

Board of Directors' Responsibilities

The Board of Directors of the Club are responsible for the preparation of summary financial statements in accordance with PBE FRS-43: *Summary Financial Statements*.

Auditor's Responsibilities

Our responsibility is to express an opinion on the summary consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (New Zealand) (ISA(NZ)) 810, "Engagements to Report on Summary Financial Statements."

Ernst & Young provides taxation advice to the Group. We have no other relationship with, or interest in, the Group.

Partners and employees of our firm may deal with the Group on normal terms within the ordinary course of trading activities of the business of the Group.

Opinion

In our opinion, the summary consolidated financial statements derived from the audited consolidated financial statements of New Zealand Metropolitan Trotting Club (Inc) for the year ended 31 July 2015 are consistent, in all material respects, with those consolidated financial statements, in accordance with PBE FRS-43.

The signature 'Ernst & Young' is written in a cursive, handwritten style.

18 September 2015
Christchurch

NEW ZEALAND METROPOLITAN TROTTING CLUB INC.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 31 JULY 2015

		Group	
	Notes	2015 \$	2014 \$
Revenue			
Race meetings	3a	10,365,248	10,015,587
Events Centre	3b	7,551,102	7,060,916
Investment and development property		2,366,683	2,168,906
Membership (subscriptions/badges) revenue		123,422	127,099
Other rental revenue		601,825	904,043
Other revenue		729,273	845,286
		21,737,553	21,121,837
Expenditure			
Stakes and other initiatives		7,554,879	6,896,672
Depreciation and amortisation		945,808	931,421
Interest expense		1,067,933	1,031,501
Other expenses	4	11,894,562	11,892,972
		21,463,182	20,752,566
Operating surplus		274,371	369,271
Other gains/losses			
Net fair value gains on investment properties		153,265	2,210,279
Net unrealised (loss)/gain on interest rate swaps		(463,306)	22,281
Loss on property, plant and equipment		(11,456)	(21,995)
(Deficit)/surplus before income tax		(47,126)	2,579,836
Income tax expense		-	-
(Deficit)/surplus for the year		(47,126)	2,579,836
Attributable to:			
Members of the Parent		(47,133)	2,579,825
Non-controlling interests		7	11

NEW ZEALAND METROPOLITAN TROTTING CLUB INC.

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE REVENUE AND EXPENSE

FOR THE YEAR ENDED 31 JULY 2015

	Group	
	2015	2014
	\$	\$
(Deficit)/surplus for the year	(47,126)	2,579,836
Other comprehensive income	-	-
Total comprehensive revenue and expense for the year	(47,126)	2,579,836
Attributable to:		
Members of the Parent	(47,133)	2,579,825
Non-controlling interests	7	11

NEW ZEALAND METROPOLITAN TROTTING CLUB INC.

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE YEAR ENDED 31 JULY 2015

	Group	
	2015	2014
	\$	\$
At 1 August	69,419,743	66,839,907
Total comprehensive income for the period	(47,126)	2,579,836
At 31 July	69,372,617	69,419,743
Attributable to:		
Members of the Parent	69,372,256	69,419,389
Non-controlling interests	361	354

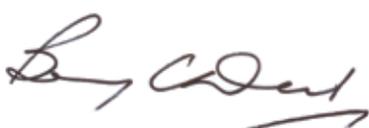
NEW ZEALAND METROPOLITAN TROTTING CLUB INC.

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2015

		Group	
	Notes	2015 \$	2014 \$
ASSETS			
Non-current assets			
Property, plant & equipment	5	44,145,138	51,851,558
Investment properties		38,335,000	27,766,667
Investment properties under construction		1,935,126	3,293,822
Other non-current assets		27,622	129,885
		<u>84,442,886</u>	<u>83,041,932</u>
Current Assets			
Cash and cash equivalents		2,960,027	4,398,171
Other current assets		1,351,908	1,520,596
		<u>4,311,935</u>	<u>5,918,767</u>
TOTAL ASSETS		<u>88,754,821</u>	<u>88,960,699</u>
LIABILITIES			
Non-current liabilities		16,291,476	11,710,084
Current liabilities		3,090,728	7,830,872
TOTAL LIABILITIES		<u>19,382,204</u>	<u>19,540,956</u>
NET ASSETS		<u>69,372,617</u>	<u>69,419,743</u>
EQUITY			
Members of the Parent		69,372,256	69,419,389
Attributable to Non-controlling interests		361	354
TOTAL EQUITY		<u>69,372,617</u>	<u>69,419,743</u>

For and on behalf of the Board of Directors which authorises the issue of the summary financial report on 18 September 2015



B Dent



B Smith

NEW ZEALAND METROPOLITAN TROTTING CLUB INC.

SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2015

	Group	
	2015 \$	2014 \$
Net cash flows from operating activities	1,165,083	962,842
Net cash flows used in investing activities	(2,271,570)	(2,718,470)
Net cash flows (used in)/from financing activities	(331,657)	10,882
Net increase in cash and cash equivalents	<u>(1,438,144)</u>	<u>(1,744,746)</u>
Cash and cash equivalents at 1 August	4,398,171	6,142,917
Cash and cash equivalents at 31 July	<u>2,960,027</u>	<u>4,398,171</u>

NEW ZEALAND METROPOLITAN TROTTING CLUB INC.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2015

1: Reporting entity

The financial statements of the New Zealand Metropolitan Trotting Club Inc (the Parent) and its subsidiaries (collectively the Group) for the year ended 31 July 2015 were authorised for issue in accordance with a resolution of the directors on 18 September 2015.

2: Basis of Preparation

The specific disclosures included in the summary Financial Statements have been extracted from the full Financial Statements dated 18 September 2015. There have been no restatements or reclassifications made in preparing these summary Financial Statements. The full Financial Statements from which the summary Financial Statements have been produced have been audited by Ernst & Young, who expressed an unqualified opinion in relation to those Financial Statements as at 18 September 2015. These summary Financial Statements have been examined by Ernst & Young for consistency with the full Financial Statements.

The full Financial Statements have been prepared as Special Purpose Reports, in accordance with generally accepted accounting practice, in New Zealand (NZ GAAP) with the exception of PBE Standards:

- IPSAS 16 Investment Property, where the Directors have elected to state Investment Properties under construction at cost. The Directors believe fair value will be most reliably measured when the property is complete.

- IPSAS 20 Related Party Disclosure, where the Directors have elected not to comply with full disclosure requirements of this Standard.

The Group is a public benefit entity for the purpose of financial reporting, as the primary objective of the Group is to provide goods and services for community or social benefit, rather than making financial return. This view has been supported by resolution from Harness Racing New Zealand, that all Clubs and Kindred Bodies financial reports will be required to meet the minimum standard of Tier 2, Public Benefit Entity, Reduced Disclosure Regime.

The consolidated full Financial Statements of the Group comply with Public Benefit Entity (PBE) Standards, with the exception of PBE IPSAS 16 and 20 as noted above. The full Financial Statements have been prepared in accordance with Tier 2 PBE standards. The entity is eligible for Tier 2, as it does not have public accountability and it is not large (as defined by XRB A1).

Management is not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

Users of the summary Financial Statements should note that the information contained therein cannot be expected to provide as complete an understanding as provided by the full Financial Statements of the Statement of Financial Performance and Statement of Financial Position of the Group.

Users who require additional information are encouraged to access the full New Zealand Metropolitan Trotting Club Inc Financial Statements on the New Zealand Metropolitan Trotting Club Inc website at www.addington.co.nz. Alternatively users may request a hard copy of the full New Zealand Metropolitan Trotting Club Inc Financial Statements by contacting the New Zealand Metropolitan Trotting Club Inc at the following address:

P O Box 9036
Tower Junction
Christchurch 8149
Telephone 03 338 9094

NEW ZEALAND METROPOLITAN TROTTING CLUB INC.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2015

3: Operating revenue	Group	
	2015	2014
a) Race meetings	\$	\$
Wagering revenue	6,135,064	6,170,682
Acceptance fees	466,475	381,161
Cup week ticket sales	362,402	375,069
Other revenue	132,132	214,114
Sponsorship	878,475	827,711
Subsidies	2,390,700	2,046,850
	10,365,248	10,015,587

Other revenue includes an amount of \$Nil (\$44,313), relating to inter-entity transactions.

b) Events Centre revenue

Events Centre revenue includes an amount of \$389,406 (2014: \$350,353), relating to inter-entity transactions.

4: Other expenses	Group	
	2015	2014
	\$	\$
Raw materials and consumables used	2,112,275	2,079,663
Employee benefits expense	5,023,332	4,856,284
Directors fees	113,000	113,000
Insurance, power, rates and repairs and maintenance	975,329	1,166,089
Marketing expense	716,309	663,082
Expenses from investment property	446,625	463,461
Other expenses	2,507,692	2,551,393
	11,894,562	11,892,972

NEW ZEALAND METROPOLITAN TROTTING CLUB INC.

NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2015

5: Property, plant and equipment	Cost/ Valuation \$	Group 2015	Net Book Value \$
		Accumulated Depreciation \$	
Revalued			
Land	23,710,000		23,710,000
Buildings	17,400,000	1,170,888	16,229,112
Other Property, Plant & Equipment	500,750	46,790	453,960
Non-revalued			
Other Buildings	2,111,570	150,262	1,961,308
Other Property, Plant & Equipment	4,871,826	3,186,351	1,685,475
Work in Progress	105,283	-	105,283
	48,699,429	4,554,291	44,145,138

6: Joint Venture

Summarised statement of financial position of NZ Metropolitan Properties - joint venture (proportion of Group's ownership)

	2015 \$	2014 \$
Current assets	152,386	256,393
Non-current assets (at revaluation)	32,395,126	31,060,490
Current liabilities	(957,102)	(5,641,212)
Non-current liabilities	(16,275,705)	(11,650,824)
Equity	15,314,705	14,024,848

Summarised statement of financial performance of NZ Metropolitan Properties - joint venture (proportion of Group's share of surplus)

	2015 \$	2014 \$
Revenue	2,499,165	2,246,940
Expenses	(1,756,895)	(1,705,683)
Operating surplus	742,270	541,257
Other unrealised (losses)/gains	(738,896)	2,232,560
Surplus for the year	3,374	2,773,817

7: Subsequent events

There were no material events subsequent to balance date.

NOTICE OF 2015 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Members of the New Zealand Metropolitan Trotting Club Inc. will be held in the Legends Lounge, Metropolitan Stand, Addington Raceway, Christchurch on Monday 12 October 2015 at 5.30 p.m.

BUSINESS TO BE TRANSACTED

ANNUAL REPORT

To receive the report of the directors, the financial statements for the year ended 31 July 2015, and the report of the auditors.

ORDINARY BUSINESS

1. To Elect Officers

The following nominations have been received:

Directors: Four seats

Karen Fordyce, Michael Grainger, Brent Smith, Geoff Ward, David Rankin, Shirley Cummings, Peter Evans.

As the nominations exceed the number required (four) an election will be necessary.

Committee: Nine seats

Kane Greig, Barry Dent, Tim Sissons, Geoff Ward, Rebecca Mooney, Karen Fordyce, Paul Walton, Shirley Cummings, Aidan Johnstone.

As the nominations do not exceed the number required (nine) an election will not be necessary.

2. Approval of Directors Fees

To approve that the remuneration to be paid to the Directors of the New Zealand Metropolitan Trotting Club Inc. (Addington Raceway Ltd), be \$96,000. The allocation of such funds to be at the discretion of the Directors.

3. Appointment of Auditors

To authorise the Directors to appoint Ernst & Young as auditor for the 2015-16 year.

4. Approval of Member Subscriptions

To approve for the 2016-17 year, that an Ordinary Members' subscription remain at \$175 including GST, and a Metro Members' subscription remain at \$90 including GST.

GENERAL BUSINESS

For and on behalf of the Board:

Dean McKenzie

Chief Executive Officer

Christchurch

18 September 2015



REGISTERED OFFICE: New Zealand Metropolitan Trotting Club Inc, 75 Jack Hinton Drive, Addington, Christchurch 8024
SOLICITORS: Cavell Leitch, 6 Hazeldean Road, Addington, Christchurch 8024
AUDITORS: Ernst & Young Chartered Accountants, 20 Twigger Street, Addington, Christchurch 8024
BANKERS: ANZ National Bank Ltd, Lincoln Road, Addington, Christchurch 8024
BNZ Cashel & Fitzgerald Store, 114 Fitzgerald Ave, Linwood, Christchurch 8011

