



FINAL CERTIFICATION RETURN YEAR ENDED 30 JUNE 2015

NSW Harness Race Field Information Use

Section 1 Approval Holder Details

Name of Approval Holder: _____

Address: _____

Suburb: _____ Post Code: _____

Contact Email Address: _____

Wagering Licence No: _____ Issued by: _____

Is Wagering Licence still Valid? Yes / No

Has there been any change of ownership / directors, key employees or management of the Wagering Operator? Yes / No?

If 'Yes' please provide details: _____

Has any Notifiable Event occurred to the Wagering Operator? Yes / No?

If 'Yes' please provide details: _____

Section 2 Annual Turnover Information – Section 6 of Approval Notice

- 6.1 Within 30 days after 30 June 2015, the Approval Holder must lodge a return to HRNSW in a form approved by HRNSW which contains the following information in respect of the periods 1 July 2014 to 30 June 2015:
- (a) the Approval Holder's NSW Harness Turnover;
 - (b) the amount of any credits on any Bet Back which the Approval Holder claimed to be entitled to and evidence to support the Approval Holder's entitlement to those credits;
 - (c) the Approval Holder's Net Harness Turnover ;
 - (d) the amount which the Approval Holder calculates as being the amount of the fee payable in accordance with clause 3.1 ;
 - (e) the amount of any instalments paid under clause 3.2 ;
 - (f) such other information relevant to the assessment of fees payable under these conditions as HRNSW may specify from time to time.
- 6.2 The information in the return referred to in clause 6.1 must be certified by the Approval Holder (or, if the Approval Holder is a body corporate, by a director of that body corporate) as being true and correct and must be verified by:
- (a) a certificate from a registered auditor to be submitted within 90 days after the end of each period identified in clause 6.1;

- (b) if the Approval Holder's NSW Harness Turnover in respect of the Financial Year for either period identified in clause 6.1 is less than \$2.5 million, by a statutory declaration duly made by the Approval Holder (or, if the Approval Holder is a body corporate, by a director of that body corporate).

6.3 HRNSW may permit the Approval Holder to submit a certificate from a registered auditor for a different twelve month period if the Approval Holder's balance date for financial reporting purposes does not end on 30th June in any year. The Approval Holder must seek written permission from HRNSW for such a change.

Note:

- **Bet Back** means a wager which is made by the Approval Holder on the backers side of the wagering transaction in relation to NSW Harness Races (or contingencies related to NSW Harness Races):

- (a) for the purpose of genuinely reducing or laying-off the Approval Holder's liability on a fixed-odds wager which has already been accepted by the Approval Holder and on which the Approval Holder has taken risk on the layers side of the wagering transaction;
- (b) on the same contingency in relation to the NSW Harness Race as the Approval Holder has already accepted risk on the layers side of the wagering transaction referred to in paragraph (a) above; and
- (c) in respect of which the amount which the Approval Holder stands to win does not exceed the amount that the Approval Holder stands to lose on the same contingency on the layers side of the wagering transaction referred to in paragraph (a) above.

- **Net Harness Turnover** means any amount greater than zero calculated in accordance with the formula:

HRT - BBC

Where:

HRT is the Approval Holder's NSW Harness Turnover during the period identified in clause 3.2;

BBC is the amount of credit for Bet Backs to which the Approval Holder is entitled.

- **Notifiable Event** means:

- (a) an Insolvency Event occurs in relation to the Approval Holder;
- (b) the Approval Holder becomes Related to an Australian Wagering Operator during the Duration of Approval;
- (c) the Approval Holder ceases to be Related to an Australian Wagering Operator within paragraphs (a)-(i) of the definition of "Related" during the Duration of Approval;
- (d) there is a change in the persons that have a Controlling interest in the Approval Holder;
- (e) a prosecution is commenced against the Approval Holder, any of its Key Employees or another member of the Group;
- (f) a verdict is delivered and/or a fine is imposed in respect of a prosecution against the Approval Holder, any of its Key Employees or another member of the Group or such a prosecution is dismissed or discontinued;
- (g) disciplinary action is taken under the Rules of Racing against the Approval Holder, any of its Key Employees or another member of the Group or formal notice is given of an investigation or inquiry to determine whether to take such disciplinary action;
- (h) the Approval Holder is aware that any person who is a Key Employee of the Approval Holder has a criminal record or has been subject to disciplinary action under any legislation, whether in New South Wales or elsewhere, or under the Rules of Racing;
- (i) there is a material change in the events on which the Approval Holder conducts wagering or in the mechanisms which the Approval Holder uses to facilitate the receipt of wagers (for example, if during the period, the Approval Holder commences using the internet to facilitate the receipt of wagers, that would be a "Notifiable Event");
- (j) the Approval Holder breaches or fails to comply with any of the conditions of the Race Field Publication Approval;
- (k) the Approval Holder is aware that any other member of the Group publishes a NSW Harness Race Field in breach of section 33 of the Racing Administration Act;
- (l) the Approval Holder is aware that any other member of the Group has breached or failed to comply with the conditions imposed on Approval(s) granted by HRNSW in accordance with section 33A of the Racing Administration Act to that member of the Group;
- (m) the Approval Holder's Australian Wagering Licence is withdrawn.
- (n) Any other change in circumstances relating to matters that were advised to HRNSW by the Approval Holder in its application.

- **NSW Harness Turnover** means Turnover in respect of wagering transactions in relation to NSW Harness Races (or contingencies related to NSW Harness Races). Without limiting the generality of this definition, where:

- (a) the result of a single wagering transaction depends on the combined outcome of a number of events (*for example: "doubles" bets*); and
- (b) a NSW Harness Race is at least one of the events on which the outcome of that wagering transaction depends, NSW Wagering Turnover will include the same proportion of the amount of the wagers made on the "backers" side of the wagering transaction as the number of NSW Harness Races on which the outcome of the wagering transaction depends bears to the total number of events on which the outcome of the wagering transaction depends, irrespective of the order in which those events are conducted or determined or the outcome of those events.

For example:

-if a "doubles bet" requires the selection of the winner of a NSW Harness Race and the winner of a harness race conducted in Melbourne, then ½ of the amount of the wager on the "backers" side of the wagering transaction would be included as NSW Harness Turnover even if the race in Melbourne was held first and irrespective of the outcome of the Melbourne race;

-if a "doubles bet" requires the selection of the winner of two NSW Harness Races, then the whole amount of the wager on the "backers" side of the wagering transaction would be included as NSW Harness Turnover;

- if a "doubles bet" requires the selection of a winner of a race conducted at a NSW Harness Premium Race Meeting and the winner of a race at a NSW Harness Standard Race Meeting, then one half (1/2) of the amount on the wager on the "backer's" side of the wagering transaction would be included in the NSW Harness Premium Turnover even if the race at the Standard Race Meeting was held first and irrespective of the outcome of that race.

-if a bet was placed on the combined outcome of a NSW Harness Race, a rugby league match and a greyhound race, then 1/3 of the amount of the wager on the "backers" side of the wagering transaction would be included as NSW Harness Turnover; and

-by contrast, if a bet was placed on the outcome of a NSW Harness Race and the "layer" directed that any winnings on that bet be applied in a wager on another event (e.g. an "All-up" bet) so that each was a separate wagering transaction, then the entire amount of the wager on the "backers" side of the first wagering transaction would be included as NSW Harness Turnover and the second transaction would be assessed as an independent wagering transaction).

- (c) And includes the face value of any Free Bets.

- **NSW Harness Premium Turnover** means Turnover in respect of wagering transactions in relation to NSW Harness Premium Race Meetings (or contingencies related to NSW Harness Premium Races).
- **Premium Race Meeting** means a race meeting at which at least one race offering prizemoney of \$30,000 or more is held. The list of such race meetings will be supplied by HRNSW. A Premium Race Meeting has the meaning given to that term in clause 16 (3) of the *Racing Administration Regulations*.
- **Standard Race Meeting** means any race meeting other than a Premium Race Meeting.
- **Turnover** means, in relation to a race or class of races, the total amount of wagers made on the "backers" side of wagering transactions made in connection with that race or class of races. For the avoidance of doubt, in the case of a person who holds an Australian Wagering Licence to operate a betting exchange, the "backers" side of wagering transactions made through the operation of that betting exchange is regarded as that person's "Turnover" even if that person is not a party to the contract which constitutes the wagering transaction;

Section 3 Annual Turnover Calculations

Year to Date Financial Information 2014-2015		
Standard Race Meetings		
	Turnover	Fee
NSW Harness Turnover (Gross) Standard Race Meetings as per the definitions: (a)		\$
NSW Harness Bet Back Credits Standard Race Meetings as per the Definitions: (b)		\$
NSW Harness Turnover (Net) Standard Race Meetings – (a-b)		\$

Premium Race Meetings		
	Turnover	Fee
NSW Harness Turnover (Gross) Premium Race Meetings as per the Definitions: (c)		\$
NSW Harness Bet Back Credits Premium Race Meetings as per the Definitions: (d)		\$
NSW Harness Turnover (Net) Premium Race Meetings (c-d)		\$

Based on the above:

Total fee Owing to HRNSW	\$
Total Quarterly Instalment payments paid (excl GST)	\$
Quarterly Supplementary payments or refunds (+ or -)	\$
Balanced owed (+ or -)	\$
+GST	\$
Final Balance Owed (+ or -)	\$

Section 4 Certification

The Approval Holder acknowledges that this information is provided in compliance with Sections 3 and 4 of the Approval Conditions:

The Approval Holder also acknowledges that they must:

- (a) maintain all accounts, financial and wagering records as may reasonably be required to enable HRNSW to monitor or verify compliance with these conditions and all amounts payable to HRNSW in accordance with these conditions; and
- (b) provide HRNSW with full access to any accounts and records referred to in clause 17.1(a) (of the HRNSW Approval Conditions) at such times and locations as reasonably requested by HRNSW allow HRNSW to take copies of any accounts and records referred to in clause 17.1(a).
- (c) HRNSW has the right to require that the accounts and records maintained by the Approval Holder be audited by a Registered Auditor nominated by HRNSW.

The Approval Holder represents and warrants that:

- (a) the information contained in this report is complete, true, correct and not misleading (in either its content or by omission); and
- (b) this report has been appropriately authorised and executed by or on behalf of the Approval Holder.
- (c) Where turnover is less than \$2.5m, attach a Statutory Declaration that certifies the information contained in this report is complete, true, correct and not misleading (in either its content or by omission) [Standard Conditions Clause 6.2 (b)].

A Certificate from a registered Auditor will be submitted by 30 September 2015 or an alternative date if approval has been granted in accordance with Clause 6.3 of the HRNSW Approval Conditions.

This report is dated: _____ / _____ / _____

If the Approval Holder is an individual, signed by the Approval Holder in the presence of:

Signature of Approval Holder

Signature of Witness

Name of Approval Holder (Please print)

Name of Witness (Please print)

If the Approval Holder is a Company, signed by the Approval Holder by:

Director/Secretary

Director

Name of Director/Secretary (Please print)

Name of Director (Please print)

Statutory Declaration is Attached – YES/NO

This Final Certification Return must be submitted by 31 July 2015 (as per the requirement of Standard Condition 6)

Please return the form either:

Scan and email to: gwootton@hrnsw.com.au **OR**
Fax (02) 8580 5793 **OR**
Mail: Race Fields – Harness Racing NSW
PO Box 1034, Bankstown, NSW, 1885

Checklist – please use the following checklist:

Figures are completed in the table in Section 2 (any queries please contact HRNSW)

Report is appropriately signed and witnessed

EXAMPLE AUDIT CERTIFICATE

To be received on or before 30 September each year (or an alternative date if approved by HRNSW).

Report on Quarterly Returns and Final Certification Return

We have audited the financial information in the Harness Racing NSW race fields Returns (Quarterly Returns and the Final Certification Return) for the period ended XX June 2015.

Directors' responsibility for the financial information

The directors and management of [name of company] are responsible for the preparation and lodgement of the Returns in accordance with the HRNSW Approval Conditions and have determined that the basis of preparation is appropriate to meet these requirements.

The directors' and managements' responsibility also includes such internal control as the directors determine necessary to enable the preparation of Returns that are 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.

Auditor's responsibility

Our responsibility is to express an opinion on the Returns based on our audit. We conducted our audit in accordance with Australia 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 Returns are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Returns. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the Returns, 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 Returns 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 the accounting policies used and the reasonableness of accounting estimates made by the directors and management, as well as evaluating the overall presentation of the Returns.

The Returns have been prepared for the purpose of determining [name of company] race fields fee payable to Harness Racing NSW for the use of NSW Harness Race Field Information.

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 Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion, the financial information of [Name of Wagering Operator], as set out in the NSW Harness Race Field Returns for the period ended XX June 2015 are presented fairly, in all material respects in accordance with the definitions of NSW Harness Turnover (Gross), Bet back credits allowed and Payments Made contained in the Race Fields Legislation and the Approval Notice.

Basis of Accounting and restriction on Distribution and Use

Without modifying our opinion, we draw attention to the fact that the Returns have been prepared for the sole purpose of assisting [Name of Operator] to meet the requirements of Harness Racing NSW and the Racing Administration Act 1998 (NSW). As a result, the financial information may not be suitable for any other purpose.