



FROM THE CEO

Tasracing achieved a number of significant outcomes in 2012/13.

Firstly, Tasracing has successfully managed its cost base and increased income to produce a significant improvement in its net result. The financial year loss of \$0.5 million is an \$9.8 million turnaround on the loss of \$10.4 million in 2011/12.

Secondly, Tasracing has made significant inroads to close the funding gap that was identified in the financial year. The company committed to improve the 2011/12 pre-impairment loss of \$4.6 million by \$1.1 million in 2012/13. Tasracing overachieved on this target delivering a net improvement of \$2.3 million.

And third, wagering turnover on Tasmanian racing in 2012/13 grew by \$28 million to \$403.7 million, or 7.7 per cent across the three codes (building on 8.4 per cent growth from the previous year). This growth was achieved in the face of significant competition from other entertainment options and at a time when there is increasing pressure on consumers' disposable income and can be attributed to the commercial strategies developed and implemented by Tasracing.

From my first day in the job as the Tasracing CEO on 1 August 2012, the organisation and I have been focused on working to ensure the Tasmanian racing industry remains relevant in a

Tasmanian and national context.

At the time my appointment was announced to industry, I wrote in a statement:

"To be successful our industry needs to be lean and customer-focused, relevant to current and new audiences and have a powerful digital presence."

"These areas will be a key focus for me in the short to medium-term as we continue to work with our industry partners to develop a more sustainable sector which has less reliance on Tasmanian Government funding for its operations."

Reflecting on the organisation's performance in 2012/13, we have been very successful in achieving the goals as outlined above.

BUSINESS REVIEW Industry funding

The allocation for prize money and industry funding in 2012/13 increased by CPI (1.6 per cent) or \$339,000 to \$21.7 million. This comprised:

- Thoroughbreds - \$11.7 million (an increase of 1.6 per cent).
- Harness - \$5.9 million (1.27 per cent).
- Greyhounds - \$4 million (1.99 per cent).

Tasracing's code allocation model recognises the individual code's

contribution to wagering performance and aligns code funding accordingly.

Digital presence

Consistent with the company's strategy to engage with digital - savvy customers, Tasracing's website (tasracing.com.au) continues to be an extremely important and effective communication tool.

To improve the web site visitor's experience, including access from mobile devices, a modern Content Management System was implemented.

Website statistics for 2012/13 show an increase in visitor numbers of 20 per cent compared to the previous financial year.

StrideMASTER, Tasmania's state of the art GPS tracking system for thoroughbreds that captures key performance statistics for all horses in all Tasmanian races, continued to provide sectional and biometric data, not only driving visitor traffic to the web site but also positioning Tasmanian racing as a premium choice for wagering customers.

Form, comments and tips on the Tasracing web site for the harness code, plus promotion of this information via social media, was also well received.

Since March 2013, greyhound form, comment and racebook information has been available on the website on

"The allocation for prize money and industry funding in 2012/13 increased by CPI (1.6 per cent) or \$339,000 to \$21.7 million."

Key performance areas

Improved net financial performance



Tasracing committed to improving its 2011/12 pre-impairment loss of \$4.6m by \$1.1m. Overachieved on this target delivering \$2.3m net improvement.

Number of races



Race numbers across all three codes were maintained in 2012/13 compared to the last financial year.

Improved turf track performance



91.2% races run on target turf track rating (2011/12: 84.3%).

Improved asset performance



Reduced number of races rescheduled or abandoned due to electrical or infrastructure faults (excluding weather-related issues) 0.6% of total run (FY12: 1.6%).

Increased International exposure



17 night thoroughbred race meetings exported to France in 2013 calendar year (2012: 12 meetings).

New marquee sponsorship



Betfair signed as new sponsor for the Tasmanian Summer Racing Carnival.

a page aptly named "Punter's Corner". Previews of meetings, together with the audio of the Greyhound Show aired on RadioTAB, are also available.

There are now close to 7,000 race and trial replays available on the website (tasracing.com.au).

Alongside web site visitor number growth, Facebook growth has been

strong. The number of people "Liking" Tasracing's Facebook page increased by more than 300 per cent for the period. While on the subject of social media, during the 2013 Tasmanian Summer Racing Carnival, our activity on Twitter and Instagram increased significantly, and we started sharing corporate updates via LinkedIn.

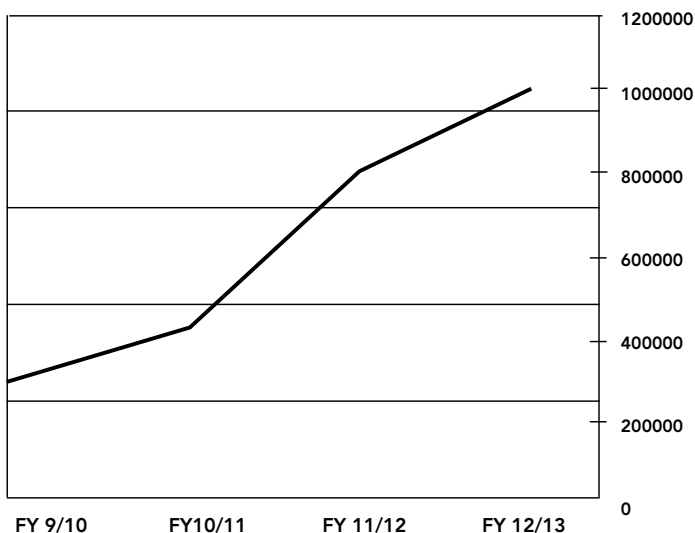
Industry partnerships

This financial year Tasracing and Betfair signed a new three-year exclusive naming rights partnership arrangement for the Tasmanian Summer Racing Carnival and the Hobart and Launceston Cups.

As many would appreciate, Betfair is one of the world's leading wagering operators and was licensed by the Tasmanian Government in February 2006.

At the sponsorship announcement, Betfair Australia CEO Giles Thompson described his company as a "proud Tasmanian" that was delighted to partner with the carnival when presented with the opportunity.

Our partnership with TattsBet and the establishment of the \$100,000 bonus for the owner and trainer of any horse that can win the Hobart and Launceston Cups in a single year played a major role in achieving record wagering turnover on the two races. It



Website page views



“Turnover on the Hobart and Launceston Cup meetings from all wagering operators totaled \$6.5 million and \$7.4 million respectively, representing growth of 30 per cent and 60 per cent.”

also created a new level of excitement among local and interstate owners and trainers, and an extra level of interest for the carnival overall.

Tasracing, Magic Millions and TasBreeders signed a three-year agreement to conduct the Magic Millions Tasmanian Yearling Sale.

The three-year deal, announced in September 2012, reaffirmed Magic Millions’ confidence in the Tasmanian bloodstock industry.

Magic Millions managing director Vin Cox said he was very pleased to “sign up” to conduct the Tasmanian sale with the support of Tasmanian breeders.

He said: “Pound for pound, dollar for dollar, the Tasmanian sale competes well alongside every mainland state. Tasmanian breeders are very passionate about their industry. We enjoy getting down to Tasmania for the sale. It’s a great sale to run. The enthusiasm really rubs off on vendors and buyers.”

Tasracing also reaffirmed with Sky Racing variations to broadcast agreements that secure the desirable Wednesday night thoroughbred slot which maintains Tasmania’s strategic position in Sky’s international broadcast schedule.

Racing

Tasracing assumed race day functions from the Tasmanian Racing Club and the Devonport Racing Club in 2012/13.

Following extensive discussions and consultation with the respective clubs, separate offers were made and accepted by both clubs which included the transfer of race day staff as part of a set of measures to help improve each club’s financial performance. The decisions were in line with Tasracing’s corporate strategy to streamline operations. Importantly, the transition did not interrupt service delivery levels for industry participants.

Consultation Meetings		1 July - 30 Sept Quarter 1	1 Oct - 31 Jan Quarter 2	1 Jan - 31 March Quarter 3	1 April - 30 June Quarter 4
Thoroughbred	Thoroughbred Advisory Network (TAN)	1	1	1	1*
	Tasmanian Jockey Association/Tasracing Joint Meeting	1	1	2	1
	Magic Millions Yearling Sale Working Group	1	1	2	
Harness	Open Industry Forum **	2			
	Harness Industry Forum (HIF)		1	1	1*
	Harness Race Programming Working Group**	1			
	Harness Yearling Sale Working Group			1	1*
Greyhound	Greyhound Reference Group (GRG)	1	1	1	1*

* HIF, GRG and TAN meetings scheduled for June 2013 took place in July 2013 due to operational requirements

** Open Industry Forum and Programming Working Group were amalgamated in December 2012 and were renamed the Harness Industry Forum.



Tasracing has employed club race day staff and assumed responsibilities for their management without increasing its office staff. Efficiencies have already been identified and Tasracing will continue to refine operations to ensure service delivery is efficient and effective.

The Hobart Greyhound Racing Club (HGRC) hosted a highly successful National Sprint and Distance Championships, as well as organising a full week of events for the annual Australian Greyhound Racing Association and Greyhounds Australasia conferences.

In February Tasracing facilitated apprentice jockey training returning to Tasmania. At the time of writing, there were 13 apprentices undertaking their Certificate IV jockey program.

The quality of the Hobart and Launceston Cups continue to improve. While it occurred outside the reporting period covered by this annual report, following the August 2013 meeting of

the Australian Pattern Committee, I am pleased to note the:

- 2013 Hobart Cup achieved its highest ever rating.
- 2013 Launceston Cup equalled its highest ever rating (2009).
- Upgrade of the Vamos Stakes for fillies and mares to Group 3 in 2014.

Turnover on the Hobart and Launceston Cup meetings from all wagering operators totaled \$6.5 million and \$7.4 million respectively, representing growth of 30 per cent and 60 per cent.

The synthetic all-weather surface at Tapeta Park at Spreyton continued to perform strongly in 2012/13 and continued to attract strong praise from industry participants.

Turnover on races at Tapeta Park increased by more than \$10 million this year. This represents a per race average increase of 28 per cent compared to last year. Field sizes were

consistent with 2011/12.

The Tapeta Park surface provides surety for racing and consistency of product. Both factors contributed significantly to the overall turnover result for the thoroughbred code.

Tapeta Park has quickly become a critical asset in the state's racing infrastructure portfolio reaffirming the importance of the Tasmanian Government's investment in the project.

In July 2012 Tapeta Park hosted what was, to the best of our knowledge, the first harness race meeting to be conducted on a synthetic thoroughbred surface. Four race meetings, as well as harness training activities, were conducted at the venue which has diversified the use of the asset.

Assets

A significant initiative in 2012/13 was the introduction of a Strategic Asset Management and Information System

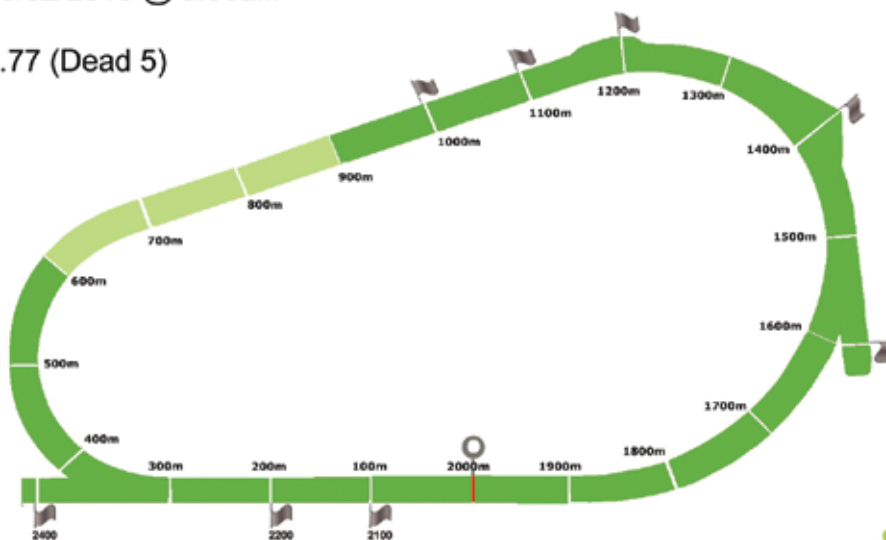


LEGEND

- FAST 1
- GOOD 2
- GOOD 3
- DEAD 4
- DEAD 5
- SLOW 6
- SLOW 7
- HEAVY 8
- HEAVY 9
- HEAVY 10
- STARTING POSITIONS
- WINNING POST

TATTERSALL'S PARK COURSE PROPER
10/02/2013 @ 5:30am

4.77 (Dead 5)



ELWICK TRACK



(SAMIS). It is a cutting edge approach to asset management to ensure continuity of operations, efficient maintenance schedules, compliance and forecasting.

Following the 2012 Hobart Cup Tasracing installed new specialised, sub-soil drainage from 975-metres to the 875-metre mark at Tattersall's Park.

The drainage trenches were excavated using vacuum trenching technology. This method significantly reduces the recovery time required for such works.

The area drained showed significant improvement during the winter of 2012.

Following the success of this drainage work, Tasracing installed additional drainage from 875-metres to 825-metres. These areas now drain at the same rate as the majority of the track with no evidence of standing water during wet weather.

Tasracing will continue to improve drainage at Tattersall's Park. Much of the drainage work is performed by the

groundstaff which has a significant cost advantage over engaging contractors.

To assist in customer and stakeholder understanding of track conditions, Tasracing introduced a colour-coded 'track rating' map that was distributed to industry and wagering customers for races at Tattersall's Park.

At The TOTE Racing Centre at Mowbray, a specialised maintenance program including an extensive renovation in the spring, was implemented to assist in the delivery

“During 2012/13, 91.2 per cent of all races were within this target range, compared to 84.3 per cent in 2011/12.”

“Night racing delivers a 27 per cent premium on total meeting turnover compared to Sunday race meetings.”

of the busy night racing schedule.

The performance of the track (21 night racing meetings over 26 weeks) was important as it ensured a consistent, quality product to take full advantage of the premium broadcast spot secured by Tasracing from Sky. By any measure this is an outstanding asset performance for a track in southern Australia with a “cool season” grass species.

Tasracing targeted thoroughbred track ratings of Good 3 to Dead 5 for October to March and Good 3 to Slow 7 for April to September. During 2012/13, 91.2 per cent of all races were within this target range, compared to 84.3 per cent in 2011/12.

Tasracing has a proactive asset management regime and as a result only 0.6 per cent of races across all three codes were rescheduled or abandoned (1.6 per cent in 2011/12) due to electrical fault or infrastructure issues (this excludes weather-related incidents).

A new gantry and LED lights were installed at The TOTE Racing Centre at Launceston for the greyhound code and commenced operations at the race meeting on 27 May 2013. The improvement to the quality of the photo finish images has been substantial and has enhanced integrity outcomes.

Major improvements were made to the catching pen area at the Brighton

Training Centre with the replacement of fencing and the installation of four greyhound starting boxes.

Safety has also been a key focus for the organisation.

While the introduction of new WHS legislation from 1 January 2013 increased the responsibility on all parties involved in racing to make the industry as safe as possible, Tasracing initiated a suite of risk mitigation strategies in relation to workers’ compensation across racing, assets and return to work. Workers’ compensation costs for jockeys decreased by \$637,000 as a result of improved claims history during the financial year.





International

Tasmanian racing product's global footprint incorporates New Zealand, the USA, the UK, South Africa, Singapore, France, Indonesia, the Philippines, Papua New Guinea, Sri Lanka and the United Arab Emirates. Tasracing is now generating revenue for the industry from these international jurisdictions. New Zealand is the largest export market at 36 per cent with France quickly increasing to 23 per cent while the UK and South Africa are nine per cent and six per cent respectively.

International expansion is of particular importance as it provides new revenue for industry (increasing off-course wagering is vital for the industry's future sustainability). International turnover on Tasmanian racing increased by 39 per cent in 2012/13. All of the codes demonstrated good growth - greyhound racing increased by 16 per cent, harness racing increased by 39 per cent while thoroughbred racing, supported by the night racing schedule, increased by 123 per cent.

This performance has been very pleasing, however international returns remain modest and will grow over the

medium to long-term, as new markets take time to develop.

Importantly, feedback from these international customers reveal that our racing is the equal of any other internationally-broadcast races.

Aymeric Verlet, PMU's International Development Director, said: *"Launceston thoroughbred races have been a popular addition to the Wednesday racing calendar in France. The quality of Tasmania's product is world class and Tasracing's willingness to meet our customers' requirements, for example with their late mail service in French, has helped grow the popularity and wagering performance of this emerging racing product for our punters."*

Night thoroughbred racing

This financial year's 21 Wednesday night thoroughbred meetings in Launceston were a great success.

Night racing delivers a 27 per cent premium on total meeting turnover compared to Sunday race meetings. The average meeting turnover for Wednesday night meetings in Launceston was approximately \$2.55 million. For the equivalent period, the average meeting turnover for a

Sunday day meeting, at any location, was approximately \$2 million.

The races are well supported by trainers, with average field sizes of 10.1 compared to 9.2 for daytime Sunday meetings.

In addition to direct financial benefits, night racing provided several strategic advantages, including expanded coverage of Tasmanian thoroughbreds on Sky Racing World, featuring trackside interviews and pre-race mounting yard analysis.

As one of only a handful of night thoroughbred racing venues in Australia, the value of the State Government's investment in lights is now being clearly demonstrated.

Tasmania is the only regular Australian product broadcast into the French market and the expansion from 12 to 17 meetings in the 2013 calendar year was driven by customer demand and Tasracing's competitive positioning of the product.

Service initiatives undertaken this year to strengthen the acceptance of Tasmanian racing by French customers have included the delivery of "Late Mail" tips and preview information in French prior to each meeting.

During the year there has also been

	Meetings	Out of Session
Board Meetings	11	3
Audit & Risk Subcommittee	6	-
Racing Policy & Rules Subcommittee	3	5
Remuneration Subcommittee	2	-
Nominations Subcommittee	1	-



further demand of Tasmanian product from many countries, including New Zealand, South Africa and Singapore.

FINANCIAL REVIEW

Statement of Comprehensive Income

As noted earlier, wagering turnover on Tasmanian racing in 2012/13 grew by \$28 million to \$403.7 million, or 7.7 per cent across the three codes (building on 8.4 per cent growth from the previous year).

Breaking it down code-by-code, turnover on the thoroughbred code increased by 11.6 per cent in 2012/13 compared to the previous year, the harness code consolidated its excellent performance last year with a 0.16 per cent increase in turnover while the greyhound code increased turnover by 6.93 per cent.

Increasing turnover is important to the Tasmanian industry because of the revenue that is generated through race field fees. In 2012/13, race field fees provided \$5 million in revenue for Tasracing and the Tasmanian racing industry up 6.7 per cent from the previous financial year.

As noted earlier, Tasracing made a loss for the year of \$0.5 million, an improvement of \$9.8 million on the loss of \$10.4 million in 2011/12. The key drivers for this result are noted below.

Income increased by 10.7% or \$3.8m to \$39.2m. Tasracing is responsible for its commercial revenue streams.

All forms of racing-related revenue has been classified as racing revenue on the face of the Statement of Comprehensive Income and is analysed in Note 3 in the notes to the financial statements. Racing revenue increased by \$993,000 (17.0 per cent) made up as follows:

- A 6.7 per cent increase in domestic race field revenue from \$4.7 million to \$5 million driven by 7.7 per cent growth in wagering turnover.
- A 98.9 per cent increase in other income driven by:
 - A new contribution from Racing Services Tasmania to the costs of vision and broadcast of \$125,000.
 - Securing training income and funding of \$78,000 to subsidise the harness training program.
 - A new income stream resulting from the restructure of responsibilities with the Devonport Racing Club and the Tasmanian Racing Club which amounted to \$64,000 in 2012/13.

Funding from the Tasmanian Government increased by \$526,000 for the following two reasons:

- A 0.6 per cent increase in the annual operating grant under the Funding Deed equivalent to \$164,000. CPI of 1.6 per cent was reduced by one per cent to reflect the efficiency dividend.

- An increase of \$361,000 owing to the new support in relation to the loan at Note 17(i). This new support applies to the principal, interest and guarantee fees on the loan for the three years ending 30 June 2015. The support for the principal is treated as an equity contribution.

Interest revenue decreased by \$200,000 as the Reserve Bank of Australia cash rate has reduced by 1.23 per cent on average year on year.

The improvements in the business achieved in 2012/13 and identified in this report have resulted in a better financial forecast leading to the reversal of \$2.47 million of the impairment expense recognised in 2011/12 of \$5.7 million. The impairment reversal is recognised as revenue. The business model remains exposed to risks, particularly in relation to workers' compensation costs, race field fees and defined benefit scheme costs.

Expenses decreased by \$6 million from \$45.8 million to \$39.8 million.

Stakes across all three codes increased by \$275,000. However, prize money and industry funding is noted in the accounts as decreasing by \$470,000 for reasons including:

- A \$400,000 reduction in the TasBonus expense which was booked in 2011/12 as a change in accounting policy.
- A \$136,000 reduction in club meeting payments and on-



course commissions following the restructure of responsibilities with the TRC and DRC and the declining trend in on-course betting.

- Reductions in breeder incentives, travel subsidies and Interdominion contributions.

Expenses for training and racing facilities in Note 7 increased by \$406,000 to \$3.1 million for reasons including:

- A \$133,000 increase in water costs and other utilities associated with an unusually dry season requiring extended irrigation.
- A \$161,000 increase in building maintenance and related expenditure including a one-off cost to recognise the stable bond liabilities for Tapeta Park as a result of the restructure with the DRC.

Expenses for race day and racing expenses in Note 7 increased by \$144,000 mainly driven by new costs for the provision of racing and trials in relation to the DRC and TRC.

Insurance in Note 7 includes workers' compensation for jockeys. This has reduced by \$637,000 to \$671,000 from \$1.3 million. Tasracing has focussed time and resources in improving safety as a priority of the business. The advent of the new WHS Legislation from 1 January 2013 has increased the responsibility on all parties involved in racing to make the environment and conduct of racing and training as safe as possible.

Tasracing initiated a suite of risk mitigation strategies which have been in place for approximately 12 months in relation to workers' compensation across racing, assets and return to work which has improved claims during the financial year.

While there has been a good claims history in the year, Tasracing remains exposed to the maximum premium in any insurance year which is currently \$2.1 million. This contingent liability is discussed in Note 21(iv).

An expense for obsolete property, plant and equipment of \$672,000 has been recognised. The impairment charge in 2011/12 effectively reduced the value of the property, plant and equipment to take account of assets which were not providing an economic benefit. As the specific assets were identified during the process undertaken to populate the new Strategic Asset Management Plan in 2012/13, the accounting standards prohibited the allocation of the 2011/12 impairment charge to these assets. Consequently, these assets have been written off in 2012/13. These assets mainly relate to items transferred prior to 1999 to TOTE Tasmania. The charge of \$672,000 is a non-recurring, non-cash charge.

Employee benefits expense has reduced by \$440,000 for the following reasons:

- A 2.48 per cent reduction in base salaries as FTEs have reduced, natural attrition has occurred, certain roles have not been replaced and productivity gains

have translated into reduced wage costs. The executive was reduced from three to two members during the year.

- No bonuses were paid in 2012/13.
- A new \$137,000 cost for race and trial wages in relation to the DRC and TRC.
- A \$319,000 credit in relation to the reduction of the RBF defined benefit liability as a result of an increase in long-term bond rates to 30 June 2013.

Other expenses have reduced by \$115,000. This reduction is driven by the \$127,000 reduction in administration costs in Note 8. Incremental administration costs were incurred for the economic impact study and the harness training program which were more than offset by controlling and reducing costs in the areas of public relations, consultants, doubtful debts, legal fees, printing and stationery.

Statement of financial position

Notwithstanding the loss for the year, the cash balance for the company increased by \$1.2 million to \$5.4 million at 30 June 2013. Significant working capital improvements have been made which include moving to a monthly race field regime generating approximately \$1 million in incremental cash.

Non-current tangible assets have decreased by \$700,000 reflecting the



additions of \$620,000 offset by the depreciation charge of \$2.9 million in 2012/13. Non-current assets also reflect a write off of \$672,000 for obsolete assets and a \$2.5 million impairment reversal, which increases the carrying value of non-current assets.

Borrowings have increased by \$330,000 representing the \$471,000 draw down for the final tranche of the Tapeta Park project reduced by principal repayments of \$141,000 on the \$3 million loan. Note 17 shows the maturity of the \$9 million bond and the re-finance of this amount and the overnight deposit into the \$9.7 million credit foncier facility on 28 June 2013. The credit foncier facility requires principal and interest repayments through to a termination date of 2029 with interest fixed at 5.2 per cent for the first 10 years.

The RBF liability has decreased to

\$1.875 million from \$2.165 million as a result of the increase in long-term bond rates prior to 30 June 2013.

Contributed equity has increased by \$141,000 reflecting the treatment of the government support for the principal payments on the \$3 million loan received during the year.

Statement of cash flows

Net cash flows from operating activities have improved from -\$830,000 in 2011/12 to an inflow of \$1.3 million in 2012/13. The loss of the year of \$0.5 million includes non-cash components of \$2.9 million for depreciation, \$672,000 for obsolete assets and \$2.5 million impairment reversal indicating that, all other matters aside, operating cash inflows should be approximately \$600,000. Positive operating cash

flows have been generated through working capital improvements. The most significant contribution is from the move to monthly race field returns which has improved cash by approximately \$1 million at year end.

Non-essential capital projects have been delayed where possible limiting the capital spend to just \$620,000. These projects have been funded from operating cash flows and not from further borrowings.

Borrowings have increased by \$471,000 for the drawdown of the final tranche of the spend on Tapeta Park. Repayments of principal on the \$3 million loan of \$141,000 were fully reimbursed by the Tasmanian Government in accordance with the Ministerial Package.

Net cash inflow during the year was \$1.2 million increasing year end cash



to \$5.4 million compared to \$4.2 million in 2011/12.

Sustainability

The company has successfully reduced its loss, however there is still a funding gap. The recognition of impairment expense and reversal and the related expense for obsolete assets has introduced complexity into the results which makes it more difficult to establish the underlying trading loss and funding gap.

The table below adds back the impact of the impairment and associated amounts over the past two years. The Board committed to improve the 2011/12 pre-impairment loss of \$4.672 million by \$1.1 million in 2012/13. The appropriate measure for this in 2012/13 is the \$2.3 million derived in the table below. The \$1.1 million improvement has been achieved and exceeded by a further \$1.2 million on this basis.

By achieving the improvements identified in this report, the Board and management have done all they can at this stage to minimise the funding gap. Tasracing still faces significant financial risks in race field fees, workers'

compensation costs and defined benefit obligations that are likely to influence profitability. Work continues with shareholders to make necessary changes to the business model in 2014/15 to bridge the funding gap.

Conclusion

As noted in the Chairman's message, Tasracing's strategy and operations are guided by a detailed corporate plan. This regularly updated document provides a clear overview of our priorities.

We have enjoyed a very successful 2012/13 in terms of our overall performance because of the strategies contained within the plan and a strong focus on commercial performance. This disciplined approach has been a crucial element to Tasracing's success this year.

In concluding my first annual report message, I would like to thank the Minister for Racing, Bryan Green, the Board, Tasracing employees and those industry participants with whom I met and consulted with for their support, guidance and advice through the year.

There is still some considerable

work for Tasracing and the industry to collectively undertake to achieve sustainability, although there is no doubt we have taken some important steps forward in 2012/13. Tasracing remains committed to effectively and efficiently administering Tasmanian racing and improving its commercial performance.

Dr Eliot Forbes
Chief Executive Officer

	2012/13	2011/12	Improvement
Statutory loss	-\$535,941	-\$10,379,276	\$9,843,335
Impairment expense, reversal and related obsolete write-off	-\$1,800,072	\$5,706,428	-\$7,506,500
Non-statutory loss	-\$2,336,013	-\$4,672,848	\$2,336,835