



## Darby Racing P/L – Product Disclosure (PDS)

### NOTICE TO POTENTIAL SUBSCRIBERS

**BEFORE DECIDING TO ACQUIRE A SHARE(S) IN THE HORSE HEREIN DESCRIBED YOU SHOULD CONSIDER THE SUITABILITY OF THIS PRODUCT TO YOU.**

**IF YOU ARE IN DOUBT AS TO THE COURSE YOU SHOULD FOLLOW YOU SHOULD CONSULT THE PROMOTER OR YOUR BLOODSTOCK ADVISOR TO ENABLE YOU TO MAKE AN INFORMED DECISION AS TO WHETHER TO SUBSCRIBE TO THIS PRODUCT.**

Name of promoter: **DARBY RACING PTY LTD**

AFSL No: **333244**

Address: **PO BOX 611 NARELLAN NSW 2567**

The purpose for which the partnership/syndicate is being formed:

- THOROUGHBRED RACING

The number of shares in the partnership/syndicate: **TWENTY SHARES**

The purchase price of each share: **\$2,990** inclusive of GST

A description of each horse to be owned or leased by the partnership/syndicate, i.e. date of foaling, sex, sire, dam, colour and if registered the name and registration number of the horse:

- CHESTNUT COLT FOALED 12/9/2007

Sire – **Magic Albert.**

Dam – **Wombalano Belle.**

BRAND – NS -**S OVER BAR OVER B D** OS – **1 OVER 7**

A statement as to whether the horse is registered, if registered, the registration number:

- THE HORSE IS UNNAMED BUT IS PARENTAGE VALIDATED AND READY FOR NAMING AND REGISTRATION.

If not, has an application to Register or a Transfer been submitted? NO.

Details of racing performance(s) of the horse (if raced):

- UNRACED 2YO COLT

Details of the performance(s) of the Sire:

- GROUP 2 WINNER.

Details of the performance(s) of the Dam:

- Stakes Placed and multiple city winner.

Name of the proposed Trainer and where horse is to be stabled:

- MARC CONNERS – WARWICK FARM

A Statement as to Racing Colours.

- THE HORSE WILL RACE IN DARBY RACING REGISTERED SILKS.

Details of proposed ongoing expenses to be incurred by members:

- NONE APPLICABLE EXCEPT MANAGEMENT FEES
- AND SALE FEES ITEMISED UNDER SEPARATE HEADINGS.

Details of proposed ongoing Racing Expenses to be incurred by the partnership.

- Shareholders will be liable for all on going costs associated with the horse including training, spelling, veterinary and any other cost associated with the horse and will be billed directly by industry providers according to their percentage held. Darby Racing estimates a cost of between, \$150 - \$250 per 5%, when in full training and racing and between \$100 - \$150 per 5% when spelling. It is important to note that this is only an estimated cost.

SHOULD ANY SHAREHOLDER NEGLECT PAYMENT OF THE FEE FOR A PERIOD IN EXCESS OF 60 DAYS, THE MANAGER MAY OBTAIN A VALUATION FROM TWO BLOODSTOCK VALUERS AND OFFER THE SHARE TO EXISTING SHAREHOLDERS. IF EXISTING SHAREHOLDERS DECLINE THE OFFER, THEN THE MANAGER MAY SELL THE SHARE BY PUBLIC OFFER. OUTSTANDING ACCOUNTS WILL THEN BE DEDUCTED FROM SALE PROCEEDS AND THE BALANCE PAID TO THE DEFAULTING SHAREHOLDER.

How did the Promoter obtain the horse and the purchase price paid by the Promoter:

- THE COLT WAS ACQUIRED FROM THE INGLIS CLASSIC SALE FOR \$33,000 GST INCL.

A Valuation by a qualified bloodstock valuer, who is independent of the Promoter, completed less than THIRTY days prior to the date of the PDS MUST accompany this application, together with a statement by the valuer of any financial or other interest of the valuer in the syndicate or the moneys to be raised from the syndication.

COLT acquired at Public Auction and Valuation not required.

A Veterinary Certificate prepared by a qualified Veterinary Surgeon, completed less than THIRTY days prior to the date of the PDS must accompany this application. The Certificate must disclose any financial or other interest held by the Veterinarian in the syndicate or the moneys to be raised from the syndication.

A statement by the Promoter as to the correctness of the Valuation and Veterinary Certificate:

- VETERINARY CERTIFICATE IS TRUE AND CORRECT AND FORMS PART OF THIS PRODUCT DISCLOSURE STATEMENT.

A statement by the Promoter as to whether any fact or occurrence is known to the Promoter, which renders the Valuation or Veterinary Certificate material inaccurate:

- THE PROMOTER CERTIFIES THAT NO FACT OR OCCURRENCE IS KNOWN WHICH MAKES THE ATTACHED VETERINARY CERTIFICATE INACCURATE.

A statement whether the Promoter owns the horse or whether the horse is in any way encumbered:

- THE COLT WAS PURCHASED BY DARBY BLOODSTOCK PTY LTD ON 08/02/09, BUT IS SUBJECT TO PAYMENT OF AN APPROVED CREDIT ACCOUNT WITH Inglis.

If the horse is encumbered:-

(1) A statement by the Promoter providing full particulars of the arrangement:

-INGLIS HAS APPROVED A CREDIT ARRANGEMENT. THE OFFEROR HAS POSSESSION OF THE HORSE AND TITLE WILL PASS UPON FULL PAYMENT OF THE ACCOUNT.

(2) A statement by the Promoter that upon registration of the scheme, syndicate subscribers will receive right title:

UPON REACHING FULL SUBSCRIPTION EACH SUBSCRIBER WILL RECEIVE TITLE IN THE COLT AND THE COLT WILL BE REGISTERED IN THE NAME OF EACH SUBSCRIBER DISCLOSING PERCENTAGE SHARE OF OWNERSHIP.

(3) A statement by the Promoter to discharge any encumbrances on the title to the horse(s) before or upon registration of the scheme:

THE COLT IS BEING OFFERED FOR SYNDICATION FREE OF ANY ENCUMBRANCES AND SUBSCRIBERS ARE GUARANTEED CLEAR TITLE BEFORE AND UPON REGISTRATION OF THIS SYNDICATION.

A statement showing the details of arrangements (if any) which have been made to vest possession of the horse(s) in the manager or partnership, if a manager is to be appointed:

- DARBY BLOODSTOCK PTY LTD WILL MANAGE THE HORSE UNTIL SUCH TIME THAT AN ORDINARY RESOLUTION OF MEMBERS ACHIEVING A 50% MAJORITY VOTE, RESOLVES TO REMOVE THE MANAGER.

THE GENERAL MANAGER IS SCOTT DARBY. THE MANAGER IS RESPONSIBLE FOR ALL ASPECTS OF THE MANAGEMENT OF THE RACING CAREER OF THE HORSE, THE

MANAGEMENT OF COMMUNICATIONS BETWEEN THE PARTNERS AND THE STABLES.

PREPARATION OF THE PARTNERSHIP'S ANNUAL ACCOUNTS FOR SUBMISSION TO THE LEAD REGULATOR BEING RACING NSW WILL BE PREPARED BY RENEE DARBY (DIRECTOR) AND A BUSINESS APPOINTED AUDITOR.

Details of proposed ongoing Management Expenses to be incurred by the partnership.

- A MONTHLY FEE OF \$55.00 INC GST PER PARTNER WILL BE CHARGED BY THE SYNDICATE MANAGER BILLED 3 MONTHS IN ADVANCE AND WILL PROVIDE THE FOLLOWING:-

1. Regular communication with partners by telephone, fax or email regarding training and spelling progress, and regular relay of Trainer's comments.
2. Video taping of track work including video streaming by email or DVD to partners.
3. Arranging open days for partners to inspect their racehorse and be addressed by the Trainer.
4. Provision of general day to day administrative services.

Distribution from sale or stud and or breeding.

- AN ADDITIONAL 5% SALE FEE WILL BE CHARGED TO THE OWNERS IF THIS HORSE IS SOLD OR SENT FOR BREEDING OR STUD. THIS FIGURE WILL BE DETERMINED BY EITHER THE SALE PRICE OR A BLOODSTOCK VALUER WHO IS A MEMBER OF THE FEDERATION OF BLOODSTOCK AGENTS (FBA), WHICH EVER IS GREATER MINUS THE INITIAL COST OF THE FULL PURCHASE PRICE. THE PARTNERS HAVE THE RIGHT TO SEEK A SECOND VALUATION FROM ANOTHER BLOODSTOCK VALUER WHO IS A MEMBER OF THE FBA.

A statement by the promoter as to the process of the Prize Money Distribution.

- ALL PRIZEMONEY WON BY THE HORSE WILL BE DEPOSITED BY RACING NSW DIRECTLY TO THE SYNDICATE ACCOUNT CALLED DARBY BLOODSTOCK WITH THE NARELLAN BRANCH OF THE ST. GEORGE BANK. ALL PRIZEMONEY WILL BE DISTRIBUTED UPON RECEIPT WITHIN 14 DAYS OF RECEIVING.

A Statement by the promoter as to the deductions from any prize money.

- THE STANDARD 10% FOR THE TRAINER AND 5% FOR THE JOCKEY IS DEDUCTED BY RACING NSW ON ANY PRIZEMONEY EARNED BY THE HORSE
- MARC CONNERS ALSO CHARGES A 2.5% STABLE BONUS FOR WINS

A statement by the promoter as to the distribution of trophies or prizes that have a dollar value.

- IN AN EVENT THE HORSE WINS A TROPHY OR ANY ITEM THAT IS LISTED IN THE RACE BOOK WITH A DOLLAR VALUE, DARBY RACING WILL ASK ALL OWNERS IF THEY WOULD LIKE TO PARTICIPATE IN A DRAW FOR EACH ITEM IN WHICH THE WINNING OWNER WILL HAVE TO PAY THE OTHER OWNERS THE VALUE OF THE ITEM OR TROPHY ACCORDING TO HIS OR HERS % OWNED.

- FOR ALL NON VALUED ITEMS OR TROPHIES, DARBY RACING CONDUCT A DRAW FOR ALL OWNERS AND ONCE AN OWNER HAS WON A PARTICULAR ITEM THEN THEY MAY NOT PARTICIPATE IN THE NEXT DRAW FOR A SIMILAR ITEM UNTIL ALL OWNERS HAVE RECEIVED SUCH AN ITEM

A statement disclosing the full particulars of any lease agreement that will affect the partnership/syndicate:

- THE PROMOTER CERTIFIES THAT THE HORSE IS NOT THE SUBJECT OF A FINANCIAL OR OPERATING LEASE.

A copy of the financial lease relating to the horse(s): NOT APPLICABLE.

A statement setting out expenses incurred by the Promoter in the formation of the partnership/syndicate:

**COST SCHEDULE – INC GST.- Costs inclusive to 30/10/2009**

Purchase –Inglis Classic Sale	\$33,000.00
Photos/Videos	\$1,200.00
Floating-	\$880.00
Agistment 144 days - Heritage Park	\$3,168.00
Breaking in - Heritage Park	\$2,800.00
28 days with the trainer Marc Conners	\$2,310.00
Shoeing + drenching + vitamins and minerals	\$700.00
Product Disclosure fee	\$1,650.00
Racing NSW fees	\$485.00
Vet Fees	\$600.00
BOBS	\$660.00
Golden Slipper	\$350.00
Office salary, telephone, supplies etc	\$6,467.00
Insurance to 21/11/2009	\$2,280.00
Profit	\$3,450.00
Total	\$60,000.00
20 shares	\$2,990.00

Details of any cooling off regime:

- SUBSCRIBERS WILL BE GIVEN A 5-DAY COOLING OFF PERIOD AND WITHIN THIS PERIOD CAN REQUEST A REFUND OF ANY SUBSCRIPTION MONEY PAID.

A statement regarding any actual or perceived conflict of interest:

- THE PROMOTER DOES NOT INDIRECTLY INFLUENCE EXPERTS SUCH AS TRAINERS, VETERINARIANS OR VALUERS TO PROVIDE ADVICE OR REPORTS WHICH ARE BIASED, NOR DO THESE EXPERTS HAVE ANY COMMERCIAL REASON TO PROVIDE ADVICE WHICH IS BIASED. WHERE THE PROMOTER OR TRAINER RETAINS A SHARE IN THE HORSE, THE SHARE IS A COMMERCIAL INVESTMENT AND THE APPROPRIATE FEES ARE APPORTIONED TO THE TRAINER OR PROMOTER AS THEY ARE TO ALL SHAREHOLDERS.

A statement of Industry risks:

- THIS PRODUCT IS A RACING SYNDICATION WHICH IS FORMED TO RACE THE NOMINATED YEARLING FOR ENJOYMENT AND PRIZEMONEY. SUBSCRIBERS ARE ALERTED TO THE FACT THAT NO GUARANTEE IS GIVEN THAT THE HORSE WILL ACHIEVE ITS GOAL OF BECOMING A SUCCESSFUL RACEHORSE AND EARN PRIZEMONEY.

THIS PRODUCT IS PROTECTED AGAINST LOSS THROUGH MORTALITY OR THEFT OF THE HORSE BY INSURANCE AS DISCLOSED IN THE COST SCHEDULE WHICH FORMS PART OF THIS STATEMENT. THE INSURANCE POLICY IS A MASTER POLICY WHICH EXPIRES ANNUALLY ON 21<sup>ST</sup> NOVEMBER. THE POLICY DOES NOT COVER INJURY OR ILLNESS, WHICH MAKES THE HORSE UNSUITABLE FOR RACING OR BREEDING. AS THERE ARE NO INSURANCE POLICIES THAT COVER RISKS OTHER THAN MORTALITY OR THEFT, INJURY OR ILLNESS RISKS MUST BE BORNE BY THE SHAREHOLDERS. **ANNUAL RENEWAL OF INSURANCE IS OPTIONAL AND THE RESPONSIBILITY OF THE SHAREHOLDER.**

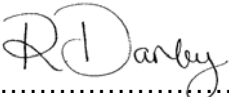
Information about the dispute resolution available to the subscriber:

- COMPLAINTS ARE TO BE DIRECTED TO THE COMPLIANCE MANAGER, RENEE DARBY, AND WILL BE RESOLVED BY FOLLOWING PROCEDURES OUTLINED IN THE PROMOTERS INTERNAL DISPUTE RESOLUTION MANUAL.

IF NOT RESOLVED IN 7 DAYS, SUBSCRIBERS CAN REFER THE COMPLAINT TO Financial Ombudsman Service, GPO Box 3, MELBOURNE VIC 3001, Phone 1300 78 08 08. Darby Racing Pty Ltd is a member of the Financial Ombudsman Service – Membership No: 13514.

I confirm that:

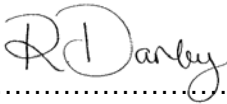
- (a) the statements contained in the PDS in relation to the partnership/syndicate are true, and not misleading in their form or content.
- (b) the PDS contains all information which the investors and their advisers would require and reasonably expect to find in the PDS for the purpose of making an informed assessment about investment in the partnership/syndicate.

Signature of Promoter:.....  ..... Date:.....21/8/09.....

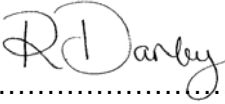
### DISCLAIMER

A copy of this PDS has been lodged with Racing NSW pursuant to the Class Order issued by the Australian Securities & Investments Commission. No liability as to the contents of this PDS is taken by Racing NSW, its officers, employees or agents.

In particular (but not without prejudice to the generality of this disclaimer) Racing NSW does not warrant, and has no responsibility for, the commercial merits of the scheme referred to in the PDS, the manner in which the Syndicates/Partnerships are operated, or the taxation advantages (if any) to which the Scheme may give rise.

Signature of Promoter:  ..... Date: 21/8/09.....

I hereby declare that the contents of this PDS are true and correct-

Signature of Promoter:  ..... Date: 21/8/09.....

#### **Statement of Subscriber**

I declare that I have read and understand the requirements, terms and conditions of this PDS, and that I am not under any disqualification or other disability under the Rules of Racing:

Name of Shareholder:.....

Address:.....

Signature of Shareholder:..... Date:.....

# **FINANCIAL SERVICES GUIDE**

**The financial services referred to in this financial services guide (FSG) are offered by:**

Darby Racing Pty Ltd

PO Box 611

Narellan NSW 2567

Phone: (02) 4648 0998

Email: [renee@darbyracing.com.au](mailto:renee@darbyracing.com.au) or [scott@darbyracing.com.au](mailto:scott@darbyracing.com.au)

**This FSG sets out the services that we can offer you. It is designed to assist you in deciding whether to use any of those services and contains important information about:**

- The services we are authorised to provide to you
- How we are paid
- Any potential conflicts of interest we may have
- Our internal and external dispute resolution procedures and how you can access them.

## **Who is responsible for the financial services provided?**

Darby Racing Pty Ltd is responsible for the financial services that will be provided to you including the distribution of:

- A Financial Services Guide
- A Product Disclosure Statement
- A General Advice Warning

The Director and Adviser of Darby Racing Pty Ltd is Renee Darby. She holds a Diploma of Financial Services (Financial Planning).

Darby Racing holds an Australian Financial Services Licence. ASIC Approved Promoter Number: 33324

## **Statement of Advice**

You will receive a statement of advice (SOA) whenever we provide you with personal advice, which takes into account your personal and financial objectives. The SOA will contain advice, will allow you to make an informed decision about your decision to invest in this racing partnership /syndication.

## **Product Disclosure Statement /Partnership Agreement**

The product disclosure statement (PDS) or partnership agreement will contain information about the particular racing partnership/syndication which will enable you to make an informed decision about purchasing a share in this syndication.

### **From when does this FSG apply?**

This FSG applied from 1<sup>st</sup> February, 2009 and remains valid unless a further FSG is issued to replace it. We may give you a supplementary FSG. It will not replace the FSG but will cover services not covered by this FSG.

### **How can you instruct us?**

You can contact us to give us instructions by post, phone, fax, or email on the contact number or details mentioned on this page.

### **What kind of financial services are we authorised to provide you and what kinds of financial product/s do those services relate to?**

Darby Racing Pty Ltd is authorised to advise and deal in Horse Racing Partnerships and Syndications to retail clients.

### **Will you receive advice?**

Maybe not in all cases. However, we may need information about your objectives, so that we can advise on you the product you are contemplating to subscribe in. You should read the warnings contained in any SOA, PDS or FSG, or any other warnings we give you, carefully before making any decision about this syndication.

### **What information do we maintain in our file and can you examine your file?**

We maintain a record of your personal profile, including details of this syndication. We also maintain records of a recommendation or advice given to you. We will retain this FSG and any other FSG give to you as well as any SOA or PDS that we give or pass on to you. We are committed to implementing and promoting a privacy policy which will ensure the privacy and security of you personal information. If you wish to look at your file please ask. We will make arrangements for you to do so.

### **How will you pay for the services provided?**

Darby Racing Pty Ltd does not charge a fee for any advice relating to the acquisition of shares in this syndication. The only amounts payable are:-

1. The purchase price of the share in the syndication as per PDS
2. Monthly training fees, spelling fees, transport costs, track fees, nomination fees and veterinary fees and all other fees (including Stable bonuses where applicable) incurred during the horse's racing life
3. Accounting and audit fees of \$110 (GST incl.) per share per annum
4. Monthly management fees as per PDS

**What should I do if I have a complaint?**

You have the right to enquire into or complain about the services we provide.

*If you have an enquiry or complaint about the services provided to you, you should take the following steps:*

1. Detail your complaint in writing (if possible) and either:
  - Email it to [renee@darbyracing.com.au](mailto:renee@darbyracing.com.au) or [scott@darbyracing.com.au](mailto:scott@darbyracing.com.au)
  - Mail it to Darby Racing Pty Ltd, Compliance Manager, PO Box 611, Narellan, NSW 2567. Within 7 business days of your written complaint, you will be notified of the receipt of your complaint and any outcome or further discussions that need to occur. We will try and resolve your complaint quickly and fairly.
  
2. If you still do not get a satisfactory outcome, you have the right to complain to the Financial Ombudsman Service, GPO Box 3, MELBOURNE VIC 3001, Phone 1300 78 08 08. Darby Racing Pty Ltd is a member of the Financial Ombudsman Service – Membership No: 13514.
  
3. If you still do not receive a satisfactory outcome, you can contact the Australian Securities and Investment Commission (ASIC) which also has a free call infoline on 1300 300 630 which you may use to make complaint and obtain information about your rights.

**Any questions?**

If you have any further questions about the financial services provided by Darby Racing Pty Ltd provides, please contact us. Please retain this document for your reference and any future dealings with Darby Racing Pty. Ltd.

**DARBY RACING Pty Ltd**

**AFS Representative**

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**RENEE DARBY (DIRECTOR / FINANCIAL ADVISER)**

# GENERAL ADVICE WARNING

In accordance with subsection (3) of Section 949A of the Corporations Act of 2001, ASIC requires that the customer be warned that:

The advice has been prepared without taking account of the customer's objectives, financial situation or needs; and because of that, the customer should, before acting on the advice, consider the appropriateness of the advice, having regard to their objectives, financial situation and needs; and if the advice relates to the acquisition, or possible acquisition, or a particular financial product – the customer should obtain a Product Disclosure Statement or offer document relating to the product and consider the Statement before making a decision about whether to acquire the product.

I / we have been provided with the following ASIC required investment warning statement which I have read:

\_\_\_\_\_ / /

Client 1

Date

\_\_\_\_\_ / /

Client 2

Date

