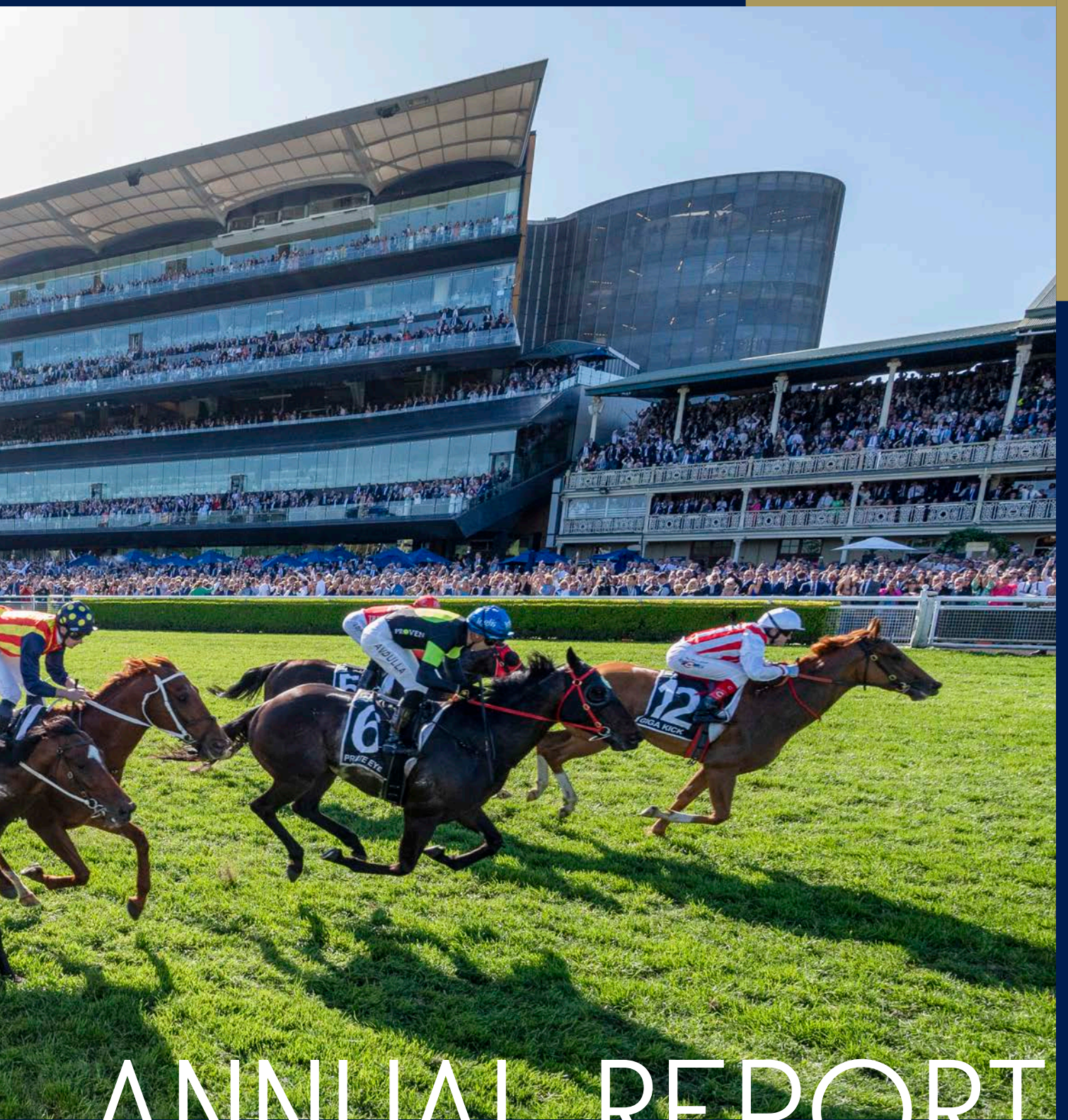




AUSTRALIAN TURF CLUB



ANNUAL REPORT 2023



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CHAIRMAN'S REPORT



Whilst every racing season brings its own challenges, I believe the Australian Turf Club (ATC) has performed to the high standards expected of it by Members and stakeholders over 2022-23. The board and staff are committed to providing the greatest value possible for your membership whilst fulfilling our responsibilities to our many and varied stakeholders including owners, trainers, jockeys, stable staff, punters, racegoers, media and the many associated service providers.

The ATC maintains 27 racing and training tracks across its four racecourses with some 1,800 horses in work. If space allowed, we would be accommodating hundreds more given the number of interstate trainers and owners wanting a share of NSW's record prizemoney. NSW is the strongest and most innovative jurisdiction in Australia and is in the top echelon of jurisdictions in the world. We work closely with Racing NSW and have developed a strong partnership for the benefit of NSW racing as a whole.

I express my appreciation to Racing NSW, under the leadership of Chairman Russell Balding AO and CEO Peter V'landys AM, for their financial and strategic assistance during the year. The benefits of the partnership manifest themselves in several ways but none more so than the Everest Raceday. A record crowd crammed Royal Randwick to enjoy one of the greatest racing and sporting events in the world. It was a pure celebration of the magnificence of the Thoroughbred and the skill and judgment of trainer and jockey.

The ATC has worked assiduously to put itself on a secure financial footing which necessitated a management restructure and a new CEO in Matt Galanos. Matt is well known to Members having been CFO for almost 10 years including a stint as Acting co-CEO in 2018. The board is confident its reduction in outlays and debt will provide further scope for new initiatives and essential infrastructure.

We are fortunate indeed to share a love of the horse and racing. It's been a constant for me from a teenage amateur jockey and young racing steward through to CEO of Racing Australia. So many more Members can attest to a lifetime of

memories of the champions, characters and racedays they have experienced and treasured. Above it all is our love of the Thoroughbred.

In closing, I wish to thank Matt Galanos and all the staff at the ATC who work hard and unstintingly to administer, promote and grow our great sport.

I also wish to sincerely acknowledge and thank my fellow directors who are dedicated to serving the interests of Members and racegoers. I rely on their individual and collective wisdom and good judgement in all things.

A handwritten signature in blue ink, reading "Peter McGauran".

Peter McGauran
Chairman



CHIEF EXECUTIVE OFFICER’S REPORT



It is often said the only change you can anticipate with certainty is more change.

At your Club we were certainly confronted with many internal and external changes and challenges throughout the year.

A record crowd for 2022 TAB Everest Day, along with successful Spring and Autumn carnivals and the runaway success of the Winx Stand at Royal Randwick, at both raceday and non-raceday events, were notable highlights.

Conversely, we were forced to cope with the impact of continuing historical lows in TAB wagering revenue, the effect of inflation on core food and beverage products, a shortage of casual labour and a battering from weather on Championships Day 1.

The constant that remained and continues is an unrelenting and continuous commitment by all at the Club to provide Members and all stakeholders with memorable raceday and non-raceday experiences.

I'm pleased to report we repaid 25 per cent of our working capital debt during the year; a key goal as we seek to improve our financial position.

We are confident the recent business restructure, along with plans for the coming year will ensure your Club is well placed to achieve current and future strategic goals.

RACING

ATC's racing reached new highs across 2022/23 with more than \$185 million prizemoney won at 109 metropolitan meetings, including world-class Spring and Autumn Carnivals.

Your Club hosted 155 feature races including 141 Black Type events (29 at Group 1 Level).

A record 38 races carried prizemoney of \$1 million or more, many of these new races delivered in partnership with Racing NSW.

The Sydney Spring Everest Carnival attracted world-class horses, trainers and jockeys and the \$15 million TAB Everest affirmed its place as the world's best sprint.

The \$10 million Golden Eagle again grew in global profile and attracted a capacity field of 20 runners.

The Sydney Autumn Carnival remained amongst the world's leading racing events with The Longines Golden Slipper won by Coolmore colt Shinzo for Chris Waller and international jockey Ryan Moore. Crowd favourites Anamoe, I Wish I Win, Mr Brightside and Dubai Honour won Group 1 races - the latter winning ATC's flagship Autumn race, the Longines Queen Elizabeth Stakes.

Despite sustained periods of record rainfall, ATC's tracks team successfully managed renovations to all racing and training tracks while operating the 109 meetings. This along with further improvements in infrastructure support the safety and welfare of more than 1,800 horses in training at ATC venues.

ATC again led the industry in delivering a record 140,000 individual ownership experiences and continued to coordinate a range of activities highlighted by barrier draws, raceday functions, sales tours and stable visits.

Seven ATC Group 1 races were internationally recognised amongst the Top 100 in the world at the Longines World's Best Race and Racehorse awards. This was supported by internationally trained horses racing at the Sydney Autumn Carnival for renowned trainers such as William Haggas, Yoshito Yahagi and Joseph O'Brien.

MEMBERSHIP

ATC's membership remains amongst the most prestigious and best value of anywhere across Sydney, and in Australian metropolitan racing.

ATC staff and management have been focused on adding more benefits and enhancing the raceday experience for Members across the racing year.

A new Membership Consultative Committee was created from a cross-section to Members.

With the aid of that Committee, your Club is looking at improving many aspects of your Membership, such as more loyalty seating, rewards, events and surprises on the track, all exclusive to Members.

The Board and Management are encouraging Members to attend racedays with friends and family by using your additional complimentary vouchers.

A Member Appreciation Day at Royal Randwick on Saturday 11 February was introduced, along with new Heritage Displays, Inner Sanctum Tours and Homemade Boxed Chocolates amongst other Member promotions.

A return to the Members Golf Day at Bonnie Doon Golf Club in March was a great success along with the Members Tour of Inglis Riverside Stables Complex and the Golden Slipper Barrier Draw Breakfast.

The Punters Masterclass Event grew in Spring last year, tipping ATC Members many winners. This complimented The Art of Racing Members only event which involved a re-imagined 'An Evening With' format showcasing our Heritage collection and a museum style display on Thursday, 30 March with Mark Newnham and Tyler Schiller as guest speakers.

We are now seeing the return of overseas racing tours, such as Hong Kong at the end of 2023 and new trips at Royal Ascot next year, Japan 2025 plus Stradbroke Handicap 2024 and Hobart Cup 2025.



CHIEF EXECUTIVE OFFICER’S REPORT

COMMERCIAL

The Commercial department continues to perform strongly to return income to the Club, Members and our racing programs and industry.

ATC is grateful for the continued support of our business and racing partners, achieving \$11.6m in sponsorship revenue for the year.

Strategic partnerships with Destination NSW and City Of Parramatta supported our world-class racing carnivals at Royal Randwick and Rosehill Gardens as signature Sydney events nationally and internationally.

The raceday hospitality program exceeded expectations in dining and raceday function sales.

ATC’s non-raceday events business grew to record highs, with 350 events hosted and delivered across our sites during the year.

Royal Randwick’s Winx Stand had an impressive schedule, hosting some of the world’s most recognised brands including Ferrari and Bentley, and lighting up for the NRL Dally M Awards for the first time.

Rosehill Gardens delivered a highly successful NSW Caravan, Camping and Holiday Supershow, while welcoming back some of Australia’s largest companies in Big W Tradeshow, NSW Farmer’s Conference, ACU Graduation Ceremonies, Master Builder’s Conference and the Department of Premier and Cabinet Australia Day Awards Ceremony.

The operations team at Rosehill Gardens continues to navigate challenges with the Sydney Metro project and Western Sydney Light Rail, anticipated to be commissioned in 2024.

FACILITIES

The Property and Facilities team focused on racing and training facilities, and a continued focus on upgrading Member and general admission facilities and food and beverage outlets, and essential equipment across all venues.

The remediation of fire-resistant cladding to the Queen Elizabeth II Grandstand at Royal Randwick continued and is due to be completed by December 2023.

Progress on planning the Royal Randwick Hotel Project continues. The submission of the State Significant Development Application (SSDA) to the NSW Department of Planning marked a significant step towards our vision of further elevating the precinct.

ATC FOUNDATION AND COMMUNITY ENGAGEMENT

Significant progress was made on numerous initiatives for the Racing Industry and our local communities via the work of the ATC Foundation and a variety of community programs.

A key part is working collaboratively with a range of charitable organisations across raceday and non-raceday events, as well as delivering practical donations and aid to Race Clubs across NSW.

This has included hay drops to racecourses and trainers in drought affected areas and vital infrastructure replaced during flood events across the state.

The ATC Foundation provides grant funding to help, support

and create a tangible positive social impact. We saw a 38% increase in fundraising income when compared to 2022 (from \$291K to \$391K), including donations from Members during the 2022-23 Membership Season.

ATC staff are committed to upholding and enhancing our reputation in the community and to improving the communities where we work and do business.

THANK YOU

There are many to thank for their assistance throughout the year.

Thank you to the ATC Board, led by Chairman Peter McGauran and all directors for their selfless dedication to the Club.

Thank you to Racing NSW, in particular Chairman, Russell Balding, AO and Chief Executive, Peter V’landys, AM for their continued support.

To all ATC staff, I thank you for your continued dedication and commitment.

Thank you to our many partners, including foundation partners Tabcorp, Lion, Longines, Moet Hennesey and The Star, and our broadcast partners, SKY Racing and Channel 7 for your continuing partnerships and support.

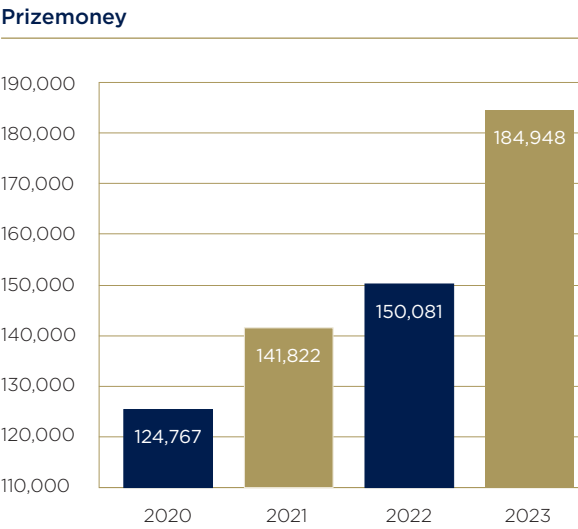
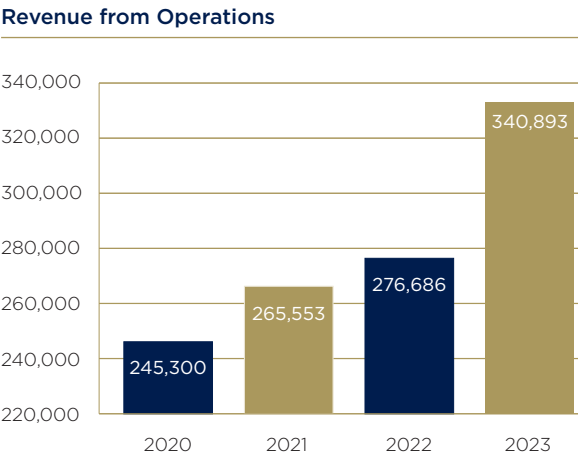
Finally, thank you to all our Members for your continued loyalty and support of the Club over the past year and into the coming year, which we look forward to with great anticipation.



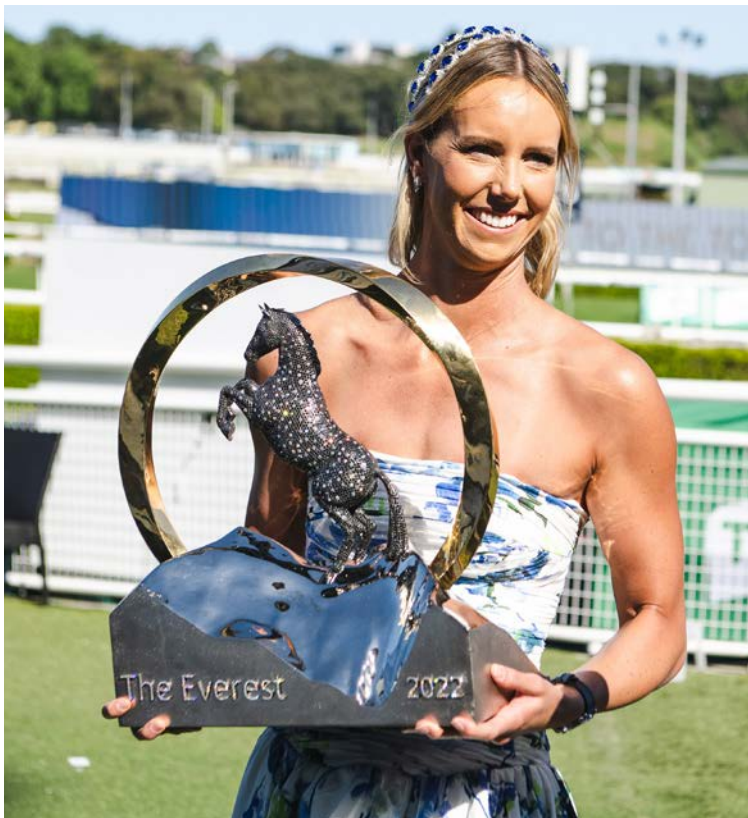
Matt Galanos
Chief Executive Officer



FINANCIAL PERFORMANCE For the year ended 31 July 2023		
	2023	2022
	\$'000	\$'000
Total Income	351,569	278,150
Total Expenses	(351,205)	(285,098)
Total Comprehensive Income for the period	364	(6,948)
<u>Add/(Subtract):</u>		
Proceeds from RNSW - Cladding Contribution	(5,191)	-
Proceeds from RNSW - Interminable Loan	(5,000)	-
Defined Benefit Plan Actuarial (Profits)/Losses - Reserves	(117)	(78)
	(10,308)	(78)
Operating Surplus/(Deficit)	(9,944)	(7,026)
<u>Add:</u>		
Depreciation	15,291	14,851
Interest	2,269	987
Legacy Stables Expenses	-	1,199
Other	357	5
	17,917	17,042
Operating EBITDA	7,973	10,016



2022 SYDNEY EVEREST CARNIVAL



ATC FOUNDATION



VISION

Together, we inspire and empower our people, Members and industry to make a positive contribution to the community within our four destinations.

MISSION

To be a leader in the sport and entertainment industry who puts people first and continues to further ATC's commitment to being a socially responsible business. By contributing to the local community of our destinations, we authentically engage, support and provide funding for initiatives which make a difference.

ABOUT

The ATC Foundation was established in 2018 as the vehicle to focus on supporting our Industry, our People and network to bring value to, and build capacity in, the communities in which we live and work.

It is after four years that the ATC Foundation is starting to create stories and have the envisaged impact.

 **\$281K**

Over \$281,000 donated direct to charity in FY23.

 **\$179K**

Over \$179,000 raised at 'Racing for Good' Charity raceday at Royal Randwick.

 **10**

10 individual charities and community groups received \$10K or more from ATC Foundation.

Supporting our regional community - NSW Flood Relief Initiative:

In November, 2022, the ATC Foundation organised hay runs to Central West NSW after the catastrophic floods and provided support to help the industry and horses.

Early 2023 saw Canterbury Park donate two (2) mowers to Foster Tuncurry Jockey Club. In addition, the ATC Track staff were on hand to offer advice to regional clubs on what to do with turf after the floods. It is the intangible things like mentoring and supporting our industry that is extremely important when we are looking after our broader community.

CHARITY PARTNERS



SOCIAL RESPONSIBILITY



At ATC, we are committed to creating positive societal impact and setting a clear path on our sustainability progress so that we can deliver upon our purpose to 'lead the way' in social and environmental responsibility.

We're committed to improving the communities where we work and do business. This is underpinned by the United Nations' Sustainable Development Goals (SDGs) to drive action. By using data-driven insights to prioritise sustainability, foster wellbeing and drive productivity across our Industry, People and Environment, we 've been able to integrate SR initiatives into our business and bring about positive economic, social and environmental value for the community.



OBJECTIVES	ENHANCING THE ENVIRONMENT Deliver environmental management practices that improve outcomes.	COLLABORATING WITH THE RACING INDUSTRY To support all participants in the racing industry to deliver world class experience now and in the future.	EMPOWERING LOCAL COMMUNITIES Driving positive change for local communities around ATC destinations.	BEING A RESPONSIBLE ORGANISATION To be an employer and partner of choice and demonstrate leading practice in compliance and wellbeing.
FY23 KEY OUTCOMES	4,774L Organic food waste is diverted from landfill. 100% Recycled and reclaimed water used for all track activities at Rosehill Gardens, Warwick Farm and Canterbury.	\$20K Donated to 10 local charities through Canterbury Park - Friday Night Jockey Competition 240h Internship hours of Industry workplace experience.	\$175,874 Donated in hospitality and ticketing to local community groups including schools and sporting clubs. 673h Voluntarily contributed by ATC staff in communities where we operate.	\$10,567 ATC Member donations to ATC Foundation. 100% ATC Staff who participated in the volunteer program stated it increased their awareness of social issues.
UN SDGs	 	  	 	

ROYAL RANDWICK CHRISTMAS FESTIVAL

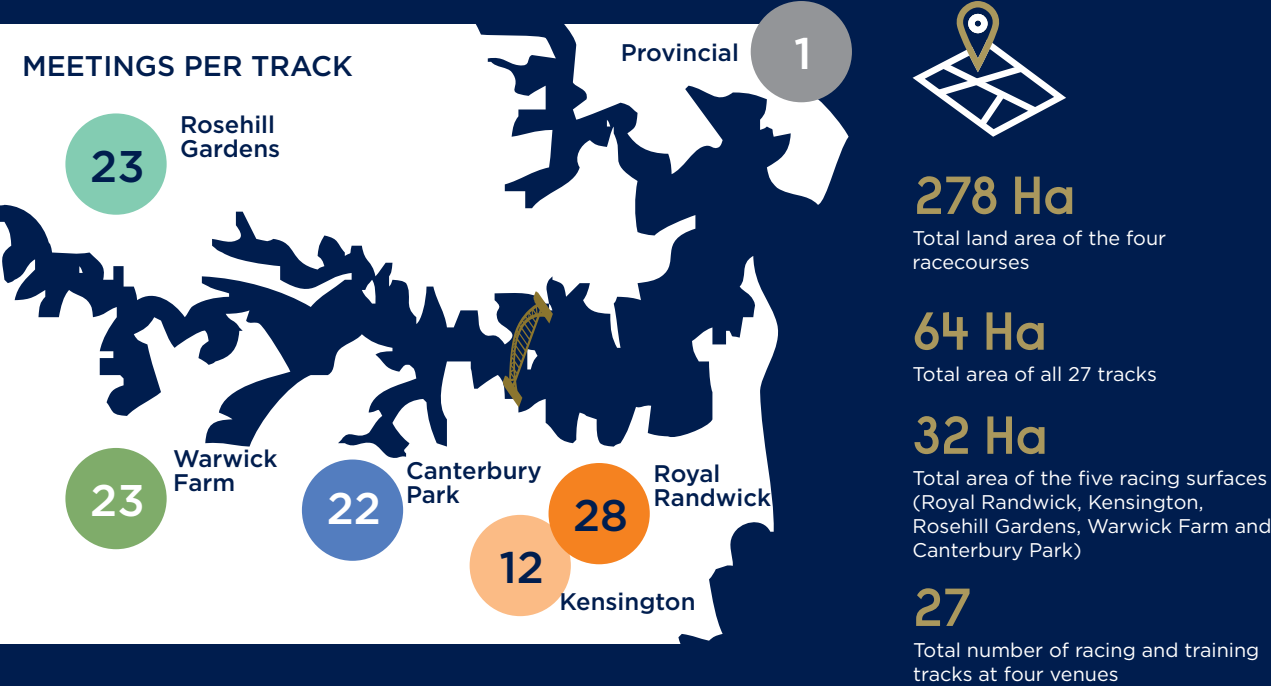


KIA FRIDAY NIGHT RACING

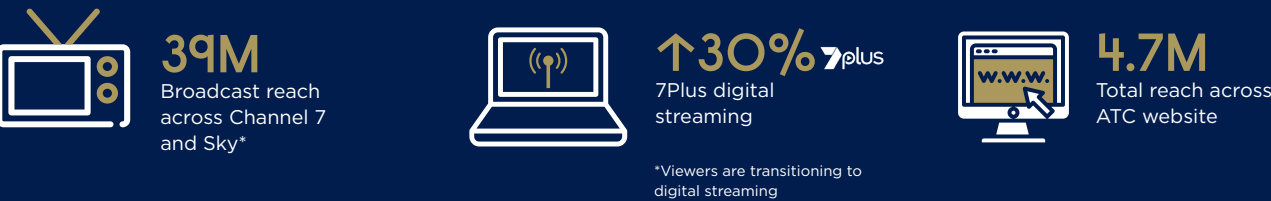


THE YEAR IN REVIEW

RACING



BROADCAST AND WEBSITE



FOOD AND BEVERAGE



MEETINGS AND EVENTS



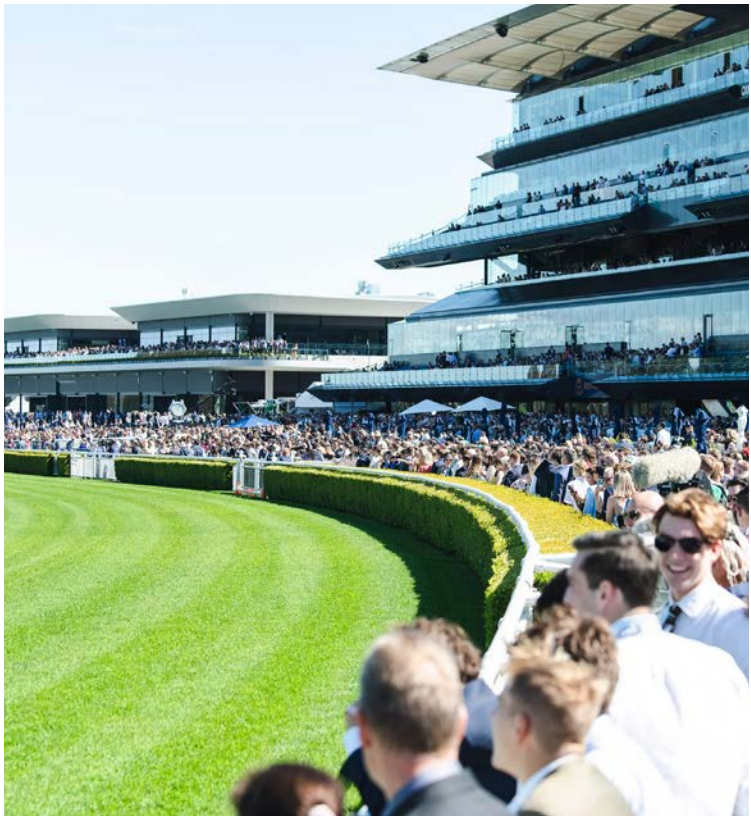
ATC FOUNDATION



MEMBERSHIP



2023 SYDNEY AUTUMN RACING CARNIVAL





GROUP 1 RACE WINNERS

Prizemoney	Race Name	Winner	Jockey	Distance (Metres)	Weight (Kg)	Trainer
\$5,000,000	Longines Golden Slipper	Shinzo	Ryan Moore	1200	56.5	Chris Waller
\$5,000,000	Longines Queen Elizabeth Stakes	Dubai Honour	Tom Marquand	2000	59	William Haggas
\$4,000,000	The Star Doncaster Mile	Mr Brightside	Zac Purton	1600	55.5	Ben and JD Hayes
\$3,000,000	Furphy T J Smith Stakes	I Wish I Win	Luke Nolen	1200	58.5	Peter Moody
\$2,000,000	Moët & Chandon Spring Champion Stakes	Sharp 'n' Smart	Hugh Bowman	2000	56.5	Graeme and Deborah Rogerson
\$2,000,000	ATC Australian Derby	Major Beel	Tim Clark	2400	56.5	Gai Waterhouse and Adrian Bott
\$2,000,000	Schweppes Sydney Cup	Explosive Jack	Dylan Gibbons	3200	52.5	Ciaron Maher and David Eustace
\$1,500,000	TAB Epsom	Top Ranked/ Ellsberg	Hugh Bowman/ Brenton Avdulla	1600	56.5	Annabel Neasham/ Gerald Ryan and Sterling Alexiou
\$1,500,000	Kia Tancred Stakes	Arapaho	Rachel King	2400	59	Bjorn Baker
\$1,500,000	Schweppes All Aged Stakes	Giga Kick	Craig Williams	1400	56.5	Clayton Douglas
\$1,000,000	Fujitsu General George Main Stakes	Anamoe	James McDonald	1600	58.5	James Cummings
\$1,000,000	Chandon Golden Rose Stakes	Jacquinot	Damian Lane	1400	56.5	Mick Price and Michael Kent Jnr
\$1,000,000	The Agency Randwick Guineas	Communist	Zac Purton	1600	56.5	Michael Freedman
\$1,000,000	Ranvet Stakes	Dubai Honour	Ryan Moore	2000	59	William Haggas
\$1,000,000	The Agency George Ryder Stakes	Anamoe	James McDonald	1500	59	James Cummings
\$1,000,000	Kia Ora Galaxy	Mariamiam	Tyler Schiller	1100	51	Joseph Pride
\$1,000,000	Inglis Sires'	Militarize	Joao Moreira	1400	56.5	Chris Waller
\$1,000,000	The Star Australian Oaks	Pennyweka	Damian Lane	2400	56	Jim Wallace
\$1,000,000	Sydney Queen of the Turf Stakes	Atishu	Nash Rawiller	1600	57	Chris Waller
\$750,000	Winx Stakes	Anamoe	James McDonald	1400	58.5	James Cummings
\$750,000	Darley Flight Stakes	Zougotcha	James McDonald	1600	56	Chris Waller
\$750,000	Furphy Metropolitan	No Compromise	Tommy Berry	2400	53.5	Chris Waller
\$600,000	DrinkWise Surround Stakes	Sunshine In Paris	Ryan Maloney	1400	56	Annabel Neasham
\$600,000	TAB Chipping Norton Stakes	Anamoe	James McDonald	1600	59	James Cummings
\$600,000	Furphy Canterbury Stakes	Artorius	Zac Purton	1300	59	Anthony and Sam Freedman
\$600,000	Coolmore Classic	Espiona	Michael Dee	1500	51	Chris Waller
\$600,000	Sky Racing Rosehill Guineas	Lindermann	Nash Rawiller	2000	56.5	Chris Waller
\$600,000	Vinery Stud Stakes	Prowess	Mark Zahra	2000	56	Roger James and Robert Wellwood
\$600,000	Moët & Chandon Champagne Stakes	Militarize	Joao Moreira	1600	56.5	Chris Waller

MEETINGS AND EVENTS



OUR PARTNERS

FOUNDATION PARTNERS



Official Beer
and Cider Partner



Official Timekeeper
and Watch Partner



Official
Champagne Partner



Official
Entertainment Partner



Official
Wagering Partner

GOLD PARTNERS















SILVER PARTNERS



Accolade
Wines









PARTNERS







































































INDUSTRY PARTNERS



































MEDIA PARTNERS







FINANCIAL
REPORT

BOARD PROFILES

For the year ended 31 July 2023



PETER McGAURAN
Chairman
Independent Director



TIM HALE SC
Vice-Chair
Elected Director



ANGELA BELLE McSWEENEY
Elected Director



BEN BAYOT
Elected Director



DAVID McGRATH
Independent Director



CAROLINE SEARCY
Elected Director



NATALIE HEWSON
Independent Director



MATTHEW McGRATH
Independent Director



JULIA RITCHIE
Elected Director



DIRECTORS' REPORT

For the year ended 31 July 2023

The directors present their report together with the financial statements of Australian Turf Club Limited (the Company), for the year 1 August 2022 to 31 July 2023 and the auditor's report thereon.

1. DIRECTORS

The directors of the Company at any time during or since the end of the year 1 August 2022 to 31 July 2023 are:

Name and Qualifications	Experience and special responsibilities
Mr Peter McGauran	
Independent Director	» Appointed to the Board 14 February 2022 » Chair of the Board of the Company from 29 August 2022 » Member of Remuneration and Nomination Committee » Member of Finance and Audit Committee
Mr Tim Hale SC	
Elected Director	» Appointed to the Board 1 February 2021 » Vice-Chair of the Board of the Company from 29 August 2022 » Senior Counsel for New South Wales since 1999 » Kings Counsel for Western Australia since 2000 » Chair of the Membership Committee » Member of Remuneration and Nomination Committee
Ms Angela Belle McSweeney	
Elected Director GAICD	» Appointed to the Board 1 February 2017 » Marketing and Communications Consultant to racing industry for over 25 years » Winner of NSW Racehorse Owners Association Trophy for the single person contributing the most to racing » Third generation of the McSweeney/Nailon racing family » Established “Fashions on the Field” at request of AJC, leading to wider “Fashions on the Field” throughout NSW » Graduate Australian Institute of Directors » Current breeder and previous owner of over fifty thoroughbred racehorses over the last three decades » Vice President of The Black and White Committee for Vision Australia since 2012 » Ambassador for Spinal Cure Australia » Awarded Life Membership to City Tattersall’s Club » Member of the Board of City Tattersall’s Club » Member of the Membership Committee » Chair of ATC Foundation
Mr Ben Bayot	
Elected Director	» Appointed to the Board 12 May 2021 » Chair of Finance and Audit Committee » Member of Remuneration and Nomination Committee
Mr David McGrath	
Independent Director MAICD	» Appointed to the Board 14 February 2022 » Chair of Remuneration and Nomination Committee » Member of the Membership Committee » CEO – myPlates.com.au and TasPlates.com.au » Director – Carbine Investments » CIO Australia Top 50 (2019 and 2023) » Managing Owner – Icebath (Gr1 winner and NSW Provincial Horse of the year (2023))

DIRECTORS' REPORT

For the year ended 31 July 2023

Name and Qualifications	Experience and special responsibilities
Ms Caroline Searcy	
Elected Director	» Appointed to the Board 1 February 2023 » Member of the Membership Committee » Vice-Chair of the ATC Foundation » Member of the Remuneration and Nomination Committee » Former Vice-President, Thoroughbred Breeders’ NSW » Former Board member, Thoroughbred Breeders’ Australia » Immediate-past Chair, Carbine Club of NSW » Judging panel for Australian Stud and Stable Staff Awards for 9 years » Managing Director, SearcyMedia » 35-year media professional » Thoroughbred owner and breeder
Ms Natalie Hewson	
Independent Director MAICD	» Appointed to the Board 1 February 2023 » Member of the Finance and Audit Committee » Director FMA Partners and Associated Entities » Registered Tax Agent since 2014
Mr Matthew McGrath	
Independent Director GAICD	» Appointed to the Board 1 February 2015 » Chair of the Board of the Company from 11 September 2018 to 29 August 2022 » Director Australis Communications » Director Makachla Pty Ltd » Thoroughbred racehorse owner over past ten years » Member of Finance and Audit Committee
Ms Julia Ritchie	
Elected Director MAICD	» Appointed to the Board 1 February 2015 » Vice-Chair of the Board of the Company from 11 September 2018 to 29 August 2022 » Former Director NSW Racehorse Owners Association » Former Director of the Australian Jockey Club » Thoroughbred breeder and racehorse owner for over 40 years » Owner and Director of Wild Oaks and Oak Ridge Spelling and Agistment farms » Executive Director The Bill and Patricia Ritchie Foundation » Chair of Remuneration and Nomination Committee » Resigned from the Board 31 January 2023

DIRECTORS' REPORT

For the year ended 31 July 2023

2. INCORPORATION

The Company was incorporated on 1 February 2011 as a Company limited by guarantee. Pursuant to the Australian Jockey and Sydney Turf Clubs Merger Act 2010, the Minister for Gaming and Racing declared by order published in the NSW Gazette, that the business of the Australian Jockey Club Limited and Sydney Turf Club be transferred in whole to ATC Limited effective 7 February 2011.

3. DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the year are:

Director	Board		Finance and Audit		Remuneration and Nominations		Membership	
	A	B	A	B	A	B	A	B
Peter McGauran	12	12	2	2	2	1		
Tim Hale SC	12	12			1	1	2	2
Angela Belle McSweeney	12	9					2	1
Ben Bayot	12	10	2	2	1	1		
David McGrath	12	12			1	1	2	2
Caroline Searcy	5	5			1	1	2	2
Natalie Hewson	5	5	1	1				
Matthew McGrath	5	5	1	1				
Julia Ritchie	7	7			1	1		

A – Number of meetings held during the time the director held office during the year
B – Number of meetings attended

DIRECTORS' REPORT

For the year ended 31 July 2023

4. SHORT AND LONG TERM OBJECTIVES

The Company's short and long-term objectives are to:

- » Be a world-class centre for thoroughbred racing and training with a focus on horse welfare and safety.
- » Be a highly capable customer-centric organisation.
- » Create memorable experiences and destinations that inspire customers, industry, staff and communities.
- » Grow and enhance brand and reputation.
- » Leverage balance sheet strength to position for long-term sustainability and growth.

5. STRATEGY AND PRINCIPAL ACTIVITIES

The Company's key strategies for achieving these objectives are:

- » Enhance racing and training facilities and programs to increase field sizes and deliver stronger racing and wagering outcomes.
- » Invest in membership, hospitality and event experiences for all patrons.
- » Invest in people, technology and smart systems to improve customer service, visitation and spend.
- » Protect the Club's interests in its four racecourses by conducting effective master planning and stakeholder engagement processes for each site.
- » Establish and maintain effective relationships with key stakeholders.

The Company's principal activities during the year will be:

- » Conduct up to 110 metropolitan race meetings throughout the year.
- » Provide training facilities for 1,750 horses stabled and in training at its three training venues.
- » Maintain its four racecourses and venues to deliver its racing, training and events programs.
- » Host over 300 diverse non-raceday meetings and events.
- » Progress the concept masterplan for Canterbury Park, Rosehill Gardens, Warwick Farm and Royal Randwick.
- » Continue to work effectively with Government, business, industry and community organisations.
- » Enhance community engagement and charitable programs.

6. PERFORMANCE MEASUREMENT

The profit of the Company for the year 1 August 2022 to 31 July 2023 was \$364,000.

The Company has established and will monitor the following performance measures:

- » Improve underlying operating position.
- » Increase international participation in carnival race programs.
- » Meeting project milestones and budgets on capital expenditure.



DIRECTORS' REPORT

For the year ended 31 July 2023

7. MEMBERSHIP CLASSES AND LIABILITY

The Company is a company limited by guarantee and without share capital, with one Voting Membership class.

In accordance with the Constitution of the Company, every Voting Member is liable to contribute, for the time they are a Member, an amount not exceeding \$1 during the tenure of their membership or within one year after cessation of their membership toward the debts and liabilities in the event that the Company is wound up. These liabilities include the costs, charges and expenses of winding-up. Non-voting Members are not liable to contribute any amount in the event that the Company is wound up.

The total amount which Voting Members would be required to contribute in the event that the Company is wound up is \$12,539 (2022: \$12,614).

8. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 31 and forms part of the directors' report for the year 1 August 2022 to 31 July 2023.

9. ROUNDING OFF

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the financial statements and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of the directors:



Mr Peter McGauran
Chairman

Dated at Sydney this 13th day of October 2023



LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of Australian Turf Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Turf Club Limited for the financial year ended 31 July 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



KPMG



Cameron Slapp
Partner

Sydney
13 October 2023

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2023

In thousands of AUD	Note	2023	2022
Revenue			
Revenue from contracts with customers	6	340,893	276,686
Other income	7	10,191	1,369
Revenue and other income		351,084	278,055
Expenditure			
Prizemoney, trophies and subsidies		(185,391)	(150,518)
Equine welfare contribution		(2,853)	(1,539)
Commercial expenses		(70,164)	(48,198)
Administrative expenses		(20,082)	(18,426)
Tracks and training costs	8	(19,175)	(18,587)
Racing costs		(24,011)	(20,427)
Facilities maintenance expenses		(10,708)	(11,252)
Property costs		(401)	(296)
Depreciation and amortisation		(15,666)	(14,976)
Impairment reversal	14	375	125
Expenditure		(348,076)	(284,094)
Results from core operating activities		3,008	(6,039)
Governor Macquarie Drive works		(492)	-
Results from total operating activities		2,516	(6,039)
Finance income - interest		368	17
Finance costs - interest		(2,637)	(1,004)
Net finance costs		(2,269)	(987)
Profit/(Loss) for the period		247	(7,026)
Other comprehensive income			
Defined benefit plan actuarial gains/(losses)	18	117	78
Other comprehensive income for the period		117	78
Total comprehensive income for the period		364	(6,948)

The notes on pages 36 to 61 are an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 July 2023

In thousands of AUD	Note	2023	2022
Assets			
Cash and cash equivalents	9	30,998	38,362
Restricted cash and cash equivalents	10	857	999
Trade and other receivables	11	18,790	20,280
Defined benefit asset	18	600	629
Inventories		1,337	1,481
Total current assets		52,582	61,751
Trade and other receivables	11	633	633
Assets held for sale	12	874	865
Property, plant and equipment	13	360,570	368,241
Intangible assets	14	1,898	1,523
Total non-current assets		363,975	371,262
Total assets		416,557	433,013
Liabilities			
Trade and other payables	15	17,572	14,717
Loans and borrowings	16	12,939	47,814
Employee benefits	17	10,197	9,391
Revenue in advance	19	19,242	13,633
Other provisions	20	6,497	7,540
Total current liabilities		66,447	93,095
Loans and borrowings	16	37,148	18,679
Revenue in advance	19	9,192	13,967
Employee benefits	17	794	788
Other provisions	20	701	4,573
Total non-current liabilities		47,835	38,007
Total liabilities		114,282	131,102
Net assets		302,275	301,911
Funds			
Reserve	21	136,060	136,060
Accumulated funds		166,215	165,851
Total funds		302,275	301,911

The notes on pages 36 to 61 are an integral part of these financial statements.

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 July 2023

In thousands of AUD	Reserves	Accumulated Funds	Total
Balance at 1 August 2021	136,060	172,799	308,859
Total comprehensive income for the period			
Profit/(Loss) for the 12-month period	-	(7,026)	(7,026)
<i>Other comprehensive income</i>			
Defined benefit plan actuarial gains	-	78	78
Total other comprehensive income/(loss)	-	78	78
Total comprehensive income/(loss) for the period	-	(6,948)	(6,948)
Balance at 31 July 2022	136,060	165,851	301,911
Balance at 1 August 2022	136,060	165,851	301,911
Total comprehensive income for the period			
Profit/(Loss) for the 12-month period	-	247	247
<i>Other comprehensive income</i>			
Defined benefit plan actuarial gains	-	117	117
Total other comprehensive income/(loss)	-	117	117
Total comprehensive income/(loss) for the period	-	364	364
Balance at 31 July 2023	136,060	166,215	302,275

The notes on pages 36 to 61 are an integral part of these financial statements



STATEMENT OF CASH FLOWS

As at 31 July 2023

In thousands of AUD	Note	2023	2022
Cash flows from operating activities			
Cash receipts from operations		376,603	287,858
Cash paid to suppliers and employees		(362,522)	(280,029)
Cash generated from operating activities		14,081	7,829
Interest received		368	17
Interest paid		(2,637)	(1,004)
Net cash from operating activities		11,812	6,842
Cash flows from investing activities			
Acquisition of property, plant and equipment		(5,578)	(28,895)
Contracted capital work obligations on sold property		(273)	(69)
Payment for asset remediation works		(4,952)	(919)
Net cash used in investing activities		(10,803)	(29,883)
Cash flows from financing activities			
Proceeds from RNSW - cladding contribution		5,191	-
Proceeds from government funding		-	1,350
Repayment of RNSW RCF loan		(6,821)	(6,038)
Proceeds/(Repayment) of RNSW interminable loan		5,000	-
Net Proceeds from RNSW RCF loan		-	24,909
Repayment of finance lease principal		(1,885)	(1,254)
Proceeds/(Repayment) of bank borrowings		(10,000)	10,000
Net cash from financing activities		(8,515)	28,967
Net increase/(decrease) in cash and cash equivalents		(7,506)	5,926
Cash and cash equivalents at beginning of period		39,361	33,435
Cash and cash equivalents at end of period		31,855	39,361
Included in the financial statements as:			
Cash and cash equivalents	9	30,998	38,362
Restricted Cash and cash equivalents	10	857	999
		31,855	39,361

The notes on pages 36 to 61 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

1. REPORTING ENTITY

Australian Turf Club Limited (the Company) is a not for profit company limited by guarantee. Financial statements of the Company are as at and for the year ended 31 July 2023. The Company was incorporated on 1 February 2011 pursuant to the Australian Jockey and Sydney Turf Club's Merger Act 2010 (the Act).

2. BASIS OF PREPARATION

(a) General purpose financial statements

These financial statements are general purpose financial statements for distribution to the Members and for the purpose of fulfilling the requirements of the *Corporations Act 2001*. They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements were authorised for issue by the Board of Directors on 13 October 2023.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the defined benefit liability which is recognised as the net total of the plan assets, plus unrecognised past service costs and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligations.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in *ASIC Corporations Instrument 2016/191* dated 24 March 2016 and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements, assumptions and estimation uncertainties in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in note 13 – Property, plant and equipment and note 18 – Defined benefit asset.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

The Company classifies its financial instruments in accordance with AASB 9 in the following measurement categories: at amortised cost, at FVTPL and at fair value through other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial Instruments (continued)

(ii) Classification and subsequent measurement (continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- » It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- » Its contractual terms give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- » It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- » Its contractual terms give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When the Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Financial Instruments (continued)

(iii) Derecognition (continued)

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs.

(b) Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for assets transferred to the Company at the date of the merger which were recorded at fair value on date of merger.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, plus any other costs directly attributable to bringing the assets to a working condition for their intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment, and is recognised net in profit or loss.

During the year the Company incurred capital works associated with the development of Governor Macquarie Drive precinct at Warwick Farm as a result of obligations imposed under revisions to the Development Application and requirements of local government. The Company has provided for these costs, refer to note 20.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Property, plant and equipment (continued)

(i) Recognition and measurement (continued)

During the year the Company incurred capital works associated with the remediation of the QEII Grandstand Cladding at Royal Randwick to bring the cladding up to a standard required by Building Codes Australia. The Company provided for these costs in FY19, refer to note 20. The Company reviewed the costs previously provided which resulted in a reduced provision, resulting in a credit to the Statement of comprehensive income in the prior year.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives for the current period are as follows:

» Buildings	40 - 50 years
» Plant and equipment	3 - 15 years

These estimated useful lives, residual values and depreciation method of assets are reviewed at the end of each reporting year with the effect of any changes recognised on a prospective basis.

(d) Intangible assets

Intangible assets are recognised at cost. Intangible assets relating to poker machine entitlements are assessed as having an indefinite life under current NSW legislation and accordingly have not been amortised. As they are not amortised, they are assessed annually for impairment.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(f) Impairment

The carrying amount of the Company's material assets are reviewed at each reporting date to determine whether events or changes in circumstances indicate that the carrying amount may no longer be recoverable at each reporting date. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the asset's fair value less costs to sell or its value in use.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment (continued)

(i) Financial Assets

The impairment of financial assets is based on the expected credit loss (ECL) approach, as introduced by AASB 9. The Company recognises loss allowances for ECLs on financial assets measured at amortised costs. The Company measures loss allowance at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- » The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- » The financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present values of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- » Significant financial difficulty of the borrower or issuer;
- » A breach of contract such as a default or being more than 90 days past due;
- » The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- » It is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- » The disappearance of an active market for a security because of financial difficulties.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Impairment (continued)

(i) Financial Assets (continued)

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company’s material non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. For intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The recoverable amount of all CGU’s has been reviewed and impairment testing has been performed at 31 July 2023 where indicators of impairment exist. This has resulted in the recognition of an impairment reversal of \$375,000 during the period (2022: \$125,000) in the statement of profit or loss and other comprehensive income.

(iii) Calculation of recoverable amount

For the purpose of assessing impairment, assets are grouped at the lowest levels that are largely independent of the cash flows from other assets or groups of other assets.

In assessing value in use, the Company may use either a discounted cash flow approach or a depreciated replacement cost approach. In using the discounted cash flow approach the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

A depreciated replacement cost approach may be used by a not for profit entity to assess the recoverable amount of an asset or group of assets where the future economic benefits of an asset are not primarily dependent on the asset’s ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset. The depreciated replacement cost is today’s estimated replacement cost notionally depreciated from the date of original construction or acquisition.

(g) Employee benefits

(i) Defined contribution (accumulation style) superannuation plans

Obligations for contributions to defined contribution (accumulation style) superannuation funds are recognised as an expense in the statement of profit or loss and other comprehensive income when they are due.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Employee benefits (continued)

(ii) Defined benefit superannuation funds

The Company is the employer sponsor of one defined benefit superannuation fund. The employer sponsor is required to recognise a liability (or asset) where the present value of the defined benefit obligation, adjusted for unrecognised past service cost exceeds (or is less than) the fair value of the underlying net assets of the fund (hereinafter referred to as the “defined benefit obligation”). Any resulting liability or asset will be grossed up for any contributions tax.

When the calculation results in plan assets exceeding liabilities, the recognised asset is limited to the present value of any future refunds from the plan or reductions in future contributions to the plan.

The discount rate is the yield at the reporting date on corporate bonds that have maturity dates approximating the terms of the Company’s obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from the defined benefit plans directly in the statement of profit or loss and other comprehensive income.

(iii) Other long-term employee benefits

The Company’s net obligation in respect of long-term employee benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in both the current and prior periods plus related on-costs. Consideration is given to on-costs, expected future salary and wage levels, and experiences of employee departures and service periods. Expected future payments are discounted to determine its present value. The rate used for the 2023 reporting date was 4.03% (2022: 3.42%).

(iv) Termination benefits

Termination benefits are recognised as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment or where benefits are payable on known resignation or retirement.

(v) Short-term employee benefits

Liabilities for employee benefits for wages, salaries and annual leave and sick leave represent present obligations resulting from employees’ services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

(vi) Defined contribution (accumulation style) superannuation plans

Obligations for contributions to defined contribution (accumulation style) superannuation funds are recognised as an expense in the statement of profit or loss and other comprehensive income when they are due.

(h) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and risks specific to the liability.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Revenue in advance

Membership fees, nomination and acceptance fees and other revenues of the Company which have been received in the reporting period, but which the performance obligations related to the fees have not been met, have been deferred in the statement of financial position and will be brought to account as revenue during the period in which the related performance obligations are met.

(j) Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer and has no unusual payment terms. No significant judgements were made in the determination of the amount and timing of revenue.

(i) TAB distribution

The TAB distribution includes distributions paid or owed by Tabcorp Holdings Limited (Tabcorp) to the racing industry for the supply of racing for the year ended 31 July 2023.

The TAB/racing industry agreements set out a formula under which distributions to the NSW racing industry, and amongst various stakeholders are made. Those agreements stipulate that each stakeholder will receive an amount determined after the deduction of industry related expenses such as administration costs associated with running NSW racing’s regulatory bodies. The Company recognises this income over time as its performance obligations are met in line with race meetings held.

(ii) Commercial

Sponsorship
Sponsorship revenue is recognised based on delivery of performance obligations in the contract at a point in time specific to each agreement and obligation. The method used to measure the satisfaction of performance obligations is either the date of the event(s) specified in the contract or over time when there are no specified events.

Membership
Membership revenue is collected in advance and is recognised over time as member benefits are provided as per the membership agreement and as the membership year elapses. Membership revenue collected throughout the period is recognised equally in the remaining months of the year as the membership year elapses.

Events and hospitality
Events and hospitality revenue comprises venue hire, food and beverage sales for raceday and non-raceday events. These are recognised based on delivery of the performance obligation in the contract at a point in time. The method used to measure the satisfaction of performance obligations is the date of the event.

(iii) Broadcast rights

Broadcast revenue is recognised on an accruals basis over time in line with the terms of the contract with any amounts received upfront as base rights deferred and recognised over the life of the contract. The Company recognises this income over time in line with race meetings held.

(iv) Racing NSW prizemoney subsidy

Racing NSW prizemoney subsidy is recognised on an accruals basis and are recognised based on the completion of a race at a point in time in line with the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) **Racing**

Racing revenue comprises bookmakers fees, nominations and acceptances fees. These are recognised based on delivery of the performance obligation in the contract at a point in time.

(vi) **Training**

Training revenue is recognised based on delivery of the performance obligation in the contract over time.

(vii) **Property**

Property revenue is the rental income from investment property and is recognised based on delivery of the performance obligation in the contract over time.

(viii) **Government Grants**

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income:

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income.

- » When the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by ATC.
- » immediately, for all other income within the scope of AASB 1058.

(k) **Racing NSW and Racing Corp**

Racing NSW and Racing Corp deductions comprise the allocation to the Company of Breeders’ and Owners’ Bonus Scheme (BOBS), NSW unplaced starters’ rebates, rider fees, rider superannuation, Racing NSW administration costs and Racing Corp costs. These amounts are deducted from TAB distribution revenue.

(l) **Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16.

(i) **As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone process. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) **Leases (continued)**

(i) **As a lessee (continued)**

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the follow:

- » fixed payments, including in-substance fixed payments;
- » variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company’s estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised insubstance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the rightof-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in ‘property, plant and equipment’ and lease liabilities in ‘loans and borrowings’ in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and shortterm leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

(ii) **As a lessor**

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) **Leases (continued)**

(ii) **As a lessor (continued)**

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies AASB 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in AASB 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

(m) **Interest income and interest expense**

Interest income is the income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Interest expense on borrowings is recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

(n) **Income tax**

All income of the Company is exempt from income tax as specified by Section 23(g) (amended to S50-45 SS9.1(a)) of the Income Tax Assessment Act 1997.

(o) **Goods and services tax**

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

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

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

4 NEW STANDARDS AND INTERPRETATIONS

A number of new standards effective from 1 August 2022 have been adopted. These have not had a material effect on the entity's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

5 DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities such as property, plant and equipment. Where applicable, further information about the assumptions made in determining fair values is disclosed in the accounting policies and notes specific to that asset or liability.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

In thousands of AUD	2023	2022
TAB distribution	85,140	86,230
Commercial	82,480	53,053
Broadcast rights	31,405	29,237
Racing NSW prizemoney subsidy	119,445	85,597
Racing	9,671	10,575
Training	11,575	10,849
Property	912	945
Other revenue	265	200
	340,893	276,686

7. OTHER INCOME

In thousands of AUD	2023	2022
Government assistance	-	1,350
Insurance recoveries	-	19
RNSW Cladding Contribution	5,191	-
RNSW Funding Income	5,000	-
	10,191	1,369



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

8. EXPENDITURE

Expenditure includes the following items:

In thousands of AUD	2023	2022
Personnel expenses		
Wages and salaries	52,388	41,721
Contributions to defined contribution plans	4,793	3,837
Change in liability for annual leave and long service leave	(296)	475
Expenses related to defined benefit plans	127	150
Other employment expenses	5,966	4,423
	62,978	50,606

Tracks and training

Core operations	19,175	17,388
Legacy stables	-	1,199
	19,175	18,587

9. CASH AND CASH EQUIVALENTS

In thousands of AUD	2023	2022
Cash on hand	835	135
Cash at bank	30,163	38,227
Cash and cash equivalents in the statement of cash	30,998	38,362

10. RESTRICTED CASH AND CASH EQUIVALENTS

In thousands of AUD	2023	2022
Cash at bank - Randwick Capital Fund	857	999
Restricted cash and cash equivalents in the statement of cash flows	857	999

* During the 2020 financial year the Company extended its agreement with Racing NSW, whereby it committed to expend an amount equal to its PGI fee entitlements on capital works at Randwick to improve the public precinct areas, Randwick course proper and potentially other capital improvements. At year end there is \$857,000 of cash held in a separate bank account of the Company that is committed to these capital works and is considered to be restricted cash as it is not otherwise available to the Company for its day to day operations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

11. TRADE AND OTHER RECEIVABLES

In thousands of AUD	2023	2022
Current		
Trade receivables	6,168	5,737
Allowance for impairment on trade receivables	(415)	(542)
	5,753	5,195
Other receivables	9,027	12,230
	9,027	12,230
Prepayments	4,010	2,855
	18,790	20,280
Non-current		
Other receivables	633	633
	633	633

The movement in the allowance for impairment in respect of trade receivables during the period was as follows

In thousands of AUD	2023	2022
At 1 August	(542)	(713)
Reversal of impairment recognised	247	291
Impairment loss recognised	(120)	(120)
Balance at 31 July	(415)	(542)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

12. ASSETS HELD FOR SALE

In thousands of AUD	2023	2022
Assets and assets of disposal groups classified as held for sale		
Land	874	865
	874	865

The Company owns a parcel of non-core property at Canterbury Park, known as the ‘King Street Site’. This was reclassified as held for sale on 28 June 2017.

A ‘Project Delivery Agreement’ has been entered into in respect of the King Street Site (adjacent to the Canterbury racecourse (the site being Lots 2 to 19 in DP2951, Lot 1 in DP123777 and Lots 25 to 26 in DP2951 (Land)) with Mirvac King St Pty Ltd (Developer), under which the Developer will:

- (i) in conjunction with the Company seek to procure an acceptable rezoning and subsequent development consent to enable the construction on the Land of residential apartment buildings and ancillary retail;
- (ii) together with the Company enter into and complete off the plan sales contracts with end purchasers; and
- (iii) be granted a mortgage and charge against the Land and the Company to secure the Company’s obligations under the Project Delivery Agreement.

The above asset has been classified as held for sale and as non-current due to the contractual requirement for the Company to sell the asset on successful completion of the matters above.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

13. PROPERTY, PLANT AND EQUIPMENT

In thousands of AUD	Land and buildings	Plant and equipment	Construction work in progress	Right of use asset	Total
Cost					
Balance at 1 August 2022	443,309	57,007	21,294	8,448	530,058
Additions	-	-	8,041	-	8,041
Disposals	-	(3,213)	-	(153)	(3,366)
Construction work in progress transfers	2,751	2,154	(7,422)	2,517	-
Balance at 31 July 2023	446,060	55,948	21,913	10,812	534,733
Balance at 1 August 2021	397,175	50,104	48,439	7,815	503,533
Additions	-	-	27,565	-	27,565
Disposals	(12)	(1,028)	-	-	(1,040)
Construction work in progress transfers	46,146	7,931	(54,710)	633	-
Balance at 31 July 2022	443,309	57,007	21,294	8,448	530,058
Depreciation and impairment					
Balance at 1 August 2022	100,553	38,994	16,990	5,280	161,817
Depreciation for the period	10,423	4,126	-	1,117	15,666
Disposals	-	(3,167)	-	(153)	(3,320)
Balance at 31 July 2023	110,976	39,953	16,990	6,244	174,163
Balance at 1 August 2021	90,973	35,696	16,990	4,202	147,861
Depreciation for the period	9,592	4,306	-	1,078	14,976
Disposals	(12)	(1,008)	-	-	(1,020)
Balance at 31 July 2022	100,553	38,994	16,990	5,280	161,817
Carrying amounts					
At 1 August 2022	342,756	18,013	4,304	3,168	368,241
At 31 July 2023	335,084	15,995	4,923	4,568	360,570
At 1 August 2021	306,202	14,408	31,449	3,613	355,672
At 31 July 2022	342,756	18,013	4,304	3,168	368,241

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Core and Non-core Property

In accordance with Section 41(j)(2) of the Registered Clubs Act 1976 (NSW) (as amended), the Company defines its core property and non-core property as follows:

Core property

The Company has determined the following to comprise its core-property as at 31 July 2023:

- 1 the course proper (and Kensington Track) at Royal Randwick Racecourse, the course proper at Rosehill Gardens Racecourse, the course proper at Warwick Farm Racecourse, and the course proper at Canterbury Park Racecourse, along with all training tracks at Royal Randwick, Rosehill Gardens, Warwick Farm and Canterbury Park Racecourses; and all stabling facilities at Royal Randwick, Rosehill Gardens and Warwick Farm Racecourses;
- 2 the premises owned or occupied by the Company on Royal Randwick Racecourse (including the defined area of the licensed premises of the registered club) comprising facilities, provided by the Company for the raceday use of Members and their guests;
- 3 the premises owned or occupied by the Company on Rosehill Gardens Racecourse comprising facilities, provided by the Company for the raceday use of Members and their guests;
- 4 the premises owned or occupied by the Company on Warwick Farm Racecourse comprising facilities, provided by the Company for the raceday use of Members and their guests; and
- 5 the premises owned or occupied by the Company on Canterbury Park Racecourse comprising facilities, provided by the Company for the raceday use of Members and their guests.

Non-core property

The Company has determined that as at 31 July 2023 all property which is not specifically defined as core-property is non-core property

14. INTANGIBLE ASSETS

In thousands of AUD	2023	2022
Poker machine entitlements at cost net of impairments		
At 1 August	1,270	1,145
Impairment reversal	375	125
Balance at 31 July	1,645	1,270
Trademarks at cost		
At 1 August	253	253
Balance at 31 July	253	253
	1,898	1,523

Poker machine licenses have been assessed as having an indefinite useful life under current legislation in NSW and are valued at cost. The recoverable amount has been assessed on a fair value, less costs to sell basis. The fair value of the licenses was derived from recent third party transaction prices for the transfer of such entitlements by Sydney Metropolitan Clubs between July 2022 and June 2023. Accordingly, at 31 July 2023, the carrying amount required an impairment reversal of \$375,000 (2022: \$125,000).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

15. TRADE AND OTHER PAYABLES

In thousands of AUD	2023	2022
Current		
Trade payables	2,932	2,913
Other payables and accruals	14,640	11,804
	17,572	14,717

16. LOANS AND BORROWINGS

In thousands of AUD	2023	2022
Current		
RNSW Loan	6,213	6,213
Bank Borrowings	5,000	40,000
Lease liabilities	1,726	1,601
	12,939	47,814
Non-current		
RNSW Loan	9,810	16,924
Bank Borrowings	25,000	-
Lease liabilities	2,338	1,755
	37,148	18,679

Financing facilities

On 29 September 2022 the Company executed an agreement with its Financiers for a 1 year finance facility totalling \$15,000,000 and a 2 year finance facility totalling \$25,000,000.

At 31 July 2023, current liabilities exceed current assets by \$13,865. This is a consequence of Bank Borrowings and RNSW Loans Payable within the next 12 months. Subsequent to year end, on 10 October 2023 the Company entered into a 3 year financing facility with Commonwealth Bank of Australia totalling \$30,000,000. The new facility expires on 10 October 2026.

The Company entered into a lease financing facility on 28 September 2015 with Commonwealth Bank of Australia. The Company secured an additional \$2,500,000 in 2022, which provides total lease finance facilities of \$7,500,000 which is open-ended and cancellable by one month's written notice by either the Company or Commonwealth Bank of Australia. A further \$6,000,000 was secured on 10 October 2023 for a term up to 5 years. At 31 July 2023, \$2,582,000 of the lease financing facility has been utilised. The difference between the lease financing facility and the total lease liability relates to non-finance leases.

In 2020 the Company entered into an agreement with RNSW whereby RNSW would provide cash funding via an interest-free loan to enable the Company to build the Winx Stand at Royal Randwick, to be repaid out of future receipts of PGI income until the funds are paid in full. As at 31 July 2023, RNSW had provided \$16,023,000 of funds to the Company as funding for the Winx stand.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

17. EMPLOYEE BENEFITS

In thousands of AUD	2023	2023
Current		
Liability for annual leave	2,625	3,050
Liability for long service leave	3,621	3,556
Other employee benefits	3,951	2,785
	10,197	9,391
Non-current		
Liability for long service leave	794	788
	794	788

18. DEFINED BENEFIT ASSET/LIABILITY

In thousands of AUD	2023	2022
Total fair value of plan assets	5,037	5,644
Total present value of defined benefit obligations	(4,161)	(4,714)
Unrecognised asset due to Asset Ceiling	(276)	(301)
Total surplus/(deficits) in the plans recognised in the statement of financial position	600	629

The Company makes contributions to the defined benefit superannuation fund originating from the Sydney Turf Club that provide defined benefit amounts for employees upon retirement. The Plan consists of two sections, the Defined Benefits Section based on the number of years of membership and final average salary, and the Accumulation Section based on contributions made and investment earnings.

Fair value of plan assets comprise:

In percentage	2023	2022
Equity securities	57%	57%
Fixed interest securities	15%	13%
Property	5%	6%
Other	23%	24%
	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

18. DEFINED BENEFIT ASSET/LIABILITY (CONTINUED)

Movement in the present value of the defined benefit obligations

In thousands of AUD	2023	2022
Defined benefit obligations at 1 August	4,714	5,461
Benefits paid by the plan	(1,054)	(765)
Current service costs and interest	371	296
Actuarial (gains)/losses in other comprehensive income	130	(278)
Defined benefit obligations at 31 July	4,161	4,714

Movement in fair value of plan assets

In thousands of AUD	2023	2022
Fair value of plan assets at 1 August	5,644	6,564
Contributions paid into the plan	22	32
Benefits paid by the plan	(1,054)	(765)
Expected return on plan assets	216	94
Actuarial gains/(losses) in other comprehensive income	209	(281)
Fair value of plan assets at 31 July	5,037	5,644

Actual gain/(loss) on plan assets	425	(187)
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Movement in the asset ceiling of the plan

In thousands of AUD	2023	2022
Asset ceiling at 1 August	301	376
Interest income	13	6
Remeasurements	(38)	(81)
Asset ceiling at 31 July	276	301

Actuarial (gains) and losses recognised in other comprehensive income

In thousands of AUD	2023	2022
Cumulative amount at 1 August	(674)	(596)
Defined benefit plan actuarial (gains)/losses	(117)	(78)
Cumulative amount	(791)	(674)

Actuarial assumptions	2023	2022
Discount rate at 31 July	5.4%	4.3%
Future salary increases	3.0%	3.0%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

19. REVENUE IN ADVANCE

In thousands of AUD	2023	2022
Current	19,242	13,633
Revenue in advance	19,242	13,633
Non-current		
Revenue in advance	9,192	13,967
	9,192	13,967

Revenue in advance includes amounts received in advance from the Tabcorp on account of media rights, Mirvac on account of the Canterbury Park - King Street Development, sponsorship arrangements, memberships, function arrangements, private suites, Chairman's club tables and other contractual arrangements.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

20. OTHER PROVISIONS

In thousands of AUD	2023	2022
Current		
QEII Grandstand Cladding Provision	4,349	6,305
Governor Macquarie Drive Provision	2,148	1,235
	6,497	7,540
Non-current		
QEII Grandstand Cladding Provision	-	2,997
Governor Macquarie Drive Provision	701	1,576
	701	4,573
Movement in provision		
Current		
Opening balance	7,540	8,227
Measurement of provision	4,183	300
Provision utilised	(5,226)	(987)
Closing balance	6,497	7,540
Non-current		
Opening balance	4,573	4,873
Measurement of provision	(3,872)	(300)
Closing balance	701	4,573

In FY18, a provision was recognised as a result of contractual obligations owing in relation to the sale of land by the Company at Warwick Farm.

In FY19, a provision was recognised as a result of reviewing and upgrading the cladding in the QEII Grandstand at Randwick. This provision was revised in the current year.

21. ACCUMULATED FUNDS AND RESERVES

Accumulated funds

The Company is a company limited by guarantee and without share capital, with one Voting Membership class.

In accordance with the Constitution of the Company, every Voting Member is liable to contribute, for the time they are a Member, an amount not exceeding \$1 during the tenure of their membership or within one year after cessation of their membership toward the debts and liabilities in the event that the Company is wound up. These liabilities include the costs, charges and expenses of winding-up. Non-voting Members are not liable to contribute any amount in the event that the Company is wound up.

The total amount which Voting Members would be required to contribute in the event that the Company is wound up is \$12,539 (2022: \$12,614).

Reserve

All net assets received by the Company and Day 1 fair value adjustments were recorded against equity, being the "Day 1 reserve".

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

22. LEASES

See accounting policy in Note 3(l)

(a) Leases as lessee (AASB 16)

The Company leases plant and equipment, the leases typically run for 3 years, with an option to renew the lease after that date. Lease payments are renegotiated every 3 years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

On 2 October 2008, the Australian Jockey Club Limited signed a 99 year lease over the Randwick Racecourse. This lease was transferred to the Company as a result of the Act (refer to Note 1). The lease, due to expire in 2107, is for a nominal rent. Due to the nature of the property and the restrictive use conditions under the arrangement, the Company is not able to reliably measure the value of the entitlement to use the property. Accordingly, no amounts are recognised. As it has no net effect on the result each period, it is not considered to affect the fair presentation of the financial report.

Information about leases for which the Company is a lessee is presented below.

(i) Amounts recognised in profit or loss

In thousands of AUD	2023	2022
Leases under AASB16		
Interest on lease liabilities	160	158
Depreciation on right of use assets	1,117	1,078

(ii) Future lease payments

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. for short-term leases and leases of low-value items) are disclosed for reach of the following periods.

In thousands of AUD	2023	2022
Less than one year	1,837	1,689
One to five years	2,569	1,829
	4,406	3,518

23. CAPITAL COMMITMENTS

During the year ended 31 July 2023 the Company entered into contracts to purchase property, plant and equipment for a total of \$1,665,000 (2022: \$4,237,000) which consists of the following:

In thousands of AUD	2023	2022
Randwick Capital Fund	857	999
Other	808	3,238
	1,665	4,237

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

24. REMUNERATION OF AUDITORS

	2023	2022
Auditors of the Australian Turf Club - KPMG		
Audit of the financial report	156,960	140,760
Non-audit services	27,772	169,538
	184,732	310,298

25. KEY MANAGEMENT PERSONNEL

The following were key management personnel of the Company at any time during the year and unless otherwise indicated were key management personnel for the entire period:

Board Members

- » Mr Peter McGauran (Chairman)
- » Mr Tim Hale (Kings Counsel) (Vice-Chair)
- » Ms Angela Belle McSweeney
- » Mr Ben Bayot
- » Mr David McGrath
- » Ms Caroline Searcy (commenced 1 February 2023)
- » Mrs Natalie Hewson (commenced 1 February 2023)
- » Mr Matthew McGrath (until 24 November 2022)
- » Ms Julia Ritchie (until 31 January 2023)

All members of the Board act in an honorary capacity and receive no remuneration or other benefits for their services. Board Members may be reimbursed for expenditure incurred in the conduct of their official duties. All of these transactions were on normal commercial terms and conditions.

Executives

Chief Executive:

- » Mr Matt Galanos – Chief Executive (commenced 15 August 2023) Acting Chief Executive (From 29 April 2023 to 14 August 2023) Chief Financial Officer (From 1 July 2022 to 28 April 2023)
- » Mr Jamie Barkley (until 28 April 2023)

During the period the executives were:

- » Mr James Ross – Head of Racing and Wagering (commenced 1 June 2023) Executive General Manager Racing Services (From 1 July 2022 to 31 May 2023)
- » Mr Brett de Vine – Head of Media and Broadcast (commenced 1 June 2023)
- » Mr Matthew Sharman – Head of Hospitality and Venues (commenced 1 June 2023)
- » Mr Stephen McMahon – Head of Membership and Corporate Affairs (commenced 1 June 2023)
- » Ms Donna Forbes – Head of Commercial (commenced 1 June 2023)
- » Mr Shihan Ramasundara – Head of Corporate Services (commenced 1 June 2023)
- » Ms Jane Coles – Executive General Manager Membership and Customer Service (until 25 May 2023)
- » Mrs Melissa Richards – Executive General Manager People and Culture (until 25 May 2023)
- » Ms Melinda Madigan – Executive General Manager Commercial (until 25 May 2023)
- » Mr Graham Brown – Executive General Manager Property and Infrastructure (until 25 May 2023)

Key management personnel compensation

During the year ended 31 July 2023, the total key management personnel compensation recognised in profit or loss was \$4,673,741 (2022: \$4,107,486). Total compensation includes paid salary, annual leave, short term incentives, long service leave and superannuation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2023

26. RELATED PARTIES

Other related party transactions

All outstanding balances with the associates and joint ventures are priced on an arm’s length basis. None of these balances are secured.

During the year the Company provided administrative services to the ATC Foundation for no charge. The Company has control of the ATC Foundation, but due to the immaterial nature of the ATC Foundation’s balance sheet and statement of comprehensive income, it is not being consolidated as a subsidiary.

27. CONTINGENCIES

Financial assistance was provided to both the Australian Jockey Club Limited and the Sydney Turf Club by way of interminable loans from the Racecourse Redevelopment Fund. These loans were transferred to the Company as a result of the Act (refer to Note 1). These loans are only repayable either on the sale of properties which have benefited by the expenditure of loans, or in the event the Company ceases its current operations. The maximum contingent liability at 31 July 2023 in respect of these loans which has not been provided for in the Financial Statements amounts to \$101,407,000 (2022: \$101,407,000). On 1 July 1998 the operations of the Racecourse Development Fund were transferred to the respective controlling authorities. Accordingly, any contingent liability will be in favour of Racing NSW.

The Company and Racing NSW have entered into contractual agreement for an interminable loan of \$5,000,000. It is only repayable in the event that the Company sells an asset valued at more than \$1,000,000 unless by other arrangement approved by RNSW. This contingent liability will be recorded when it is probable that such a transaction will take place.

The Company and Racing NSW have entered into contractual agreement for an interminable loan up to \$7,000,000, as at 31 July 2023, \$5,191,000 had been drawn down. It is only repayable in the event that the Company sells an asset valued at more than \$1,000,000 unless by other arrangement approved by RNSW. This contingent liability will be recorded when it is probable that such a transaction will take place.

28. SUBSEQUENT EVENTS

There have been no subsequent events after the balance sheet date through to the date the financial statements were issued that need disclosure.



DIRECTORS' DECLARATION

For the year ended 31 July 2023

In the opinion of the directors of Australian Turf Club Limited (the Company):

- (a) the financial statements and notes, set out on pages 32 to 61, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 July 2023 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.



Mr Peter McGauran
Chairman

Dated at Sydney this 13th day of October 2023.



INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF AUSTRALIAN TURF CLUB LIMITED



To the Members of Australian Turf Club Limited

Opinion

We have audited the Financial Report of Australian Turf Club Limited (the Company). In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- » giving a true and fair view of the Company’s financial position as at 31 July 2023 and of its financial performance for the year ended on that date; and
- » complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the Financial Report section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other information

Other Information is financial and non-financial information in Australian Turf Club Limited’s annual reporting which is provided in addition to the Financial Report and the Auditor’s Report. The Directors are responsible for the Other Information. The Other Information we obtained prior to the date of this Auditor’s Report was the Directors’ Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

The Financial Report comprises:

- » Statement of financial position as at 31 July 2023
- » Statement of profit or loss and other comprehensive income, Statement of changes in funds, and Statement of cash flows for the year then ended
- » Notes including a summary of significant accounting policies
- » Director’s Declaration



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor’s Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- » preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures Framework* and the *Corporations Act 2001*.
- » implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- » assessing the Company’s ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

Our objective is:

- » to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- » to issue an Auditor’s Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our Auditor’s Report.



KPMG

Cameron Slapp
Partner

Sydney
13 October 2023

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YAMAHA
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LONGINES
88:88:88

ROYAL RANDWICK

ROYAL RANDWICK

FURPHY

LONGINES

LONGINES

ROYAL RANDWICK

ROYAL RANDWICK

KENSINGTON

ROYAL RANDWICK

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