

Gosford Race Club Limited

ABN 26 003 846 124



CENTRAL COAST

29th Annual Report 2018

GOSFORD RACE CLUB LIMITED

GOSFORD RACE CLUB LIMITED
ABN 26 003 846 124

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2018

BOARD OF DIRECTORS

Chairman
M A Cusick

Vice-Chairman
M W Griffiths

Honorary Treasurer
S McShane

Directors
A E J Allen, R C Delaney, J M Macfadyen, D Hassab

Life Members
NM Agnew, C Aldrick, IJ Brennan, I Craig,
NE Laird, BJ Little, AP Norrgard, JR Ryan, AG Swan,
A Stapleford, JH Toms APM, ES Toovey, RC Delaney

Administration
Chief Executive – Daniel Lacey



Left to right – Daniel Lacey (CEO), Reg Delaney, David Hassab, Jim Macfadyen, Michael Griffiths (Vice Chairman), Andrew Allen, Michael Cusick (Chairman), Stephen McShane (Treasurer)

Registered Office
Racecourse Road, West Gosford NSW 2250

Auditor
KPMG

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty ninth Annual General Meeting of the Members of the Gosford Race Club Limited will be held in the Panorama Lounge, The Entertainment Grounds, Gosford Racecourse on Monday 29th October 2018 at 6.00pm

Only financial Voting Members defined as follows by section 1.1 of the Club's Rules and Constitution are eligible to vote.

“Voting Member” - means a life member or a full member elected to membership prior to the date of the 2015 Annual General Meeting or a full member elected after that date who retains membership of the club for a continuous period of 1 year.

AGENDA

- 1.** To confirm the Minutes of the twenty eighth Annual General Meeting of Gosford Race Club Limited held 23rd October 2017.
- 2.** To receive and consider the reports of the Board and Management.
- 3.** To receive and consider the Profit & Loss Statement, Balance Sheet and Auditor's Report.
- 4.** To appoint an Auditor for the 2018/19 Financial Year.
- 5.** To elect three (3) members to serve on the Board of Directors of the Club.
Current Directors of the Board M Cusick, S McShane & A Allen retire and are eligible to nominate for re-election in accordance with the Gosford Race Club Rules & Constitution and offer themselves accordingly.

Note: Any nominations for election to the Board must be made pursuant to the conditions of 21.3 (a) & (b) of the Club's Rules and Constitution. Nominations are to be received by the Secretary no later than 4pm Monday 24th September 2018 at the Club's registered office.

- 6.** To deal with any business of which due notice has been given.

By Order of the Board 6th September 2018

Daniel Lacey

Chief Executive Officer

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Chairman's Report 2017/2018

On behalf of the Gosford Race Club Board, it is my pleasure to present my eighth Annual Report as Chairman.

The 2017/18 year has seen a continued growth and evolution across our business and our move towards establishing ourselves as the leading entertainment venue on the Central Coast remains on track. This report will contain details on this growth and the plans moving forward.

At the board meeting following the AGM on the 23rd October 2017 the Vice Chairman Jim Macfadyen announced his decision to step aside from that position. The board then duly elected Michael Griffiths to the position of Vice Chairman unopposed. Michael is a local business owner who has served on the board for several years. He brings to the role a strong commercial knowledge and business acumen and represents the future of the leadership of the board. I would like to congratulate Michael on this new role and I look forward to working alongside him in the years to come. I would also like to thank Jim for his dedication to the role and loyal support of me over the last 8 years. Jim will continue to serve as a Director of the club.

This year the board's focus remained on three key areas - racing, training and events. The Club's strategic plan was updated during the early part of 2018, which set out objectives for these areas. Following on from the various facility upgrades in 2017 we have continued to refresh areas to bring them up to modern standards. During this financial year our main works focused on upgrading the parade ring and renovating the Lakeview room, which is our main general public function area for both race day and non-race day events. If it wasn't already the case, now with both these projects completed, I believe we are presenting the highest standard of spectator and customer facilities outside of the metropolitan area.

It has now been four years since we took on the running of our own catering operation for all race days and events. Our goal was to deliver the highest standard food and service possible and the feedback we regularly receive leads us to believe we are delivering on this objective. The high level of repeat business in our functions business is testament to that. As we gain more experience from running this over time I can only see future improvement and we will continue to strive for excellence in this.

The year has seen us host a multitude of high profile events for the Central Coast, mainly 'NAIDOC', 'The Scottish Spectacular', 'Club Troppo' and the continued use of our grounds for the 'Gosford City Farmers Markets'. We have also successfully launched the 'Sydney Comedy Club' evenings, with our last three shows being sell-outs. Towards the end of this financial year we also launched another new initiative, the 'Aussie Night Markets'. These markets are focused on food and saw over 50 food trucks and stalls and over 6,000 people attending the first event in rather cold weather. With the warmer months ahead growth in this is almost inevitable and this is set to become a major attraction and social event for the community going forward. Our venue is now clearly seen as an attractive location due to its facilities, size, accessibility and parking for all types of conferences, events and expos by the tourism, business and hospitality industries. This is recognition that the journey towards the achieving of this goal that we originally set back in 2010 remains on track.

On an annual basis the club's directors conduct a strategy meeting, the outcomes of which are to set management various goals in the short/medium/long term. The results of this year's strategy are summarised into three categories:

Racing

- Focus on our feature race days, build on them and take them to the next level in terms of both patron experience and attendance.
- Continue to work with Racing NSW to build a better racing program.
- Maintain and enhance our facilities to current patron expectations.
- Build our Membership.

Training

- To work with RNSW on a long term plan for training on the Central Coast by way of an upgrade of our facilities to an acceptable standard.

Events

- Grow non race day events and conference business.
- Integrate Gosford Race Club as a Central Coast community asset.

Since the meeting a number of outcomes have already been achieved. At the time of writing the club currently has 807 financial Members. We do have a self-imposed capacity of 1,000 to ensure that we can accommodate Members in the 'Panorama Lounge' (Members' room) adequately and without discomfort. This level of membership is actually quite a feat considering that we are predominately a midweek club.

For the 2018/19 racing year we have been allocated further Saturday race meetings, taking our total to five full TAB Saturday meetings plus one Picnic Saturday meeting. As a club we would love to expand our memberships to our maximum level and the addition of this additional weekend racing to our calendar certainly helps in those endeavours.

In 2017/18 we reinvigorated the Gold Cup carnival by expanding the feature days from one to three. The change in format did bring with it some success, most notably in that the Cup day meeting had an opportunity to re-establish itself as a feature day having being moved from the clash that had occurred with the Magic Millions event on the Gold Coast. This allowed a higher level of industry participation and on course attendance. It is also important for turnover that we have as many of the large stables and premier jockeys as possible on the day. Whilst we were happy with the carnival generally we still saw some opportunity to improve it even further, thus after a review of the 2017/18 carnival the following amendments were made for 2018/19:

- Condense the three day carnival to a two day event, with the feature days being Friday 28th December and Thursday 17th January.
- Placing the Gosford Guineas on the 28th December, which should allow the best three year olds to run in this race providing an important 2 week gap before the Magic Millions for 3 year olds. With this scheduling we believe the race could become an important lead into the Magic Millions for these horses in years to come.
- The 28th December will now host the \$160,000 Group Three Gosford RSL Belle of the Turf, the \$150,000 Listed Gosford Guineas and the \$50,000 second heat of the M J Cusick prelude class series.

- The 17th January will still host the \$150,000 Listed Gosford Quarries Gosford Gold Cup, the \$150,000 Listed De Bortoli Wines Takeover Target Stakes and the \$65,000 Class 4 Tooheys MJ Cusick Stakes.
- The Class series heats will now be held on the 6th December (class 2) and the 28th December (class 3). This will allow more time between heats for horses to progress into the Class 4 MJ Cusick on the 17th January. Both heats will now be run for an increased level of \$50,000 with the final increased to \$65,000
- We have moved the previous Thursday meeting that hosted the Takeover Target back a day to Friday 11th January and it will be run as a Twilight meeting.

Our goal is to move the Gold Cup meeting to a Friday in years to come which provides a much greater opportunity for patrons to attend the day. Unfortunately this decision is not ours alone and we will continue to work with both the Australian Turf Club and Racing NSW (RNSW) to achieve this goal.

The New Year's Eve race meeting will remain unchanged. Historically for this day we were able to send out free tickets to the local community via the Council rates notices. Since the merger of the Gosford and Wyong Councils the newly formed Council is no longer supportive of this community initiative. Despite many discussions with their representatives we are unable to utilise the rates notices as a means to distribute the free tickets to the local community. This has led to a fall in attendance and is unfortunate for the local residents who enjoyed a free day out.

As noted previously we have increased our number of Saturday fixtures to five, this is in line with one of our strategic goals, being the presentation of a more attractive racing calendar. I would like to thank Racing NSW for its ongoing support in granting Gosford these sought after race dates.

During this season the heats of the 'Provincial Championships' were run on a Saturday. Overall there was a significant uplift in oncourse patronage across all 5 provincial clubs. This is very pleasing as it allows us to bring high quality racing to more people. Thankfully this schedule is set to continue with the support of RNSW and the Gosford heat of this series is scheduled for Saturday March 16th 2019.

As you would be aware we conduct two picnic meetings per year that are well supported and enjoyed by many in the local community. Our Melbourne Cup picnic meeting continues to be a major event in our calendar. We have now hosted two of these meetings and this year we attracted over 1,500 patrons with over 800 alone in one of our pre booked hospitality packages. This year is no exception with these packages close to being sold out, which is a great achievement. In addition our Christmas Party picnic meeting held in mid-December is always well supported and a great afternoon due to the festive feel of the day. These were both part of our long term strategic plan and it is very satisfying to see them delivering the way we thought they could.

The New Year's Eve race day will again be a highlight for many residents. It has been a real event on the social calendar for the region over the last 10 years and we are working hard to ensure this continues. As noted earlier the loss of support from Central Coast Council is disappointing however we will still look to offer the community the benefit of free entry by distributing these tickets via other means. More will be communicated about this in due course.

The Anzac Day race day was once again a notable event on our racing calendar. This year Sea FM was the presenting partner with a multitude of on course activities including the 'Sea

FM marquee'. The event was once again well attended despite receiving a heavy downpour during the morning which delayed patrons' arrival. As with New Year's Eve this is a very important day for the club and the loss of either in a given year can have a major impact on our financial performance.

As reported last year it was announced that Gosford would remain as a training venue into the foreseeable future. Since then the club and Racing NSW have been in continuous discussion to establish an outcome which is in the best interests of not only Gosford but the broader industry in NSW. Whilst it is understandable that some people get a little impatient with the time these sorts of decisions take, it is important to understand that bringing Gosford up to a standard whereby we can become a major contributor to starter numbers will require a sizeable financial commitment and therefore not a decision the industry can rush or take lightly. I want to assure you that we continue to work diligently on this and are very close to a resolution and an announcement that will change the face of training here at Gosford. The upcoming release of the RNSW strategic plan will throw more light on this and we will continue to communicate updates to all stakeholders and members.

The club continues to invest in the upkeep of the Pro-Ride (fast work) track with additional maintenance work occurring. I must stress though that the track is nearing fifteen (15) years old and no amount of additional maintenance works will bring it up to the quality that Gosford trainers desire and deserve. However the club will invest where required to keep the facilities presenting as best they can until a more long term announcement is made.

We have set ourselves the goal of being a multi-faceted facility offering a diverse range of events for community interaction. The year 2017/18 shows we continue to move along the path of achieving this and with the current operational team I feel this trend will only continue for 2018/19.

Finance

In the 2017/2018 season the Gosford Race Club recorded total comprehensive income of \$35,180 (2017 \$534,940) after depreciation and amortisation. Profit before depreciation, impairment and finance costs totalled a positive result of \$587,557 (2017 \$869,659).

Producing a positive cash result, particularly while continuing the transition of the business and investment in more facility upgrades, is a very pleasing outcome and demonstrates that the club is headed on the right path to maintaining future sustainability.

During the year the club continued the renovations of the grounds and spectator precinct with upgrades to:

- The parade ring – This has allowed a greater number of owners and trainers into this area. It also allows for the placed horses to return in full view of the all the spectators; and
- The Lakeview Room – Painting, new ceiling, upgraded TAB facilities, lighting and new audio/visual were completed in this room. These works have greatly lifted the presentation of the room and we have received a number of complements on the enhanced race day experience it now presents.

Racing

The Gosford Race Club hosts four feature Black Type races each year, and the following tables shows the results of these events in 2017/2018.

Race	Winner	Jockey	Trainer
\$150,000 Listed Gosford Gold Cup	Singing	G Schofield	K Lees
\$150,000 Group 3 Belle of the Turf Stakes	Pecans	C Brown	J Pride
\$125,000 Listed Takeover Target Stakes	Calanda	B Shinn	P & P Snowden
\$150,000 Listed Gosford 3YO Guineas	Bella Martini	B Avdulla	M, W & J Hawkes

The club's heat of the Provincial Championships was won by 'Serene Miss', ridden by A Bullock and trained by K Lees.

The Gosford Race Club congratulates Racing NSW on this wonderful initiative. Now in its fourth year the race has proven to be an enormous success for provincial owners and trainers and an event that is a highlight of the racing calendar.

Premierships

Congratulations to the winners and thank you to the sponsors of the premierships, B & L Herington Wholesalers, Elanora Hotel, & Thoroughbred Publishing, whose support of the premiership is greatly appreciated.

Leading trainer: James Cummings - 13 wins
Leading jockey: Brenton Avdulla - 21 wins
Leading apprentice: Jean Van Overmeire – 12 wins

Leading Gosford trainer: Tony Newing – 13 wins

Sponsors

An integral part of Gosford Race Club's revenue comes in the form of sponsorship. I would like to acknowledge the outstanding contribution of all of our sponsors, and on behalf of the board I thank them for their support.

We have many long term and loyal sponsors, who we hope will stay with us for many years to come and we are sure they will if we continue to offer them good value for money with our packages and exposure for their sponsorship dollars.

I would like to particularly recognise the continued support of Gosford Quarries, who remain our major sponsor of the Gosford Gold Cup. We appreciate the continued support of the Sarkis family, and look forward to our partnership continuing for many years. During the 2017/2018 year support was received from the following sponsors and their co-sponsors:

Gosford Quarries

Lion Nathan – Tooheys

SKY Channel
Gosford RSL
De Bortoli Wines
Turfcare NSW
Star FM
SEA FM
Walker Bros Timber & Building Supplies
Men of League Foundation Central Coast
ICU Security Cameras
Bellbirds Committee
EVE Security Services
Tanti Financial Services
Vickery Sounds
Audi Alto Central Coast
Terrigal Wamberal Football Club
Polytrack

Tabcorp
Central Coast Council
Coca Cola
Guardian Safety Solutions
Pluim Group
E Group Security
Broken Bay Catholic Diocese
Haven Education Centre
BJ Howes
Erina Juniors Rugby League Club
Narara Plumbing
Taperell Rutledge Solicitors
Prestige Party Hire
Rushsports
The Pandora Committee

Governance

With the fallout from the recent and ongoing Banking Royal Commission the board took the view that we should look at our current awareness of the ever changing corporate governance landscape. After this review a decision was made for myself, Michael Griffiths (Vice Chairman) and Daniel Lacey (CEO) to undertake the Australian Institute of Company Directors (AICD) Foundations of Directorship course.

This three day course covered the various aspects of being on a board such as strategy, risk management, financial control and board governance and what is currently required and expected from board members in this new heavily regulated environment. It was a very worthwhile course and I am pleased to let you know that virtually all the key points raised during the course have been addressed or are in the process of being addressed at Gosford.

As with any course there were additional learnings to be made and we have taken those on board and have or will be implementing updated policies/procedures to make sure we are operating under the most recent guidelines.

Internal Staff

The team continues to be headed by Daniel Lacey, supported by a number of dedicated staff. Over the course of the last year we have made several new appointments:

- Kirstie Anders has moved to the position of events co-ordinator and Jessica Stuart filled the role of Administration Assistant that was vacated by Kirstie. Jessica will also manage the race day office. Jessica comes from a club background, is very comfortable dealing with members and has a high level of customer service.
- Our marketing manager, Hannah Marshal welcomed her first child during the year and subsequently reduced her day to day involvement in the club. The role of marketing manager has since been filled by Kristina Hagberg, Kristina brings with her a wealth of marketing and sponsorship knowledge and will be responsible for the continued brand awareness of the Entertainment Grounds.

I would like to once again congratulate Steve Scollard and his track team for another outstanding racing surface. The level of wagering revenue that Gosford attracts is testament to the condition and fair nature of the course proper.

Finally but not least I would also like to thank all our casual race day and event staff who assist the club in ensuring all of our events run smoothly.

Acknowledgements

I wish to acknowledge the support received from the following:

Racing NSW	Department of Liquor, Gaming & Racing
Australian Turf Club	All the Provincial Race Clubs
NSW Owners Association	NSW Jockeys Association
NSW Bookmakers Co-operative	NSW Trainers Association
NSW Thoroughbred Breeders Association	

Plus all other Clubs and Associations who readily gave their assistance when requested.

Appreciation

Once again I would like to thank my fellow board Members for their contribution to the club throughout the year. Their dedication, skills and outstanding business knowledge is a valuable benefit to the club and I feel privileged to be part of such a strong board.

As mentioned earlier the role of a board member today requires so much more than just a knowledge of racing. With governance, compliance and financial management under so much scrutiny these days a sound business knowledge, a measured approach to decision making and the desire to see the business move forward are a must.

We have been lucky to have such stability on the board and this continued during the year. This stability is essential to provide consistency for management and to deliver the strategic plan for the business into the future.

I would like to extend my thanks to my Executive, Michael Griffiths and Stephen McShane, and the rest of the board, Reg Delaney, Jim Macfadyen, Andrew Allen and David Hassab for their efforts and support throughout this year.

The board has a tremendous working relationship with CEO Daniel Lacey and this has been instrumental in the successful implementation of our strategy. I thank him for his efforts and support in my role over the course of the year and look forward to a long association.

In closing I would like to thank our members for their contribution to the club and also welcome our many new members who have joined over the last twelve months.

May I wish you again good health and happiness and look forward to catching up with many of you throughout the year.

Michael Cusick
Chairman

Gosford Race Club Limited

Directors' report

For the year ended 30 June 2018

The directors present their report together with the financial statements of Gosford Race Club Limited (the Company) for the financial year ended 30 June 2018 and the auditor's report thereon.

1 Directors

The directors of the Company at any time during or since the end of the financial year are:

Name, qualifications	Experience	Special responsibility
CUSICK, M A Chairman	Ex-Officio Member on all Sub Committees Company Director	Director since August 2009, Elected Chariman 26/10/10
GRIFFITHS, M W Vice Chairman	Finance Sub Committee Company General Manager	Director since October 2010 Elected Vice Chairman 24/10/17
MCSHANE, S Hon. Treasurer	Finance Sub Committee Chartered Accountant	Director since May 2005, Elected Treasurer 14/02/06
ALLEN, A E J Director	Real Estate Agent	Director since May 2006
DELANEY, R C Director	Company Director	Director since October 2003
MACFADYEN, J M Director	Company Director	Director since October 2008
HASSAB, D Director	Company General Manager	Director since December 2015

2 Company Secretary

Mr Daniel Lacey was appointed to the position of Company Secretary on 18 February 2016.

Gosford Race Club Limited

Directors' report (continued)

For the year ended 30 June 2018

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 financial year are:

Attendance at Directors' Board Meeting

Director	A	B	C	D
M A Cusick	11	11	-	-
J M Macfadyen	11	9	2	-
S McShane	11	10	1	-
A E J Allen	11	8	2	1
D Hassab	11	10	1	-
R C Delaney	11	10	1	-
M W Griffiths	11	11	-	-

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

B – Number of meetings attended

C – Apologies

D – Leave of absence

4 Principal activities, objectives and strategies

The principal activities of the Company during the course of the financial year were the conduct of licensed horse racing.

There were no significant changes in the nature of the activities of the Company during the year.

Short and long-term objectives

Racing

- Focus on feature race days, build on them and take them to the next level in terms of both patron experience and attendance.

Events

- Grow non race day events and conference business.
- Integrate Gosford Race Club as a Central Coast community asset.

Facilities

- Maintain and enhance facilities to current patron expectations.

Gosford Race Club Limited

Directors' report (continued)

For the year ended 30 June 2018

5 Review of performance

The operating loss of the Company for the year ended 30 June 2018 was \$185,394 (2017: profit \$190,742), after charging \$695,949 (2017: \$670,284) for depreciation, impairment loss of \$67,760 (2017: \$nil) and \$9,242 (2017: \$8,633) for net finance costs. In addition, included within profit was a gain on sale of property, plant and equipment of \$nil (2017: \$191,171) due to the sale of land.

6 Membership

The Company is incorporated and domiciled in Australia as a public company limited by guarantee. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. The number of members as at 30 June 2018 and the comparison with the prior year is as follows:

Number of members	2018	2017
General	877	765
Life	13	14
Corporate	7	9
	<u>897</u>	<u>788</u>

As at 30 June 2018, the total amount that members of the Company are liable to contribute if the Company is wound up is \$1,754 (2017: \$1,530).

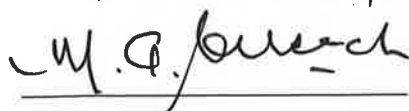
7 Events subsequent to reporting date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in future financial years.

8 Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 14 and forms part of the directors' report for the financial year ended 30 June 2018.

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



M A Cusick
Chairman



S McShane
Director

Dated at Gosford this 18th day of September 2018.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Gosford Race Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Gosford Race Club Limited for the financial year ended 30 June 2018 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 Roan

Partner

Sydney

18 September 2018

Liability limited by a scheme approved under
Professional Standards Legislation.

Gosford Race Club Limited

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2018

In AUD

	Note	2018	2017
Revenue	5	11,721,111	10,907,802
Other income		408,767	470,313
Prize money, trophies and subsidies		(5,793,000)	(5,401,326)
Hospitality and events		(1,155,181)	(864,572)
Racecourse maintenance		(1,160,722)	(1,103,627)
Racing expenses		(1,808,481)	(1,670,528)
Administration		(1,443,929)	(1,397,926)
Marketing and promotions		(202,742)	(191,312)
Net gain/(loss) on disposal of property, plant and equipment		-	191,171
Net gain/(loss) on sale of investments	11	35,779	(56,470)
Other expenses		(14,045)	(13,866)
Profit before depreciation, impairment and finance costs		587,557	869,659
Impairment expense on available for sale investments	11	(67,760)	-
Depreciation		(695,949)	(670,284)
Results from operating activities		(176,152)	199,375
Finance income		2,640	1,711
Finance costs		(11,882)	(10,344)
Net finance costs	7	(9,242)	(8,633)
Profit/(loss) before income tax		(185,394)	190,742
Income tax expense		-	-
Profit/(loss) for the year		(185,394)	190,742
Other comprehensive income			
Available-for-sale financial assets - net change in fair value		220,574	344,198
Total comprehensive income for the year		35,180	534,940

The notes on pages 19 to 32 are an integral part of these financial statements.

Gosford Race Club Limited

Statement of financial position

As at 30 June 2018

In AUD

	Note	2018	2017
Assets			
Cash and cash equivalents	8	98,161	162,479
Trade and other receivables	9	1,742,529	1,666,206
Inventories	10	76,670	65,215
Total current assets		1,917,360	1,893,900
Investments	11	4,914,556	4,612,085
Property, plant and equipment	12	15,936,389	16,168,811
Total non-current assets		20,850,945	20,780,896
Total assets		22,768,305	22,674,796
Liabilities			
Bank overdraft	8	229,000	-
Trade and other payables	13	569,713	787,415
Hire purchase liabilities	14	51,799	50,740
Employee benefits	15	98,332	78,443
Income received in advance		126,673	114,319
Total current liabilities		1,075,517	1,030,917
Hire purchase liabilities	14	106,465	87,164
Employee benefits	15	61,023	66,595
Total non-current liabilities		167,488	153,759
Total liabilities		1,243,005	1,184,676
Net assets		21,525,300	21,490,120
Members' funds			
Reserves		2,046,337	1,825,763
General funds		19,478,963	19,664,357
Total members' funds		21,525,300	21,490,120

The notes on pages 19 to 32 are an integral part of these financial statements.

Gosford Race Club Limited

Statement of changes in members' funds

For the year ended 30 June 2018

<i>In AUD</i>	Fair value reserve	Capital profit reserve	General funds	Total members' funds
Balance at 1 July 2016	133,319	1,447,949	19,373,912	20,955,180
Total comprehensive income for the year				
Profit/(loss) for the year	-	-	190,742	190,742
Transfers from available for sale reserves	(99,703)	-	99,703	-
Other comprehensive income	344,198	-	-	344,198
Total comprehensive income for the year	<u>244,495</u>	<u>-</u>	<u>290,445</u>	<u>534,940</u>
Balance at 30 June 2017	<u>377,814</u>	<u>1,447,949</u>	<u>19,664,357</u>	<u>21,490,120</u>
Balance at 1 July 2017	377,814	1,447,949	19,664,357	21,490,120
Total comprehensive income for the year				
Profit/(loss) for the year	-	-	(185,394)	(185,394)
Transfers from available for sale reserves	-	-	-	-
Other comprehensive income	220,574	-	-	220,574
Total comprehensive income for the year	<u>220,574</u>	<u>-</u>	<u>(185,394)</u>	<u>35,180</u>
Balance at 30 June 2018	<u>598,388</u>	<u>1,447,949</u>	<u>19,478,963</u>	<u>21,525,300</u>

The notes on pages 19 to 32 are an integral part of these financial statements.

Gosford Race Club Limited

Statement of cash flows

For the year ended 30 June 2018

In AUD

	Note	2018	2017
Cash flows from operating activities			
Cash receipts from customers		13,001,441	12,034,086
Cash paid to suppliers and employees		(12,980,439)	(11,561,753)
Cash generated from operating activities		21,002	472,333
Interest paid		(11,882)	(10,344)
Interest received		2,640	1,711
Net cash from operating activities		11,760	463,700
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		-	192,412
Acquisition of property, plant and equipment		(389,558)	(592,165)
Investment income		252,232	262,517
Proceeds from sale of investments		1,083,522	1,611,355
Acquisition of investments		(1,197,400)	(1,706,432)
Net cash (used in)/from investing activities		(251,204)	(232,313)
Cash flows from financing activities			
Payments of finance lease liabilities		(53,874)	(38,853)
Net cash used in financing activities		(53,874)	(38,853)
Net increase/ (decrease) in cash and cash equivalents		(293,318)	192,534
Cash and cash equivalents at beginning of year		162,479	(30,055)
Cash and cash equivalents at end of year	8	(130,839)	162,479

The notes on pages 19 to 32 are an integral part of these financial statements.

Gosford Race Club Limited

Notes to the financial statements

For the year ended 30 June 2018

1 Reporting entity

Gosford Race Club Limited (the Company) is a not-for-profit company domiciled in Australia as a public company limited by guarantee. The address of the Company's registered office is Racecourse Road, West Gosford NSW 2250. The financial statements are as at and for the year ended 30 June 2018.

The principal activities of the Company during the course of the financial year were the conduct of licensed horse racing.

2 Basis of preparation

(a) Statement of compliance

In the opinion of the directors, the Company is not publicly accountable. The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

The financial statements were authorised for issue by the Board of Directors on 18th September 2018.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for available-for-sale financial assets which are measured at fair value.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of the 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 estimates are revised and in any future periods affected.

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report or estimates with a significant risk of material adjustment in the next year.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements. Certain comparative amounts have been reclassified to conform with the current year's presentation.

(a) Financial instruments

(i) *Non-derivative financial assets*

The Company initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

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

The Company has the following non-derivative financial assets: loans and receivables and available-for-sale assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses (see note 3d(ii)), are recognised in other comprehensive income and presented in the investment revaluation reserve in members' funds. When an investment is derecognised, the cumulative gain or loss in members' funds is transferred to profit or loss.

The Company's investments in equity securities are classified as available-for-sale financial assets. The fair value of equity securities is determined by reference to their quoted closing bid price at the reporting date.

(ii) *Non-derivative financial liabilities*

Financial liabilities are recognised initially on the date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

(ii) Non-derivative financial liabilities (continued)

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company classified non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(b) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located. 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.

(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.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Significant accounting policies (continued)

(b) Property, plant and equipment (continued)

(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 depreciation rates for the current and comparative years are as follows:

- | | |
|-----------------------|------------|
| • freehold buildings | 2.5% - 10% |
| • plant and equipment | 10% - 40% |

Depreciation methods, depreciation rates and residual values are reviewed at each reporting date and adjusted if appropriate.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, and other costs incurred in 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.

(d) Impairment

(i) Non-derivative financial assets

A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or economic conditions that correlate with defaults.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Significant accounting policies (continued)

(d) Impairment (continued)

(i) *Non-derivative financial assets (continued)*

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve to profit or loss. The cumulative loss that is reclassified from the fair value reserve to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale asset increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

(ii)

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories, 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.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Depreciated replacement cost is used to determine value in use. Depreciated replacement cost is the current replacement cost of the item less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets the "cash-generating unit" or "CGU".

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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.

(e)

Employee benefits

(i)

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Significant accounting policies (continued)

(e) Employee benefits (continued)

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(f) 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.

(g) Income received in advance

Membership fees, nomination and acceptance fees and other revenues of the Company which have been received in the reporting period, but which relate to a subsequent accounting period, have been deferred in the statement of financial position and will be brought to account as revenue during the period to which they relate.

(h) Revenue

Revenue is recognised at the fair value of the consideration received or receivable.

(i) TAB distributions

The TAB distributions include distributions paid or owed by Tabcorp Holdings Limited (Tabcorp) to the racing industry for the supply of racing for the year ended 30 June 2018.

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 on a net income basis.

(ii) Commercial

Sponsorship and Broadcast rights

Sponsorship revenue is recognised based on contractual invoice dates and the fulfilment of sponsor race day requirements and sponsorship activity.

Broadcast revenue is recognised on an accruals basis over the life of the contract with any amounts received upfront as base rights deferred and recognised over the life of the contract.

Membership subscriptions

Membership revenue collected in advance is recognised equally throughout each month of the year. Membership revenue collected throughout the period is recognised equally in the remaining months of the year.

Hospitality and events

Hospitality and events revenue comprises venue hire, food and beverage sales for race day and non-race day events. These are recognised when the race day or events occur.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Significant accounting policies (continued)

(h) Revenue (continued)

(iii) *Racing - NSW prizemoney subsidy*

RacingNSW prizemoney subsidy is recognised on an accruals basis.

(iv) *Bookmaker fees, Nominations and acceptance fees*

Bookmakers fees, nominations and acceptances fees are recognised on an accrual basis.

(v) *Training fees*

Training fees are recognised at the time the training services are provided.

(vi) *Rental income*

Rental income is the rental income from property and is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease.

(i) Finance income and finance costs

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

Finance costs comprise interest expense on borrowings and bank charges.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(j) Income tax

The company is exempt from taxation under section 50-45 of the Income Tax Assessment Act (1997).

(k) Goods and service 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.

Notes to the financial statements (continued)

For the year ended 30 June 2018

3 Significant accounting policies (continued)

(I) New accounting standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The Company has decided not to early adopt any of the new and amended pronouncements. None of these are expected to have a significant impact on the financial statements of the Company.

AASB 15 Revenue from Contracts with Customers

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 18 Revenue, AASB 111 Construction Contracts and AASB Interpretation 13 Customer Loyalty Programmes. AASB 15 is effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted. The Company is assessing the potential impact on its financial statements resulting from the application of AASB 15.

AASB 9 Financial Instruments (2014)

AASB 9 replaces the existing guidance in AASB 139 Financial Instruments: Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139.

AASB 9 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted.

The Company has considered the impact on its financial instruments and financial assets and does not expect a material impact.

AASB 16 Leases

AASB 16 removes the classification of leases as either operating lease or finance leases - for the lessee - effectively treating all leases as finance leases. Short-term leases (less than 12 months) and leases of low-value assets (such as personal computers) are exempt from the lease accounting requirements. There are also changes in accounting over the life of the lease. In particular, companies will recognise a front-loaded pattern of expenses for most leases, even when they pay constant rentals.

AASB 16 is effective for annual reporting periods beginning on or after 1 January 2019, with early adoption permitted where AASB 15 Revenue from Contracts with Customers is adopted at the same time.

The Company has limited arrangements which meet the definition of an operating lease and would require recognition under the new AASB 16 Leases Standard. The Company will continue to monitor the arrangements in place and any new arrangements entered into to ensure they are accounted for in accordance with the new accounting standard from the effective date.

4 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. 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.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

5 Revenue

In AUD

	2018	2017
TAB distributions - net	4,685,868	4,556,209
Racing	3,346,570	3,012,303
Hospitality and events	1,688,024	1,416,823
Sponsorship and broadcast rights	1,316,094	1,237,476
Membership subscriptions	44,950	44,164
Rental income	192,735	227,620
Bookmaker fees	37,522	29,097
Admissions	109,131	92,785
Nominations and acceptances	77,610	99,972
Training Fees	222,607	191,353
	<u>11,721,111</u>	<u>10,907,802</u>

6 Personnel expenses

In AUD

	2018	2017
Wages and salaries	1,601,445	1,482,281
Contributions to defined contribution plans	142,619	130,318
Other employment expenses	228,170	204,880
	<u>1,972,234</u>	<u>1,817,479</u>

7 Finance income and finance costs

In AUD

	2018	2017
Interest income	2,640	1,711
Finance income	<u>2,640</u>	<u>1,711</u>
Interest expense	(11,882)	(10,344)
Finance costs	<u>(11,882)</u>	<u>(10,344)</u>
Net finance income	<u>(9,242)</u>	<u>(8,633)</u>

8 Cash and cash equivalents

In AUD

	2018	2017
Cash on hand	46,825	2,654
Bank balances	<u>51,336</u>	<u>159,825</u>
	<u>98,161</u>	<u>162,479</u>
Bank overdraft*	(229,000)	-
	<u>(130,839)</u>	<u>162,479</u>

Security*

First Registered Mortgage by Gosford Race Club over Non Residential Real Property located at 2 Racecourse Road West Gosford NSW 2250.

First Registered Mortgage by Gosford Race Club Ltd over Residential Real Property located at 8 Faunce St, West Gosford NSW 2250.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

9 Trade and other receivables

<i>In AUD</i>	2018	2017
Current		
Trade receivables	81,618	75,652
Accrued income	1,660,911	1,590,554
	<u>1,742,529</u>	<u>1,666,206</u>

The Company's has recognised impairment losses with respect to trade and other receivables in the year ended 30 June 2018 to the amount of \$1,131 (2017: \$Nil).

10 Inventories

<i>In AUD</i>	2018	2017
Bar stock - at cost	56,572	47,215
Food stock - at cost	20,098	18,000
	<u>76,670</u>	<u>65,215</u>

11 Investments

<i>In AUD</i>	2018	2017
Non current investments		
Available-for-sale investments	4,914,556	4,612,085
	<u>4,914,556</u>	<u>4,612,085</u>

The Company has recognised impairment losses with respect to Available for sale investments in the year ended 30 June 2018 to the amount of \$67,760 (2017: \$nil). During the year a net profit of \$35,779 (2017:\$56,470 loss) was recognised on investments sold.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

12 Property, plant and equipment

<i>In AUD</i>	<i>Note</i>	Land	Buildings	Ground Improvements	Plant and equipment	Motor Vehicles	Total
Cost							
Balance at 1 July 2017		3,101,281	13,891,351	2,835,204	4,658,185	102,720	24,588,741
Additions		-	193,217	78,143	124,398	68,035	463,793
Disposals		-	-	(480)	(23,741)	(17,767)	(41,988)
Transfers from capitalised work in progress		-	-	-	-	-	-
Balance at 30 June 2018		3,101,281	14,084,568	2,912,867	4,758,842	152,988	25,010,546
Depreciation							
Balance at 1 July 2017		-	4,276,818	1,166,707	2,912,936	63,469	8,419,930
Depreciation for the year		-	280,288	83,534	306,167	25,960	695,949
Disposals		-	-	(214)	(23,741)	(17,767)	(41,722)
Balance at 30 June 2018		-	4,557,106	1,250,027	3,195,362	71,662	9,074,157
Carrying amounts							
At 30 June 2017		3,101,281	9,614,533	1,668,497	1,745,249	39,251	16,168,811
At 30 June 2018		3,101,281	9,527,462	1,662,840	1,563,480	81,326	15,936,389

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

13 Trade and other payables

In AUD

2018

2017

Current

Trade payables	299,025	663,258
Non-trade payables and accrued expenses	198,839	53,572
Goods and services tax payables	71,849	70,585
	<u>569,713</u>	<u>787,415</u>

14 Hire purchase liabilities

In AUD

2018

2017

Current liabilities

Hire purchase liabilities	51,799	50,740
	<u>51,799</u>	<u>50,740</u>

Non-current liabilities

Hire purchase liabilities	106,465	87,164
	<u>106,465</u>	<u>87,164</u>

	Future minimum lease payments 2018	Interest 2018	Present value of minimum lease payments 2018	Future minimum lease payments 2017	Interest 2017	Present value of minimum lease payments 2017
<i>In AUD</i>						
Less than one year	58,175	6,376	51,799	57,430	6,690	50,740
Between one and five yrs	112,370	5,905	106,465	99,640	12,476	87,164
	<u>170,545</u>	<u>12,281</u>	<u>158,264</u>	<u>157,070</u>	<u>19,166</u>	<u>137,904</u>

15 Employee benefits

In AUD

2018

2017

Current liabilities

Annual leave provision	98,332	78,443
	<u>98,332</u>	<u>78,443</u>

Non-current liabilities

Long service leave provision	61,023	66,595
	<u>61,023</u>	<u>66,595</u>

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

16 Operating leases

Leases as lessor

The Company leases out its property held under operating leases. The future expected lease payments under non-cancellable leases are as follows:

In AUD

	2018	2017
Less than one year	12,563	55,440
Between one and five years	-	-
More than five years	-	-
	<u>12,563</u>	<u>55,440</u>

During the year \$192,735 (2017: \$227,620) was recognised as rental income in profit or loss statement.

17 Contingencies

The directors are of the opinion that provisions are not required in respect of those matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

In AUD

Bank guarantees

	2018	2017
Auto-pay facility	400,000	400,000
	<u>400,000</u>	<u>400,000</u>

18 Reserves

Capital profit reserve

The amount represents the balance of the revaluation reserve at 1 July 2004 in respect of assets that were measured on the basis of deemed cost on transition to AIFRSs.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets, until the assets are derecognised or impaired.

19 Economic dependency

Significant levels of revenue are sourced from RacingNSW. The financial viability of the Company is highly dependant on this source of funds, with no other major source being immediately available should RacingNSW reduce the revenue.

Gosford Race Club Limited

Notes to the financial statements (continued)

For the year ended 30 June 2018

20 Related parties

Transactions with key management personnel

Directors received honorariums from the Company during the year totalling \$nil (2017: \$nil).

Key management personnel compensation

The key management personnel compensation comprised:

In AUD

	2018	2017
Short-term employee benefits	503,810	488,456
Other long-term benefits	8,489	8,919
	<u>512,299</u>	<u>497,375</u>

Other key management personnel compensation

From time to time, directors of the Company may purchase goods from the Company or participate in other Club activities. These purchases and participations are on the same terms and conditions as those entered into by other Company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed above in this note, no other director has entered into a material contract with the Company during the year or since the end of the previous financial year and there were no material contracts involving other directors' interests existing at year-end.

21 Subsequent events

There have been no events subsequent to the reporting date which would have a material effect on the Company's financial statements at 30 June 2018.

Gosford Race Club Limited

Directors' declaration

In the opinion of the directors of Gosford Race Club Limited (the Company):

- (a) the financial statements and notes, set out on pages 15 to 32, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001;
- (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.



M A Cusick
Chairman



S McShane
Director

Dated at Gosford this 18th day of September 2018.



Independent Auditor's Report

To the *members* of Gosford Race Club Limited

Opinion

We have audited the **Financial Report** of Gosford Race 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 30 June 2018 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- *Statement of financial position* as at 30 June 2018
- *Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows* for the year then ended
- Notes including a summary of significant accounting policies
- *Directors' Declaration*.

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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Other Information

Other Information is financial and non-financial information in Gosford Race 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.

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.

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.



Independent Auditor's Report (continued)

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 - Reduced Disclosure Requirements* 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 this 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/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Cameron Roan

Partner

Sydney

18 September 2018