

# Annual Report 2021



CENTRAL COAST

## Gosford Race Club Limited

ABN 26 003 846 124



## **Gosford Race Club Limited**

**ABN 26 003 846 124**

### **Chairman's Report**

**30 June 2021**

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

The 2020/21 year has been a challenging one. The Covid-19 pandemic affected all businesses across the globe. Restrictions and rules changing multiple times throughout the year have presented a challenging trading environment. Specifically, for Gosford Race Club, we have had to be agile in our response to government & regulator policies. This has proven difficult at times necessitating short term planning until a return to stability is seen.

2019/20 not only saw Covid-19 but also floods, bush fires and heat waves. Even though we endured many obstacles we posted an operational profit. Like most Australians we were looking forward to a better 2020/21. There were some key events on our horizon that promised to kick-start our business back to something like normal. These included our first standalone meeting at Gosford after the disappointment of having to hold it at Randwick in 2020, as well as numerous concerts.

Unfortunately, from July until October government restrictions continued to severely impact our business. These however eased for our November meetings. By this time both Members and the public were extremely keen to get back to the track and as a result we saw some well attended racedays. Sadly, our luck didn't hold and our largest attended raceday of the year, New Year's Eve, was abandoned for the second year in a row due to inclement weather.

The Board conducts its annual strategy meeting around March. In most years there is a focus on growth and advancement, however for the second year in a row we had to concentrate on business continuity. Whilst restrictions were easing at the time of the meeting, the threat of lockdown or capacity limits was still prominent in our thoughts. Nevertheless, our ability to manage the first wave of the pandemic gave us cause for optimism.

We enjoyed race meetings in early 2021 with eased restrictions and consequently good attendance culminating in the first running of 'The Coast' on May 8. This raceday was many years in the making. Our restricted capacity of 3,000 patrons sold out prior to the event. The day was one that will last for many years in the memories of those who attended. Great weather, quality racing, and plenty of entertainment on course made the day an outstanding success to the extent that Adam Crouch MP issued the Club a community recognition award. Indeed, the feedback from members, the public and the media was so overwhelmingly positive I can honestly say I have never been prouder to be associated with Gosford Race Club.

Sadly, the Delta variant soon struck causing us to hold races in a closed door format from late June, albeit with the promise of welcoming patrons back once the state reaches 70% adult vaccination, anticipated to be some time in October. Of course, this will still involve significant limitations on capacities and movement however we remain hopeful that conditions will be freer towards the end of the year once the vaccination rates are even higher. Whilst it is positive that we can now see a return of patrons the profitability of our racedays and events is nonetheless considerably reduced. The great uncertainty of Covid makes our usual planning for activations such as marquees impossible. Once again we will not be running our picnic meetings on Melbourne Cup Day and in December. These days are not funded under the normal raceday model and are simply not feasible with a crowd of around 1,200 required to break even.

On a brighter note a new collaboration with Racing NSW has seen us elevate the already popular 'Belle of the Turf' raceday in late December to a Provincial Showcase meeting. Each race will be run at a minimum of \$50,000 with the Group 3 Belle Of The Turf offering \$200,000. The total raceday prizemoney has increased by \$120,000 from last year.

## **Gosford Race Club Limited**

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### **Chairman's Report**

**30 June 2021**

The following features are scheduled for the year ahead

#### **Wednesday 29th December 2021**

De Bortoli Wines 'Belle of the Turf Stakes' – Group 3, \$200,000

Sneddon Bros Gosford Guineas – Listed, \$150,000

MJ Cusick Stakes– 4YO+ Class 4, \$65,000

All other races \$50,000

#### **Saturday 7th May 2022**

Luux Gosford Gold Cup – Listed, \$250,000

Gosford RSL 'Takeover Target Stakes' – Listed, \$150,000

The Coast – 1600M 3&4 YO - \$500,000

It should be noted that the GRC is working collaboratively with Racing NSW to further refine and develop 'The Coast' raceday and so the date and format may be subject to change.

In review of the racing year, the heats of the 'Provincial Championships' were as usual highly anticipated. Historically we have experienced some extremely bad luck on this day in terms of unfavourable weather. Up until this year we had lost three of the four race dates. However, 2021 was held in good conditions with Kim Waugh's 'Great News' taking out the race. The winners of the Club's other feature races are detailed later in this report.

### **Constitutional Change**

In February 2021 the voting members of the club unanimously voted to adopt a new constitution, which was a precondition for Racing NSW's contribution to our racing and training infrastructure (detail below). The main change to the constitution was to alter the board structure to four (4) member elected directors and three (3) independently appointed directors. After a thorough recruitment process, we are pleased to confirm that the following directors will form your board at the conclusion of this year's Annual General Meeting:

Michael Cusick	Member Elected
Michael Griffiths	Member Elected
Reg Delaney	Member Elected
David Hassab	Member Elected
Naseema Sparks AM	Independently Appointed
Peter Kernan	Independently Appointed
Mark Holton	Independently Appointed

I would like to take this opportunity to pass on my thanks to the three (3) directors who are retiring in order for the new board to take over. Both Stephen McShane and Andrew Allen have served diligently for over fifteen years. They have overseen many changes and are leaving the club in the best position it has been in for many years. Mike D'Silva whose personal circumstances have changed, has brought sound guidance over his relatively short tenure on the board. All three will be sorely missed and they will always be welcome at Gosford.

### **Training**

As reported in previous years the Board's intention was always that Gosford would remain a training venue into the foreseeable future. The Club and Racing NSW have now forged a partnership to deliver a new state of the art synthetic training track to replace the tired current version. The total investment will total \$3.4m.

Following these works which are due to be completed mid October 2021, we will investigate the options available to increase the stabling capacity at Gosford. The new track will bring with it an increase in maintenance costs, which will have to be met. Both Racing NSW and the club are in the planning stages for new stables to be constructed.

## **Gosford Race Club Limited**

**ABN 26 003 846 124**

### **Chairman's Report**

**30 June 2021**

#### **Capital Works**

The aforementioned new track was part of a funding deed with Racing NSW that saw the Club sell it four (4) blocks of largely unused, under utilised land. The intent is for Racing NSW to build new stables on this land and the Club to reinvest the sale proceeds into the following projects:

New Running rail for the Course Proper & B'Grass  
New irrigation system for the Course Proper & B'Grass  
New infield LED big screen

The total of the above projects is approximately \$1.6m. All are due to be completed by the end of November 2021.

All together we will see a capital spend of \$5m into Gosford. On top of the \$5m renovation of the Members' Stand only a few years ago this level of investment is almost unprecedented for a club of our size.

#### **Finance**

In 2020/2021 the Gosford Race Club recorded a total comprehensive income of \$1,727,709 compared to a loss of \$171,290 in the previous year. Profit before depreciation, impairment and finance costs was \$1,951,335 (2020 \$683,970).

This is the largest profit seen in recent times, however, there are a couple of extraordinary items that have contributed to this result. Firstly, there is a profit of \$508,861 from the sale of assets, which is principally attributable to the sale of land to Racing NSW. The managed share portfolio also increased in value contributing to the increase in value of financial assets of \$448,849. Nonetheless the Club produced a positive cash result, which in the current economic climate is a very pleasing outcome.

Cash and cash equivalents have increased by \$3,311,202. It should be noted though that a large portion of this cash is earmarked for the capital works referred to above.

Whilst TAB revenue actually increased during the 20/21 year, distributions seen in the past months have been reduced to that of previous years. This is due to a prolonged lockdown in NSW where 50% of TAB turnover is derived via their retail outlets.

#### **Racing**

The Gosford Race Club now hosts five feature races each year, and the following tables show the results of these events in 2020/2021.

Race Winner Jockey Trainer  
\$500,000 The Coast  
Brandenburg – R Bayliss – J Sargent

\$250,000 Listed Luux Gosford Gold Cup  
Polly Grey – T Berry – C Waller

\$170,000 Group 3 Gosford RSL Belle of the Turf Stakes  
Threeood – R King – J Pride

\$150,000 Listed DeBortoli Wines Takeover Target Stakes  
Enchanted Heart – J Collett – K Lees

\$150,000 Listed Sneddon Bros Gosford Guineas  
Forbidden Love – J McDonald – R & M Freedman

## **Gosford Race Club Limited**

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### **Chairman's Report**

**30 June 2021**

#### **Premierships**

Leading trainer:	P & P Snowden - 12 wins
Leading jockey:	Kegan Latham - 11 wins
Leading apprentice:	Tyler Schiller – 4 wins
Leading Gosford trainer:	Grant Allard – 21 wins

#### **Sponsors**

An important 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 and corporate members, who we hope will stay with us for many years to come:

BJ Howes Metaland	Narara Plumbing
Central Coast Council	Pluim Group
Central Coast Granite	Polytrack
Coca Cola	Signarama Erina/Gosford
DeBortoli Wines	SKY Channel
Erina Juniors Rugby League Club	Sneddon Bros Maintenance
EVE Security Services	Star FM
Gosford RSL	Tabcorp
Guardian Safety Solutions	Tanti Financial Services
Hit Network	Taperell Rutledge Solicitors
Industree Group	The Entrance Leagues Club
Legacy	Turfcare NSW
Lion Nathan – Tooheys	Walker Bros Timber & Building Supplies
Luux™ Properties	

#### **Internal Staff**

The team continues to be headed by Daniel Lacey, supported by a group of dedicated staff. Over the course of the last year we have seen a few new employees:

Matthew Hill joined in the position of hospitality & operations manager. Matt has worked in many high profile functions & events businesses, mostly in Sydney. I am sure you have already seen the positive impact Matt has had in relation to the catering offering.

Stacy Fraider joined the club in the role of Reception & Administration Assistant. Stacy had worked for the club as a casual employee and stood out as dedicated and customer focused.

Lana Williams came on board in a newly created role of Marketing Assistant. Lana is fresh from university where she studied a Bachelor of Communications and Media studies with a Major in Marketing and Advertising. She is extremely enthusiastic and brings a wealth of new ideas.

Elizabeth Bennett departed the business.

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 fairness of the course proper.

Finally 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.

## **Gosford Race Club Limited**

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### **Chairman's Report**

**30 June 2021**

#### **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 of great benefit and I feel privileged to be part of such a strong board.

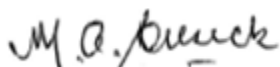
As mentioned in my previous reports the role of a board member today requires so much more than just a knowledge of racing. With governance, compliance and financial management under so much scrutiny these days a sound business knowledge, a measured approach to decision making and the desire to see the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

I would like to extend my thanks to my Executive, Michael Griffiths and Stephen McShane, and the rest of the board, Reg Delaney, Andrew Allen, David Hassab and Mike D'Silva 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 navigating these difficult times. 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 those members who have joined over the last twelve months.

I wish you good health and happiness and look forward to catching up with many of you as and when restrictions allow.



Chairman: .....  
Cusick, M A

# **Gosford Race Club Limited**

**ABN 26 003 846 124**

## **Financial Statements**

**For the Year Ended 30 June 2021**

**Gosford Race Club Limited**

**ABN 26 003 846 124**

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**For the Year Ended 30 June 2021**

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## Gosford Race Club Limited

ABN 26 003 846 124

## Directors' Report

30 June 2021

The directors present their report on Gosford Race Club Limited for the financial year ended 30 June 2021.

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

<b>Name, Qualifications</b>	<b>Experience</b>	<b>Special Responsibility</b>
Cusick, M A Chairman	Ex-Office Member on all Sub Committees Company Director	Director since August 2009 Elected Chairman 26 October 2010
Griffiths, M W Vice Chairman	Finance Sub Committee Company General Manager	Director since October 2010 Elected Vice Chairman 24 October 2017
McShane, S Hon. Treasurer	Finance Sub Committee Chartered Accountant	Director since May 2005 Elected Treasurer 14 February 2006
Allen, A E J Director	Real Estate Agent	Director since May 2006
Delaney, R C Director	Company Director	Director since October 2003
Dsilva, M D Director	Company Director	Director since February 2020
Hassab, D Director	Company General Manager	Director since December 2015

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Company secretary

Mr Daniel Lacey has been the company secretary since 18 February 2016.

### Review of operations

The operating profit of the Company for the year ended 30 June 2021 was \$ 1,278,859 (2020: \$32,267), after charging \$667,406 (2020: \$643,338) for depreciation and \$5,069 (2020: \$8,365) for net finance costs.

At a Special General Meeting in February 2021, Gosford Race Club members voted to approve the adoption of a new constitution for the Company allowing for the appointment by Racing NSW of three independent directors, in addition to four directors elected by the membership. This was a precondition of \$1.7 million of funding from Racing NSW paving the way for Gosford to become a racing and training centre of excellence. The change in directors will occur at the Company's annual general meeting in October 2021.

### Principal activities

The principal activity of Gosford Race Club Limited during the financial year was the conduct of licensed horse racing. No significant changes in the nature of the Company's activity occurred during the financial year.

## Gosford Race Club Limited

ABN 26 003 846 124

## Directors' Report

30 June 2021

### Short and long-term objectives

The Company's short term objectives are to:

#### 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.

### Performance measures

The Company measures its own performance through the use of both financial and non-financial benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the Club and whether the Club's short-term and long-term objectives are being achieved. Performance is assessed regularly against previous results, approved budgets and relevant industry benchmarks.

Key performance indicators used include:

- Earnings before interest, tax, depreciation and amortisation;
- Gross profit analysis;
- Solvency tests;
- Wastage benchmarking; and
- Cost centre analysis.

### Members Guarantee

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 2021 and the comparison with the prior year is as follows:

	2021	2020
<b>Number of members</b>		
General	1,065	937
Life	8	11
Corporate	12	10
<b>Total</b>	<b>1,085</b>	<b>958</b>

As at 30 June 2021, the total amount that members of the Company are liable to contribute if the Company is wound up is \$2,170 (2020: \$1,916).



## Gosford Race Club Limited

ABN 26 003 846 124

## Directors' Report

30 June 2021

### Coronavirus Pandemic

Due to the spread of the coronavirus, global and local economies have been significantly affected, for example due to restrictions in production, trade and consumption or due to travel bans and social distancing requirements. Due to these effects, the Company has been periodically closed to public for race meetings to help control and reduce the spread of virus and accordingly, the Company's operations have been impacted as a result. Racing activities continued to operate under strict COVID-safe arrangements.

As of the date of this financial report, the Board is unable to determine the future impact of the pandemic on the Company and the financial report. However, the Company has applied for government relief where available through the JobSaver and other stimulus programs. The Board and management continue to assess the situation on an ongoing basis.

The Board is confident that the Company will be successful in navigating the challenges of the pandemic and accordingly, the Board have prepared the financial report on a going concern basis.

### Meetings of directors

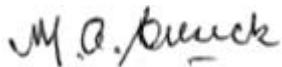
During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:


	Number eligible to attend	Number attended	Apologies	Leave of absence
Cusick, M A	10	9	1	-
Griffiths, M W	10	10	-	-
McShane, S	10	10	-	-
Allen, A E J	10	9	1	-
Delaney, R C	10	10	-	-
Dsilva, M D	10	10	-	-
Hassab, D	10	9	1	-

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2021 has been received and can be found on page 4 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director:   
Cusick, M A

Director:   
McShane, S

Dated 30 September 2021

**Gosford Race Club Limited**

**ABN 26 003 846 124**

## **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, during the year ended 30 June 2021, 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.

*Prosperity Audit Services*

**PROSPERITY AUDIT SERVICES**



**ALEX HARDY**  
Director

30 September 2021

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**Gosford Race Club Limited**

**ABN 26 003 846 124**

**Statement of Profit or Loss and Other Comprehensive Income**  
**For the Year Ended 30 June 2021**

	<b>Note</b>	<b>2021</b> <b>\$</b>	<b>2020</b> <b>\$</b>
Revenue	4	<b>12,865,215</b>	12,117,390
Other income	4	<b>699,149</b>	797,903
Prize money, trophies and subsidies		<b>(6,883,731)</b>	(6,618,043)
Hospitality and events		<b>(818,604)</b>	(1,174,590)
Racing expenses		<b>(1,598,829)</b>	(1,603,386)
Administration expenses		<b>(1,557,172)</b>	(1,423,761)
Racecourse maintenance		<b>(1,131,629)</b>	(1,129,491)
Marketing and promotions		<b>(115,662)</b>	(166,847)
Net (loss)/gain on disposal of property, plant and equipment		<b>508,861</b>	(39,446)
Other expenses		<b>(16,263)</b>	(75,759)
<b>Profit before depreciation, impairment and finance costs</b>		<b>1,951,335</b>	683,970
Depreciation and amortisation		<b>(667,406)</b>	(643,338)
<b>Results from operating activities</b>		<b>1,283,929</b>	40,632
Finance income		<b>175</b>	692
Finance costs		<b>(5,244)</b>	(9,057)
<b>Net finance costs</b>		<b>(5,069)</b>	(8,365)
<b>Profit before income tax</b>		<b>1,278,860</b>	32,267
Income tax expense	2(c)	-	-
<b>Profit for the year</b>		<b>1,278,860</b>	32,267
<b>Other comprehensive income</b>			
Net increase/(decrease) in fair value of financial assets through other comprehensive income		<b>448,849</b>	(203,557)
<b>Total comprehensive income for the year</b>		<b>1,727,709</b>	(171,290)

The accompanying notes form part of these financial statements.

**Gosford Race Club Limited****ABN 26 003 846 124****Statement of Financial Position****As At 30 June 2021**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	6	3,437,952	176,750
Trade and other receivables	7	2,005,511	1,900,619
Inventories		66,034	37,601
TOTAL CURRENT ASSETS		5,509,497	2,114,970
NON-CURRENT ASSETS			
Property, plant and equipment	8	13,594,882	15,000,343
Financial assets	13	5,374,660	4,925,810
Right of use assets		104,100	158,121
TOTAL NON-CURRENT ASSETS		19,073,642	20,084,274
TOTAL ASSETS		24,583,139	22,199,244
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Bank overdraft	6	-	50,000
Trade and other payables	9	1,277,297	642,259
Lease liabilities		43,273	62,613
Employee benefits provisions	10	151,936	125,788
Income received in advance		105,103	20,184
TOTAL CURRENT LIABILITIES		1,577,609	900,844
NON-CURRENT LIABILITIES			
Lease liabilities		81,374	107,556
Employee benefits provisions	10	59,402	53,799
TOTAL NON-CURRENT LIABILITIES		140,776	161,355
TOTAL LIABILITIES		1,718,385	1,062,199
NET ASSETS		22,864,754	21,137,045
<b>EQUITY</b>			
Reserves		2,312,560	1,863,711
Retained earnings		20,552,194	19,273,334
TOTAL EQUITY		22,864,754	21,137,045

The accompanying notes form part of these financial statements.



**Gosford Race Club Limited**

**ABN 26 003 846 124**

**Statement of Changes in Equity**

**For the Year Ended 30 June 2021**

	<b>Fair value reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2020</b>	<b>415,762</b>	<b>20,721,283</b>	<b>21,137,045</b>
Profit for the year	-	1,278,860	1,278,860
Other comprehensive income	448,849	-	448,849
<b>Balance at 30 June 2021</b>	<b>864,611</b>	<b>22,000,143</b>	<b>22,864,754</b>

	<b>Fair value reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2019</b>	619,319	20,689,016	21,308,335
Profit for the year	-	32,267	32,267
Other comprehensive income	(203,557)	-	(203,557)
<b>Balance at 30 June 2020</b>	<b>415,762</b>	<b>20,721,283</b>	<b>21,137,045</b>

The accompanying notes form part of these financial statements.

**Gosford Race Club Limited**

ABN 26 003 846 124

**Statement of Cash Flows**  
**For the Year Ended 30 June 2021**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers		<b>14,246,377</b>	12,184,667
Payments to suppliers and employees		<b>(12,420,058)</b>	(11,809,876)
Interest received		<b>175</b>	692
Interest paid		<b>(5,244)</b>	(9,057)
Net cash provided by/(used in) operating activities		<b>1,821,250</b>	366,426
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of property, plant and equipment		<b>2,000,000</b>	-
Purchase of property, plant and equipment		<b>(699,113)</b>	(210,834)
Receipts from investment income		<b>251,678</b>	268,099
Net cash provided by/(used in) investing activities		<b>1,552,565</b>	57,265
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Payments of principal component of leases		<b>(62,613)</b>	(62,194)
Net cash provided by/(used in) financing activities		<b>(62,613)</b>	(62,194)
Net increase/(decrease) in cash and cash equivalents held		<b>3,311,202</b>	361,497
Cash and cash equivalents at beginning of year		<b>126,750</b>	(234,747)
Cash and cash equivalents at end of financial year	6	<b>3,437,952</b>	126,750

The accompanying notes form part of these financial statements.



## Notes to the Financial Statements

### For the Year Ended 30 June 2021

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 2021.

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

#### 1 Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The functional and presentation currency of Gosford Race Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on the date that the Directors' Declaration was signed.

#### 2 Summary of 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. Notably, certain comparative information on the statement of cashflows has been reclassified as follows:

##### 2020:

	Previous balance	Restated balance
	\$	\$
Cash paid to suppliers and employees	(11,851,077)	(11,809,876)
Proceeds from sale of PPE	(39,446)	-
Payments of lease liabilities	18,453	(62,194)
Net increase/(decrease) in cash and cash equivalents	361,497	361,497

##### (a) Revenue and other income

###### *Grants revenue*

When the Company receives operating grant revenue, it assesses whether the contracts is enforceable and has sufficiently specific performance obligations in accordance to AASB 15.

When both these conditions are satisfied, the Company:

- identifies each performance obligation relating to the grant;
- recognises a contract liability for its obligations under the agreement; and
- recognises revenue as it satisfies its performance obligations.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### Revenue and other income

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Company:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the Company recognises income in profit or loss when or as it satisfies its obligations under the contract.

#### *Racing*

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

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.

#### *Racing - NSW prizemoney subsidy*

Racing NSW prizemoney subsidy is recognised on an accruals basis.

#### *Bookmaker fees, Nominations and acceptance fees*

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

#### *Sponsorship*

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

#### *Racing Revenue*

Racing revenue comprises of bookmakers' fees, nominations and acceptances fees. These are recognised on an accrual basis based on the performance obligation of holding the race meeting.

#### *Membership Subscriptions*

Membership revenue collected in advance and is recognised as revenue in the year in which the membership is held on a straight line basis.



## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### Revenue and other income

##### *Broadcast Rights*

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.

##### *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.

##### *Training Fees*

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

##### *Property*

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

All income is stated net of the amount of Goods and Services Tax (GST).

#### (b) 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.

This is in line with the expected completion of the performance obligation relating to the underlying revenue.

#### (c) Income Tax

The Company is exempt from income tax under Division 50 of the *Income tax Assessment Act 1997*.

#### (d) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, cash at bank, term deposits and bank overdrafts.

#### (e) Receivables

Accounts receivable includes amounts due from customers for goods sold in the ordinary course of business and accrued income from racing distributions. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **2 Summary of Significant Accounting Policies**

#### **(f) Inventories**

Inventories are measured at the lower of cost and net realisable value. Components of cost include the purchase price and, where applicable, any charges in the delivery of inventories.

#### **(g) Leases**

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

#### **Lessee accounting**

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

#### **Right-of-use asset**

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised. The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

#### **Lease liability**

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### **(h) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.



## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (h) Property, plant and equipment

##### Freehold Property

Freehold land and buildings are shown at cost less subsequent depreciation (for buildings) and impairment.

##### Plant and equipment

Plant and equipment are measured using the cost model. Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss in the financial period in which they are incurred.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Freehold buildings	2.5% - 10%
Plant and equipment	10% - 40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### (i) Impairment of assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (i) Impairment of assets

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

#### (j) Financial instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

##### Classification and subsequent measurement

###### *Financial liabilities*

Financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

###### *Financial assets*

###### *Classification and measurement of financial assets*

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

###### *Subsequent measurement of financial assets*

For the purposes of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following three categories:

###### *a) Financial assets at amortised cost*

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Company's receivables fall into this category of financial instruments.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 2 Summary of Significant Accounting Policies

#### (j) Financial instruments

##### Classification and subsequent measurement

Receivables comprise cash and cash equivalents, term deposits and trade and other receivables.

##### *b) Financial assets at fair value through profit or loss (FVTPL)*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

##### *c) Equity investment at fair value through other comprehensive income (FVOCI)*

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

##### Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position. On derecognition of a financial asset or liability measured at amortised cost, the difference between the carrying amount and the sum of the consideration received/paid and receivable/payable is recognised in profit or loss.

##### *Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires).

##### *Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

##### Impairment

The Company recognises a loss allowance for expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

##### *Recognition of expected credit losses in financial statements*

At each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.



## **Notes to the Financial Statements**

**For the Year Ended 30 June 2021**

### **2 Summary of Significant Accounting Policies**

#### **(k) Accounts payable**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 45 days of recognition of the liability.

#### **(l) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss.

#### **(m) Goods and services tax (GST)**

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 Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

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

#### **(n) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### **(o) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgments during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgments are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgments made have been described below.

#### *Key estimates - impairment of assets*

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. The directors have assessed that no impairment of assets exist at 30 June 2021.

#### *Key judgments - performance obligations*

To identify a performance obligation under AASB 15 Revenue from Contracts with Customers, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgments to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost value, quantity and the period of transfer related to the goods or services promised.

### 4 Revenue and other income

	2021	2020
	\$	\$
<b>Revenue</b>		
TAB distributions - net	4,994,768	4,542,232
Racing	4,764,943	4,422,145
Sponsorship and broadcast rights	1,377,840	1,342,463
Hospitality and events	1,014,769	1,186,329
Training fees	326,486	231,753
Rental income	141,325	140,201
Nominations and acceptances	129,021	114,438
Admissions	90,781	56,477
Bookmaker fees	15,287	16,567
Membership subscriptions	9,995	64,785
	<b>12,865,215</b>	<b>12,117,390</b>
<b>Other income</b>		
Other sundry income	447,471	529,804
Income from investments	251,678	268,099
	<b>699,149</b>	<b>797,903</b>

Existing membership subscriptions were not levied in 2020/21 due to the COVID-19 pandemic. All existing 2019/20 members were extended for a further 12-month period to 30 June 2021.

# Gosford Race Club Limited

ABN 26 003 846 124

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 5 Personnel Expenses

	2021	2020
	\$	\$
Wages and salaries	1,800,683	1,734,148
Contributions to defined contribution plans	152,386	143,187
Other employment expenses	232,460	282,377
	<u>2,185,529</u>	<u>2,159,712</u>

### 6 Cash and cash equivalents

Cash on hand	186,749	87,489
Cash at bank	<u>3,251,203</u>	<u>89,261</u>
	<u>3,437,952</u>	<u>176,750</u>
Bank overdrafts*	-	(50,000)
	<u>3,437,952</u>	<u>126,750</u>

#### Security\*

First Registered Mortgage over Non Residential Real Property located at 2 Racecourse Road West Gosford NSW 2250 and Residential Real Property located at 8 Faunce St, West Gosford NSW 2250.

### 7 Trade and other receivables

#### CURRENT

Trade receivables	92,718	66,530
Accrued income	<u>1,912,793</u>	<u>1,834,089</u>
	<u>2,005,511</u>	<u>1,900,619</u>

## Notes to the Financial Statements

For the Year Ended 30 June 2021

## 8 Property, plant and equipment

	2021 \$	2020 \$
Land		
At cost	1,881,139	3,101,281
	<u>1,881,139</u>	<u>3,101,281</u>
Buildings		
At cost	14,084,512	14,071,205
Accumulated depreciation	(5,370,089)	(5,082,929)
	<u>8,714,423</u>	<u>8,988,276</u>
Ground improvement		
At cost	2,830,008	3,245,755
Accumulated depreciation	(1,468,545)	(1,689,452)
	<u>1,361,463</u>	<u>1,556,303</u>
Plant and equipment		
At cost	5,215,904	4,773,950
Accumulated depreciation	(3,578,047)	(3,419,467)
	<u>1,637,857</u>	<u>1,354,483</u>
<b>Total property, plant and equipment</b>	<u><b>13,594,882</b></u>	<u><b>15,000,343</b></u>

## (a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land \$	Buildings \$	Ground Improvement \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	3,101,281	8,988,276	1,556,303	1,354,483	15,000,343
Additions	-	-	-	699,113	699,113
Disposals	(1,220,142)	-	(261,948)	(9,099)	(1,491,189)
Depreciation	-	(287,160)	(93,091)	(208,765)	(589,016)
Transfers/adjustments	-	13,307	160,199	(197,875)	(24,369)
<b>Balance at the end of the year</b>	<u><b>1,881,139</b></u>	<u><b>8,714,423</b></u>	<u><b>1,361,463</b></u>	<u><b>1,637,857</b></u>	<u><b>13,594,882</b></u>

During the year, the Company sold four parcels of land to Racing NSW for \$2.0 million (excl. GST) in line with the Racecourse Redevelopment Project.



## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 9 Trade and other payables

	2021 \$	2020 \$
CURRENT		
Trade payables	747,336	347,483
Accrued expenses and other payables	267,899	199,853
GST payable	262,062	94,923
	<u>1,277,297</u>	<u>642,259</u>

### 10 Employee benefits

CURRENT		
Provision for annual leave	121,613	125,788
Provision for long service leave	30,323	-
	<u>151,936</u>	<u>125,788</u>
NON-CURRENT		
Provision for long service leave	59,402	53,799
	<u>59,402</u>	<u>53,799</u>

### 11 Reserves

#### (a) 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. This reserve was absorbed into retained earnings in 2020/21.

#### (b) Fair value reserve

The fair value reserve comprises the cumulative net change in the Net change in fair value of financial assets through other comprehensive income, until the assets are derecognised or impaired.

### 12 Commitments

At 30 June 2021, the Club had not contractually entered into capital commitments related to the racecourse redevelopment project but anticipates capital works in the 2022 financial year as follows:

- Replacement of synthetic track - \$3.4 million
- New running rail and irrigation system for the Course Proper & B'Grass and new infield LED big screen - \$1.6 million.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 13 Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable, financial assets and payable. The carrying amounts for each category of financial instruments, measured in accordance with the accounting policies to these financial statements, are as follows:

	2021 \$	2020 \$
<b>Financial assets</b>		
Cash and cash equivalents	3,437,952	176,750
Trade and other receivables	2,005,511	1,900,619
Financial assets	5,374,660	4,925,810
<b>Total financial assets</b>	<b>10,818,123</b>	<b>7,003,179</b>
<b>Financial liabilities</b>		
Trade and other payables	1,277,297	642,259
<b>Total financial liabilities</b>	<b>1,277,297</b>	<b>642,259</b>

### 14 Related Parties

#### (a) Transactions with key management personnel

Directors did not receive honorariums from the Company during the year (2020: \$nil).

#### (b) Key management personnel compensation

The key management personnel compensation comprised:

Short-term employee benefits	505,644	553,507
Other long-term benefits	7,251	5,107
	<b>512,895</b>	<b>558,614</b>

#### (c) Other key management personnel compensation

During the year, a company related to a close family member of Director Michael D'Silva, was appointed to provide IT services.

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 routine 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.

## Notes to the Financial Statements

For the Year Ended 30 June 2021

### 15 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.

	2021	2020
	\$	\$
<b>Bank guarantees</b>		
Auto-pay facility	-	400,000
	<u>-</u>	<u>400,000</u>

The auto-pay facility was terminated during the year.

### 16 Economic dependency

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

### 17 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

### 18 Coronavirus Pandemic

Due to the spread of the coronavirus, global and local economies have been significantly affected, for example due to restrictions in production, trade and consumption or due to travel bans and social distancing requirements. Due to these effects, the Company has been periodically closed to public for race meetings to help control and reduce the spread of virus and accordingly, the Company's operations have been impacted as a result. Racing activities continued to operate under strict COVID-safe arrangements.

As of the date of this financial report, the Board is unable to determine the future impact of the pandemic on the Company and the financial report. However, the Company has applied for government relief where available through the JobSaver and other stimulus program. The Board and management continue to assess the situation on an ongoing basis.

The Board is confident that the Company will be successful in navigating the challenges of the pandemic and accordingly, the Board have prepared the financial report on a going concern basis.

**Gosford Race Club Limited**

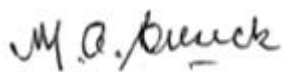
**ABN 26 003 846 124**


**Directors' Declaration**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 22, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
  - b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....   
Cusick, M A

Director .....   
McShane, S

Dated 30 September 2021



## Gosford Race Club Limited

# Independent Audit Report to the members of Gosford Race Club Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the accompanying financial report of Gosford Race Club Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is 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 2021 and of its financial performance for the year ended; and
- ii. complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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## Gosford Race Club Limited

# Independent Audit Report to the members of Gosford Race Club Limited

### Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



**Gosford Race Club Limited**

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We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Prosperity Audit Services*

**PROSPERITY AUDIT SERVICES**

A handwritten signature in black ink, appearing to be 'Alex Hardy'.

**ALEX HARDY**  
Director

Newcastle  
30 September 2021