

# Annual Report 2023



CENTRAL COAST

## Gosford Race Club Limited

ABN 26 003 846 124

# Gosford Race Club Limited

## Chairman's Report

30 June 2023

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

The 2022/23 year has continued from the previous years in being challenging. Whilst the 2022/23 year was restriction free, the economic climate post the Covid-19 pandemic is affecting many businesses.

That being said, we were still able to operate some successful days over our summer racing period. The 'Belle of the Turf' day is now firmly cemented in our calendar for between Christmas and New Year, and, with the Gosford Guineas run on the same day, it has become a great lead into the Magic Millions carnival in Queensland a fortnight later. This then leads into our New Year's Eve race day and while this has not hit its previous lofty attendance figures, we are hopeful of good conditions this year as we start to rebuild this. This would be enhanced with some support from Council by bringing back the family festival and fireworks on the waterfront that previously supplemented the double-header of the Races & Mariners home game. We feel Council has a social responsibility to put on community events such as this and hope they move quickly to restore it.

As the year moved on, we had several other big race days with Anzac Day especially being a well-attended meet. The weather was favourable and crowd numbers were up despite the meet falling on a Tuesday, which is historically a lower attended day. Then onto the third running (at Gosford), of The Coast race day. This has quickly etched itself into the local community's event calendar and has done so in a very short space of time. Just over 4,000 patrons filled the course which had just under \$2m of prizemoney on offer. This day saw the second running of 'The Thunder Thousand'. The race was met with good support from all including trainers, jockeys, and the media and we believe it will become a major feature on the program into the future.

With the recent prizemoney increases announced by RNSW, The Coast Day will have a total prizemoney purse of over \$2m in 2024.

## Governance

Post the 2021/22 Annual General Meeting, the Board elected a new Treasurer, Mark Holton. Mark joined the Board as an independent director and is also a member of the club. Mark has over 30 years in the financial sector specialising in taxation and business management.

Gosford Race Club is widely known for holding a high level of corporate governance which is built on a strong financial foundation. To further add to this, during the year I completed the Australian Institute of Company Directors (AICD) course along with CEO Daniel Lacey and two other Board Members. The learnings from this course have had an immediate impact on how the Club conducts business.

Of course, there was a large focus on corporate governance however, there is now an added impetus on staff and creating an even more positive workplace. The Board holds this mantra as a key to the club achieving its targets.

# Gosford Race Club Limited

## Chairman's Report

30 June 2023

The Board conducts an annual strategy meeting, this year there was a focus on kickstarting our business, diversifying our income streams, and enhancing the utilisation of our assets. With the Independent Directors gaining experience over the course of the year, this strategy meeting was especially fruitful.

### Stables

We continue to work with RNSW on planning for stage two of the racecourse improvement project which will include up to 200 new stables staged over several years and related training infrastructure. This will lift Gosford to a new level as a Provincial training hub.

These stables will be built by RNSW on the unused land they previously purchased from the Club.

There is a delay with the original plan with Council citing issues with the RNSW proposal. Contact has been made with the CEO of Council and the new Minister for the Central Coast and, coincidentally the Minister for Racing, Davis Harris, to help work through the issues.

Whilst this delay is unfortunate, we have been assured by RNSW that Gosford is a priority and that stables will definitely be constructed in the near future.

### Capital Works

During the year we also carried out several other capital works to improve our racing facility and experience. These were:

- New irrigation system
- New running rail for the sand training track
- Renovated male jockeys' rooms and communal areas
- Renovated Riverdale courtyard

The new irrigation system was paramount to Gosford to continue to present a fair track. The system will allow for even watering and will even shut off if rain occurs during watering to ascertain if further water needs to be added. This system will reduce water wastage and as we all know water is fast becoming a valuable asset in itself.

### Finance

In 2022/2023 the Gosford Race Club recorded a total comprehensive loss of (\$370,479) compared to a profit of \$1,118,775 in the previous year. Profit before depreciation, impairment, and finance costs was \$160,930 (2022: \$2,441,189).

As noted in last year's report the 2021/22 result contained some extraordinary items that elevated our profit levels to that of what is usually seen. The main factors were the \$1.67m of RNSW funding received in that year which was treated as income and included in our financial reports as such and \$270k of JobKeeper stimulus payments from the federal

# Gosford Race Club Limited

## Chairman's Report

30 June 2023

government. Taking these items totalling \$1.94m into account, the 2022/23 result is comparable.

Our training operation continues to be a major financial drain on our resources due to the under utilisation of our facilities. Compared to similar Provincial training operations Gosford's income via trained starter rebates is approximately \$270k less. This is solely due to the number of stables that we can offer and can only be rectified once the new stables are built thus allowing for a greater capacity.

TAB revenue, the major contributor to our income, was significantly affected during the 2022/23 year. There are several reasons for this with corporate bookmakers, who are continually gaining market share, being one of the major factors. The income from the corporate bookmakers which is generated by the industry flows directly to RNSW and is not distributed to the clubs via traditional means such as is the case with TAB revenue.

## Racing

Gosford Race Club now hosts five feature races each year, and the following tables show the results of these events in 2022/23.

### \$500,000 The Coast

Palmetto – K McEvoy – J Sargent

### \$250,000 Listed Buterin L'Estrange Gosford Gold Cup

Esti Feny – J Ford – M Smith

### \$200,000 Group 3 Gosford RSL Belle of the Turf Stakes

Deny Knowledge – J Richards – M Kent

### \$200,000 Listed DeBortoli Wines Takeover Target Stakes

Think About It – S Clipperton – J Pride

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

Anavinci – C Schofield – A Neasham

## Premierships

During the racing season 2021/22 the following premierships were conducted:

### Wins at Gosford

Leading trainer: K Waugh - 10 wins

Leading jockey: J Ford - 10 wins



# Gosford Race Club Limited

## Chairman's Report

30 June 2023

Leading apprentice: T Schiller – 8 wins

Gosford domiciled trainers – All racetracks

Leading Gosford trainer: A Duggan – 17 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 race day sponsors and corporate members and these are listed below:

Ascentia Business Consulting	McGrath Central Coast
Bluehaven	Nathan Donato
Brant Maslan	Pirtek
Buterin L'Estrange	Pluim Group
Central Coast Basketball	Prestige Wedding & Event Hire
Central Coast Council	Red Bus Services
Central Coast Granite	Risk & Safety Solutions
Central Coast Mariners	Ronald McDonald House Charities
Chemdry	Sky Racing
Coast Shelter	Sneddon Bros
DeBortoli Wines	Southern Cross Austereo – Triple M
EVE Electrical & Communications	Sprout Recruitment
EVE Security Services	Tabcorp
Family of League	Tanti Financial Services
First Flush Plumbing	Taperell Rutledge Solicitors
Gosford IT	Terrigal Wamberal Sharks
Gosford Mowers & Chainsaws	The Bees Knees Eatery
Gosford RSL	The Entrance Leagues Club
Green Aspect Consulting	The Great Tip Off
Industree Group	Toolzone Northern Beaches
Legacy	Tuggerah Tiles
Lion Nathan – Tooheys	Turfcare
Logic Joinery	Westpac Rescue Helicopter Service

### Internal Staff

The team continues to be headed by Daniel Lacey, supported by a group of dedicated staff.

Over the course of the last 12 months we have been joined by several new employees:

# Gosford Race Club Limited

## Chairman's Report

30 June 2023

- Lachlan Boas-Bartlett commenced with the club in a newly created full-time position of Bar and Operations Manager. Lachlan had previously worked for the club in a casual capacity and has held numerous positions within the hospitality industry.
- Patrick Wilkinson commenced with us in the role of accounts assistant. Pat has a background in finance and bookkeeping and will assist with the implementation of our new automated payroll system.
- Caitlin Duncan commenced in a newly created role of Event Sales Manager. Caitlin has extensive knowledge of sales and events across Australia and will be the catalyst for our new-look events business.
- Lara Coffey came on board from being an NBN new reporter in the role of Marketing Coordinator. Lara is an avid racegoer and brings a new focus to our go to market strategies, especially via video.

Kristina Ayton who originally started with the club in the role of Marketing Manager and worked her way up to Commercial Manager has been promoted to the position of Chief Operating Officer. Kristina has proven to be an invaluable member of senior management with great foresight over our commercial operations.

Jackie Marchant who commenced with us in 2022 as Finance Assistant has been promoted into the role of Finance Manager. In a short timeframe, Jackie has shown great aptitude within financial matters and will continue her work in automating many of our finance functions.

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 a 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.

## Acknowledgments

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.

# Gosford Race Club Limited

## **Chairman's Report**

30 June 2023

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

In recent years, the focus has been very much on governance by the regulators and I am confident that we have one of the most professional and experienced boards in racing and are well-positioned to handle any challenges or opportunities the future may present.

I would like to extend my thanks to my Executive, Michael Griffiths and Mark Holton, and the rest of the board, Reg Delaney, Naseema Sparks, David Hassab, and Peter Kernan 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 over the next year.

**Michael Cusick**  
**Chairman**

# Gosford Race Club Limited

ABN: 26 003 846 124

## Financial Statements

For the year ended 30 June 2023



# Gosford Race Club Limited

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For the year ended 30 June 2023

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# Gosford Race Club Limited

## Directors' report

30 June 2023

The directors present their report on Gosford Race Club Limited for the financial year ended 30 June 2023.

### Information on directors

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

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#### Michael Cusick

Qualifications	Chairman
Experience	Ex-Office Member on all Sub Committees Company Director
Special responsibilities	Director since August 2009 Elected Chairman 26 October 2010

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#### Mark Holton

Qualifications	Director
Experience	Property and Development Sub Committee Finance and Audit Sub Committee Fellow Certified Practising Accountant
Special responsibilities	Director since October 2021 Elected Treasurer October 2022

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#### Michael Griffiths

Qualifications	Vice Chairman
Experience	Business and Development Sub Committee Risk Sub Committee Company General Manager
Special responsibilities	Director since October 2010 Elected Vice Chairman 24 October 2017

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#### David Hassab

Qualifications	Director
Experience	Finance Sub Committee Company General Manager
Special responsibilities	Director since December 2015 Chair of Business Development Committee

# Gosford Race Club Limited

## Directors' report

30 June 2023

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### Reginald Delaney

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Qualifications	Director
Experience	Membership and Sponsorship Sub Committee People, Remuneration and Culture Sub Committee
Special responsibilities	Director since October 2003

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### Naseema Sparks

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Qualifications	Director
Experience	People, Remuneration and Culture Sub Committee Finance Sub Committee
Special responsibilities	Director since October 2021

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### Peter Kernan

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Qualifications	Director
Experience	People, Remuneration and Culture Sub Committee Lawyer
Special responsibilities	Director since October 2021

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

### Company secretary

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

### 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 Club's activity occurred during the financial year.

### Operating results

The profit/(loss) of the Club after providing for income tax amounted to (\$706,069) (2022: \$1,708,820).

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

### Review of operations

The operating profit/(loss) of the Club for the year ended 30 June 2023 was (\$706,069) (2022: \$1,708,820), after charging \$866,941 (2022: \$728,631) for depreciation and \$58 (2022: \$3,738) for net finance costs.

# Gosford Race Club Limited

## Directors' report

30 June 2023

### Short and long-term objectives

The Club'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 Club 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 Club is incorporated and domiciled in Australia as a public company limited by guarantee. In accordance with the Constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Club during the time that he or she is a member or within one year thereafter. The number of members as at 30 June 2023 and the comparison with the prior year is as follows:

Number of members	2023	2022
General	876	954
Life	10	10
Corporate	10	12
<b>Total</b>	<b>896</b>	<b>976</b>



# Gosford Race Club Limited

## Directors' report

30 June 2023

As at 30 June 2023, the total amount that members of the Club are liable to contribute if the Club is wound up is \$1,792 (2022: \$1,952).

### Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year.

### Events after the reporting date

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

### Proceedings on behalf of the Club

No one has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings.

### Meetings of directors

During the financial year, 11 meetings of directors were held. Attendances by each director during the year were as follows:

	Number eligible to attend	Number attended	Apology	Leave of Absence
Michael Cusick	11	10	1	-
Mark Holton	11	9	1	1
Michael Griffiths	11	10	1	-
David Hassab	11	9	2	-
Reginald Delaney	11	10	1	-
Naseema Sparks	11	10	1	-
Peter Kernan	11	11	-	-

### 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 2023 has been received and can be found on page 7 of the financial report.

# Gosford Race Club Limited

## Directors' report

30 June 2023

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Signed in accordance with a resolution of the Board of directors.



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Michael Cusick

Director

Dated: 08 September 2023



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Mark Holton

Director

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## Auditor's independence declaration 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 2023, there have been:

- no contraventions of the auditor independence requirements as set out in section 307C of the *Corporations Act 2001* in relation to the audit;
- no contraventions of any applicable code of professional conduct in relation to the audit; and
- no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.



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**ALEX HARDY**

Partner

Newcastle

08 September 2023



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**PROSPERITY AUDIT SERVICES**

# Gosford Race Club Limited

## Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Revenue	5	15,628,612	13,324,987
Other income	5	228,519	2,198,509
Administration expenses		(1,702,017)	(1,500,701)
Marketing and promotions		(162,401)	(91,249)
Racing expenses		(2,171,991)	(1,738,668)
Racecourse maintenance		(1,192,119)	(1,186,577)
Hospitality and events		(1,613,764)	(1,003,430)
Prize money, trophies and subsidies		(8,804,313)	(7,515,140)
Other expenses		(49,596)	(46,542)
<b>Profit before depreciation, impairment and finance costs</b>		160,930	2,441,189
Depreciation and amortisation expenses		(866,941)	(728,631)
Net finance costs		(58)	(3,738)
Income tax	3.a	-	-
<b>Profit (loss) for the year</b>		(706,069)	1,708,820
<b>Other comprehensive income</b>			
Net increase/(decrease) in fair value of financial assets through other comprehensive income		335,590	(590,045)
<b>Total comprehensive income (loss) for the year</b>		(370,479)	1,118,775

The accompanying notes form part of these financial statements.



# Gosford Race Club Limited

## Statement of financial position

As at 30 June 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	79,048	635,948
Trade and other receivables	9	2,349,094	2,240,552
Inventories		124,181	71,165
<b>Total current assets</b>		<b>2,552,323</b>	<b>2,947,665</b>
<b>Non-current assets</b>			
Financial assets	15	5,547,341	5,124,581
Property, plant and equipment	10	16,768,018	16,853,677
Right-of-use assets		26,556	54,722
<b>Total non-current assets</b>		<b>22,341,915</b>	<b>22,032,980</b>
<b>Total assets</b>		<b>24,894,238</b>	<b>24,980,645</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	814,780	830,963
Borrowings	12	289,573	-
Employee benefit provisions	13	191,056	188,803
Lease liabilities		24,963	33,720
Income received in advance		185,545	139,353
<b>Total current liabilities</b>		<b>1,505,917</b>	<b>1,192,839</b>
<b>Non-current liabilities</b>			
Employee benefit provisions	13	64,706	75,498
Lease liabilities		25,195	43,409
<b>Total non-current liabilities</b>		<b>89,901</b>	<b>118,907</b>
<b>Total liabilities</b>		<b>1,595,818</b>	<b>1,311,746</b>
<b>Net assets</b>		<b>23,298,420</b>	<b>23,668,899</b>
<b>Equity</b>			
Retained earnings		21,240,315	21,946,384
Reserves	16	2,058,105	1,722,515
<b>Total equity</b>		<b>23,298,420</b>	<b>23,668,899</b>

The accompanying notes form part of these financial statements.

# Gosford Race Club Limited

## Statement of changes in equity

For the year ended 30 June 2023

<b>2022</b>	<b>Retained earnings \$</b>	<b>Fair value reserves \$</b>	<b>Total \$</b>
Balance at 1 July	20,552,194	2,312,560	22,864,754
Adjustment for Buildings disposed in FY2021 (Note 3i)	(314,630)	-	(314,630)
<b>Restated balance at 1 July</b>	<b>20,237,564</b>	<b>2,312,560</b>	<b>22,550,124</b>
Profit for the year	1,708,820	-	1,708,820
Other comprehensive income	-	(590,045)	(590,045)
<b>Balance at 30 June</b>	<b>21,946,384</b>	<b>1,722,515</b>	<b>23,668,899</b>

  

<b>2023</b>	<b>Retained earnings \$</b>	<b>Fair value reserves \$</b>	<b>Total \$</b>
Balance at 1 July	21,946,384	1,722,515	23,668,899
Loss for the year	(706,069)	-	(706,069)
Other comprehensive income	-	335,590	335,590
<b>Balance at 30 June</b>	<b>21,240,315</b>	<b>2,058,105</b>	<b>23,298,420</b>

The accompanying notes form part of these financial statements.

# Gosford Race Club Limited

## Statement of cash flows

For the year ended 30 June 2023

	2023	2022
	\$	\$
<b>Cash flows from operating activities:</b>		
Receipts from customers	17,356,259	16,929,604
Payments to suppliers and employees	(17,600,252)	(15,195,306)
Interest received	5,988	457
Interest paid	(6,046)	(4,195)
<b>Net cash flows from/(used in) operating activities</b>	<b>(244,051)</b>	<b>1,730,560</b>
<b>Cash flows from investing activities:</b>		
Purchase of property, plant and equipment	(753,107)	(4,252,678)
Receipts from investment income	152,871	102,086
Net (purchase)/sale of investments	24,785	(334,455)
<b>Net cash provided by/(used in) investing activities</b>	<b>(575,451)</b>	<b>(4,485,047)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from borrowings	300,000	-
Repayment of borrowings	(10,427)	-
Payments of principal component of leases	(26,971)	(47,517)
<b>Net cash provided by/(used in) financing activities</b>	<b>262,602</b>	<b>(47,517)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(556,900)</b>	<b>(2,802,004)</b>
Cash and cash equivalents at beginning of year	635,948	3,437,952
<b>Cash and cash equivalents at end of financial year</b>	<b>79,048</b>	<b>635,948</b>

The accompanying notes form part of these financial statements.

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

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### 1. Introduction

The financial report covers Gosford Race Club Limited as an individual entity. Gosford Race Club Limited is a for-profit proprietary Company, incorporated and domiciled in Australia.

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

The principal activities of the Club for the year ended 30 June 2023 were the conduct of licensed horse racing.

The financial report was authorised for issue by the Directors on 08 September 2023.

Comparatives are consistent with prior years, unless otherwise stated.

The Club is an entity to which ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 applies and, accordingly amounts in the financial statements and directors' report have been rounded to the nearest dollar.

### 2. Basis of preparation

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

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### 3. Summary of significant accounting policies

#### a. Income tax

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

#### b. 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.



# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

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### **c. Income received in advance**

Membership fees, nomination and acceptance fees and other revenues of the Club 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.

### **d. 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.

### **e. Leases**

At inception of a contract, the Club 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 Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club 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.

#### **i. Lessee accounting**

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

#### **ii. Right-of-use asset**

At the lease commencement, the Club recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Club 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.

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

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### **iii. 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 Club'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 Club's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the re-measurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

### **f. Impairment of non-financial assets**

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

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

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

### **g. Financial instruments**

Financial instruments are recognised initially on the date that the Club becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

#### **i. Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

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### *Classification*

On initial recognition, the Club classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets.

### *Amortised cost*

The Club's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and term deposits in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

### *Equity instruments*

The Club has a number of strategic investments in listed and unlisted entities over which they do not have significant influence nor control. The Club has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

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.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

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### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI.

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

The Club uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Club uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Club in full, without recourse to the Club to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Club in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

### *Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Club has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Club renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

### ii. Financial liabilities

The Club measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Club comprise trade payables and lease liabilities.

### h. Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time at 30 June 2023, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

### i. Comparative figures

Comparative information presented in the statement of financial position and statement of profit or loss and other comprehensive income have been updated to correctly dispose of a building located on land previously sold by the Club in the 2020/21 financial year.

The impact on the respective balances is outlined in the table below:

2021/22	Originally presented \$	Adjustment \$	Updated figures \$
<b>Statement of Financial Position</b>			
Property, plant and equipment	17,159,689	(306,012)	16,853,677
Total assets	25,286,657	(306,012)	24,980,645
Retained earnings	(22,252,396)	306,012	(21,946,384)
Total equity	(23,974,911)	306,012	23,668,899
<b>Statement of Profit or Loss and Other Comprehensive Income</b>			
Depreciation and amortisation	737,249	(8,618)	728,631
Results from operating activities	(1,703,940)	(8,618)	(1,712,558)
Profit for the year	(1,700,202)	(8,618)	(1,708,820)
Total comprehensive income for the year	(1,110,157)	(8,618)	(1,118,775)

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

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### 4. Critical accounting estimates and judgements

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements 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 judgements made have been described below.

#### a. Key estimates - impairment of assets

The Club assesses impairment at the end of each reporting period by evaluating conditions specific to the Club that may be indicative of impairment triggers. The directors have assessed that no impairment of assets exist at 30 June 2023.

#### b. Key estimates - 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.

### 5. Revenue and other income

#### a. Accounting policy

##### i. Grants revenue

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Club expects to receive in exchange for those goods or services.

When the Club 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 Club:

- 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.

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

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

- 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.

### **ii. 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 Club recognises this income on a net income basis.

### **iii. Racing - NSW prizemoney subsidy**

Racing NSW 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. Sponsorship**

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

### **vi. 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.

### **vii. 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.

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

### viii. 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.

### ix. 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.

### x. Training Fees

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

### xi. 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. Revenue from continuing operations

	2023	2022
	\$	\$
<b>Revenue</b>		
TAB distributions - net	4,693,301	4,671,771
Racing	6,325,600	5,125,915
Hospitality and events	2,018,482	1,181,333
Sponsorship and broadcast rights	1,692,998	1,482,307
Rental income	146,017	148,600
Nominations and acceptances	140,535	141,337
Membership subscriptions	81,351	83,527
Admissions	114,268	97,906
Bookmaker fees	10,836	13,748
Training fees	405,224	378,543
	15,628,612	13,324,987



# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

### c. Other income

	2023	2022
	\$	\$
Net gain on disposal of property, plant and equipment	16,364	-
Infrastructure funding	25,544	1,668,730
Income from investments	152,871	254,091
Jobsaver/Jobkeeper income	-	271,688
Other sundry income	33,740	4,000
	228,519	2,198,509

### 6. Personnel expenses

Wages and salaries	2,109,847	1,670,532
Contributions to defined contribution plans	214,724	161,414
Other employment expenses	192,858	253,424
	2,517,429	2,085,370

### 7. Auditor's remuneration

Audit of financial report	28,040	27,490
Audit of infrastructure grant acquittal	-	1,000
Tax compilation and advisory services	15,700	5,645
Time and attendance system advisory services	2,500	9,000
	46,240	43,135

### 8. Cash and cash equivalents

#### a. Accounting policy

Cash and cash equivalents comprises cash on hand, demand deposits, term deposits and bank overdrafts which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### b. Cash and cash equivalent details

Cash at bank	49,738	577,412
Cash on hand	29,310	58,536
	79,048	635,948

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

### 9. Trade and other receivables

Current	2023 \$	2022 \$
Trade receivables	200,607	124,576
Accrued income	2,148,487	2,115,976
	2,349,094	2,240,552

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

### 10. Property, plant and equipment

#### a. Accounting policy

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

#### i. Land and buildings

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

#### ii. 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.

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

### iii. Depreciation

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

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
<b>Property, plant and equipment</b>	
Land	
Buildings	2.5%-10%
Plant and equipment	10%-40%
Other property, plant and equipment	10%-40%
Motor vehicles	15%-25%

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.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

### b. Property, plant and equipment details

Summary	2023 \$	2022 \$
<b>Land</b>		
At cost	1,881,139	1,881,139
<b>Buildings</b>		
At cost	13,893,828	13,653,607
Accumulated depreciation	(5,816,878)	(5,532,702)
	8,076,950	8,120,905
<b>Plant and equipment</b>		
At cost	6,468,118	6,091,397
Accumulated depreciation	(4,089,435)	(3,791,741)
	2,378,683	2,299,656

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

Summary	2023 \$	2022 \$
<b>Motor vehicles</b>		
At cost	46,188	-
Accumulated depreciation	(9,623)	-
	36,565	-
<b>Ground improvement</b>		
At cost	6,297,179	6,207,192
Accumulated depreciation	(1,902,498)	(1,655,215)
	4,394,681	4,551,977
	16,768,018	16,853,677

					Ground improvements	Total
2023	Land \$	Buildings \$	Plant and equipment \$	Motor vehicles \$	\$	\$
Balance as at 1 July	1,881,139	8,120,905	2,299,656	-	4,551,977	16,853,677
Additions	-	240,211	376,721	46,188	89,987	753,107
Depreciation	-	(284,176)	(297,694)	(9,623)	(247,273)	(838,766)
<b>Balance at 30 June</b>	1,881,139	8,076,940	2,378,683	36,565	4,394,691	16,768,018

Note 3(i) outlines an adjustment made to the comparative figures for property, plant and equipment.

## 11. Trade and other payables

<b>Current</b>		
Trade payables	135,188	517,456
GST payable	369,279	111,334
Other trade and other payables	310,313	202,173
	814,780	830,963

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

### 12. Borrowings

Current	2023	2022
	\$	\$
<b>Secured</b>		
Bank loan	289,573	-

#### a. Defaults and breaches

During the current year, there were no defaults or breaches on any of the loans. The Club expects to repay the balance of the loan during 2023/24.

In 2023, the Club has access to an undrawn Bank loan facility worth \$624,024 (2022: \$1,047,867).

### 13. Employee benefit provisions

#### a. Accounting policy

Provisions are recognised when the Club 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.

##### i. Employee benefits

Provision is made for the Club'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.

#### b. Provision details

<b>Current</b>		
Provision of annual leave	131,653	153,645
Provision for long service leave	59,403	35,158
	191,056	188,803
<b>Non-current</b>		
Provision for long service leave	64,706	75,498

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

### 14. Commitments

In the opinion of the Directors, the Club did not have any capital commitments at 2023 (2022: None).

### 15. Financial risk management

The Club'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:

	2023 \$	2022 \$
<b>Financial assets</b>		
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	79,048	635,948
Trade and other receivables	2,349,094	2,240,552
	2,428,142	2,876,500
<b>Fair value through Other Comprehensive Income (OCI)</b>		
Listed investments	5,547,341	5,124,581
	7,975,483	8,001,081
<b>Financial liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables	814,780	830,963
Lease liabilities	50,158	77,129
	864,938	908,092

### 16. Reserves

#### a. Fair value reserves

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

### 17. Contingencies

#### a. Infrastructure upgrade works

In previous years, funding was provided to the company by way of an interest free, interminable loan from Racing NSW as part of the infrastructure upgrade works on the racecourse. This loan is only repayable if one of the following conditions is triggered:

- The Club conducts business activities in such a manner that it becomes financially unstable or insolvent;
- The Club ceases to operate as a race club;

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

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- The Club disposes of land or other freehold property without the agreement of Racing NSW;
- The Club merges, amalgamates or otherwise associates with any other race club;
- The Club amends its governance structure; or
- The Club is in material breach of any of its obligations, duties and functions under the funding agreement.

The Directors are of the opinion that the circumstances outlined above are unlikely to occur in the ordinary course of business and accordingly, no liability has been recorded in the financial report.

The maximum contingent liability at the reporting date in respect of this loan amounts to \$1,750,000.

### **b. Other contingencies**

There were no other contingent assets or liabilities at the reporting date.

## **18. Key management personnel remuneration**

The remuneration paid to key management personnel of Gosford Race Club Limited during the year is \$495,967 (2022: \$566,309).

## **19. Related parties**

### **a. Transactions with key management personnel**

Certain training and director accreditation courses have been paid by the Club on behalf of the Directors (2022: \$nil).

### **b. Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

A business controlled by a Director of the Club provided catering services amounting to \$25.76 (2022: \$516).

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

## **20. Economic dependency**

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

# Gosford Race Club Limited

## Notes to the financial statements

For the year ended 30 June 2023

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### 21. Events occurring after the reporting date

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

### 22. Statutory information

The registered office and principal place of business of the Club is:

Gosford Race Club Limited  
4 Racecourse Rd  
West Gosford NSW Australia  
2250



# Gosford Race Club Limited

## Directors' declaration

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The directors of the Club declare that:

1. The financial statements and notes for the year ended 30 June 2023 are in accordance with the Corporations Act 2001 and;
  - comply with Australian Accounting Standards - Simplified Disclosures; and
  - give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date of the Club.
2. In the directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

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



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Michael Cusick  
Director



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Mark Holton  
Director

Dated: 08 September 2023

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## 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, being a simplified disclosure financial report of Gosford Race Club Limited (the Club), which comprises the statement of financial position as at 30 June 2023, 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, notes to the financial statements and the Directors' declaration.

In our opinion, the accompanying financial report of the Club is in accordance with the *Corporations Act 2001*, including:

1. giving a true and fair view of the Club's financial position as at 30 June 2023 and of its financial performance for the year ended; and
2. complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 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.

## **Independent audit report to the members of Gosford Race Club Limited**

We are independent of the Entity in accordance with the auditor independence requirements of 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 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 Club's annual report for the year ended 30 June 2023, 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.

### **Responsibilities of Directors for the Financial Report**

The directors of the Club are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the Corporations Act 2001, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Club'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 Club or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Club'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.

## Independent audit report to the members of Gosford Race Club Limited

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism 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 Club'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 Club'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 or, 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 Club 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.

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.



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**ALEX HARDY**

Partner

Newcastle

08 September 2023



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**PROSPERITY AUDIT SERVICES**





**CENTRAL COAST**

**Gosford Race Club Limited**

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