

THE ENTERTAINMENT GROUNDS

CENTRAL COAST

Gosford Race Club Limited

ABN 26 003 846 124

Gosford Race Club Limited

Chairman's Report
30 June 2024

On behalf of the Gosford Race Club Board, I am pleased to present my Fourteenth Annual Report as Chairman.

The 2023/24 year was one of hope emerging from the post-COVID era. However, the ensuing cost-of-living crises and unfortunate weather events had a material impact on the Club's trading ability.

Firstly, I have to address The Coast race day. A great deal of planning and effort was spent in preparation for this day. The Board had tasked management with elevating the event to more than just a race day but rather a week-long event to embrace the Coast. A number of additional promotions and activations were planned. These included a takeover of Erina Fair, a food and wine festival - 'Taste the Coast', which I will expand on later, a joint promotion with TAB at Crowne Plaza Terrigal whereby a horse literally walked into a bar and an after-race concert with 'Furnace and the Fundamentals'.

The weather forecast was extremely unfavourable with 238mm of rain falling at the track in the 10 days leading into the meeting. The decision was made by RNSW on the Thursday to make an early call and transfer the meeting to Newcastle This was somewhat of an unprecedented decision that left us in a very unfortunate position having completely sold out the event. I had the unfortunate task of informing members of this at our annual cocktail party which certainly put a sombre tone over the evening.

While the race day did go ahead at Newcastle, we potentially could have been in a position to have conducted the event as well on a similarly rated track as subsequent to the decision Newcastle itself received considerable rain. This transfer alone cost the club over $200,000 due to all hospitality and the majority of sponsorships having to be refunded and the Gosford Race Club still being liable for a large proportion of the prize money.

Fortunately, our other race days fared well. The Belle of the Turf and New Years Eve combination were very well attended as generally they are and in addition to this, the Westpac Rescue Helicopter race day just before Christmas continues to grow and is now one of our most well-attended non feature meetings.

As the year moved on, we had several other successful race days, with our Provincial qualifier bucking recent downward attendance trends with a great crowd and our Anzac Day meeting was an especially well-attended. In fact, it was the largest crowd we have seen for this day since 2018.

Our last meeting of the season was on May 16th due to the commencement of the Re-Camber project.

As mentioned, we were to hold the inaugural Taste the Coast food festival. The aim of this event was to showcase the amazing food and wine our region has to offer via the many wonderful restaurants in our area. We had attracted an array of these locals to take part, and each one was asked to present 3-4 scaled-down dishes from their respective menus, allowing patrons to experience numerous restaurants in one day. Local breweries and provedores were also in attendance. Sadly, this event was also washed out and rescheduled for September 2024.

During the year we also held two large-scale concerts, 'Rock at the Races' and 'Spring Loaded'. These concerts have mostly been very successful for the Club and are an important part of our income diversification strategy to ensure the long-term health and sustainability of the Club.

Gosford Race Club Limited

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30 June 2024

Governance

The current Director terms meant that there were no retiring directors within the 2022/23 year. The three independent directors' terms will expire at the AGM in November 2024. Racing NSW has recently advertised for applications, and the successful independent directors will be presented at the November 2024 AGM after interviews have been conducted.

Track Camber Project

The Club and Racing NSW had previously agreed to jointly fund a new PolyTrack training surface at a cost of $3.4m, as part of the Government's COVID stimulus however, the PolyTrack development was encapsulated within a large scope of works put forward by RNSW to the NSW Government and in the end was largely funded by a grant from this stimulus package.

After further discussions with RNSW it was agreed that the planned capital should be kept in play and used to invest in other racing and training infrastructure at Gosford. The first of these projects is the cambering of the home turn and straight, which was originally done some 30 years ago but was in desperate need of being revamped

Over the years the camber which in lay terms is meant to slope from the outside to the inside had actually reversed and was in some spots going the other way. By correcting this with these works we should see a more competitive racing pattern that hopefully in turn leads to larger fields and an uplift in wagering turnover.

There were delays in obtaining the relevant approvals for these works. However, at the time of writing this report, the work is now complete. The Board have made the conscious decision not to rush back to racing as based on experiences elsewhere, a premature return to racing only causes compounding issues later on.

We had originally hoped for a return by the Belle of the Turf, and while that is yet to be completely ruled out a February return is now looking more likely. It is impossible to give a definitive timeline as we are in the hands of the weather, however we will keep all members informed as we go forward.

Parade Ring & Equine Path

This project has always been a high priority. However, completing the work would have had a substantial impact on racing. Thus, we have taken the opportunity to complete the project while we are not racing.

There are two parts of the works. One is an extended Equine Path that will allow horses to access the track crossing for trackwork in a safer manner than the current route. The second is to make more use of our prime real estate in front of the winning post by shuffling the parade ring towards and into the unused area past the post.

For trackwork the current route is around the back of the members stand. The issue with this is that the horse and rider are largely unseen by the trackwork supervisor, there are no equine barriers, and there is a cross-over with our function business. The new route will see the current path that is adjacent to the course proper widened to 6m fence to fence. This will allow for horses to pass each other safely. It will enable the trackwork supervisor to sight the horse and rider for the majority of the way to the crossing and the horses will be fully enclosed via barriers.

Horse and rider welfare is a top priority for the club and these works will decrease the risk of injury for both and these works are even more imperative given the potential increase in horse population with the planned RNSW additional new stables.

The added benefit of the relocation will mean that we will gain just under 500m2 of prime spectator area in front of the winning post. This area will allow patrons to not only still witness the horse's parade but will get them closer to the action of the finish. It was extremely important, though, that the members' view of the parade ring was not taken away. The design will still allow viewing from the members' stand and on ground level. The design will also allow for owners to enter the centre of the ring, much like at Randwick. This will vastly improve the owner experience in our view.

Stables

The process of obtaining a Development Application for this project is not straightforward. Racing NSW has engaged a consultant to project manage this application. We continue to work with RNSW, which will include approximately 120 new stables 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.

Capital Works

In addition to the Cambers, Equine Path, and Parade Ring relocation, we have also installed a 99.9kw Solar System on the roof of the MJ Cusick stand. Power costs were reaching in excess of $20k per month, which made the investment very appealing. Originally, there was a 4-year payback estimate, but with continued rising power costs, the payback will be reduced.

The solar system also contributes to our environmental policy. We harvest rainwater from the spectator precinct and divert the vast majority to our dams for irrigation, reducing our dependency on town water.

A jumps arena was also added to our training infrastructure. This area is adjacent to the PolyTrack walk-off and allows trainers to mix up their training regime.

Gosford Race Club Limited

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Finance

In 2023/2024 the Gosford Race Club recorded a total comprehensive loss of ($465,039) compared to a loss of ($370,479) in the previous year. Profit before depreciation, impairment, and finance costs was $171,476 (2023: $160,930).

Generating positive cash flow continues to be a challenge, especially given the issues with the funding model that clubs are held to. This was also highlighted in the recent Rosehill Inquiry by the board of the ATC. However, given that the loss generated by the transfer of The Coast race day as highlighted earlier in my report, this result is very pleasing in these fairly testing economic times. It again highlights our dependency on other forms of income like our investments and our function business.

Our training operation continues to be a major financial drain on our resources due to the underutilisation 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.

As I have highlighted for many years the gradual decline in wagering income via our major partner the TAB is a major industry challenge. Their revenue, the major contributor to our income, was again significantly impacted during the 2023/24 year. There are several reasons for this, however the continued rise of sports betting and market drift towards the large corporate bookmakers such as Sportsbet, Ladbrokes etc is one of the major factors. The income from the corporate bookmaker’s product fee 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 so the Club generally sees no benefit for the percentage of that turnover generated with these bookmakers from the product we put on. It is my view this part of the funding model will need to be addressed to ensure sustainability of all Clubs.

Racing

The club, in conjunction with Racing NSW increased prizemoney by a total of $225,000 for the following races:

- Gold Cup from $250,000 to $300,000;
- Takeover Target Stakes from $200,000 to $250,000;
- Thunder Thousand from $175,000 to $200,000;
- Belle of the Turf from $240,000 to $300,000; and
- Gosford Guineas from $160,000 to $200,000

Gosford Race Club now hosts five feature races each year, and the following tables show the results of these events in 2023/24.

<u>$500,000 The Coast</u>

Magaspin – T Sherry – L & T Corstens

Gosford Race Club Limited

Chairman's Report
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$300,000 Listed Buterin L'Estrange Gosford Gold Cup

Hezashocka – C Scholfield – M Price & M Kent

$300,000 Group 3 Gosford RSL Belle of the Turf Stakes

Lekvarte – T Berry – J Pride

$250,000 Listed DeBortoli Wines Takeover Target Stakes

Semillion – Z Lloyd (a) – M, W & J Hakes

$150,000 Listed Sneddon Bros Gosford Guineas

Royal Tribute – A Hyeronimus – G Waterhouse & A Bott

Premierships

During the racing season 2023/24 the following premierships were conducted:

Wins at Gosford

Leading trainer: P & P Snowden - 10 wins

Leading jockey: T Berry - 10 wins

Leading apprentice: Z Lloyd – 9 wins

Gosford domiciled trainers – All racetracks

Leading Gosford trainer: A Davies & J Hull – 14 wins each

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, charity partner sponsors and corporate members, and these are listed below:

Abc Filling Pty Ltd
Abcoe Central Coast
Airpak Sheet Metal
All Point Security
Ascend Sales Trophies
Aubrey Brown Lawyers
B.O.M.A.S - Social Motorcycle Club
Bendigo Bank
Big Boy Nanas
Bishop Collins Chartered Accountants
Kev's Windows & Doors
Kimick Holdings
Lion Nathan Tooheys
Master Builders Association
Mcgrath Central Coast
Mounties Group
Narara Plumbing
Nova Coast
Oak Haven Brewery
Outdoor Leisure Living Patios

Blue Haven Pools
Brisbane Water Glass
Bryden's Lawyers
BTS Energy
Buterin L'Estrange
Central Coast Carpet One & Blinds
Central Coast Chery
Central Coast Cleaning Contractors
Central Coast Crusaders
Central Coast District Council of RSL Subbranches
Central Coast Granite
Central Coast Leagues Club
Central Coast Legacy
Central Coast Mariners
Certe
Coastal Waters Painting
Coral and Jack Press Memorial
DACH Constructions
De Bortoli Wines
Eagles Plumbing Plus
East Coast Beverages
Eden Brae Homes
Entero
Erina Fencing
Family of League
Feale Park Training
Fluid Plumbing
Forbes Site Services
Gosford IT
Gosford RSL
Hawkesbury Brewing Co
Hip Pocket Workwear & Safety
Industree Group
Intent Building
Pirtek Central Coast
Pluim Group
Power Productions Content Creation
Premises IT
Pure Design Constructions
Quickcoat Waterproofing
Railway Hotel
Rhys Morris Forever Young
Scape Properties
Sharp DS Central Coast
Signarama Erina / Gosford
Skillion Pools
Smart Solar Commercial
Sneddon Bros
TAB
Tanti Financial Services
Taperell Rutledge Solicitors
Temperature Control
Terrigal Hotel
Terrigal Wamberal Sharks
TGB & Sons
The "JACK CHALKER MEMORIAL"
The Entrance Leagues Club
The Rusty Grange Memorial
Thomas Painting Master Logo
Tile & Stone Warehouse
Titan Financial Services
TNT Plumbing & Drainage
Triple M
Uppa Hunter Contracting
Viridian Financial Group
Wattz Fasteners
Westpac Rescue Helicopter Services

Internal Staff

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

Gosford Race Club Limited

Chairman's Report
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Over the course of the last 12 months we have seen the following movements within the workforce:

- Stacy Fraider – Stacy has moved from being the Administration Assistant to our race day & events sales manager. Within this remit, Stacy will also look after our membership base. Stacy has proven that she is a valued member of staff, and we look forward to seeing what she can achieve in this new role.
- Ricky Fraser – Ricky has been promoted to the role of Leading Hand within the tracks team. Ricky has vast equine experience and was a former trackwork rider. Ricky is now undergoing Racing NSW training in racecourse management and will sure to be a great addition to the track team.

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.

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 Board 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.

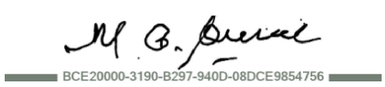
Gosford Race Club Limited

Chairman's Report
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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 continued 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 2024

Gosford Race Club Limited

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Gosford Race Club Limited

Directors' report
30 June 2024

The directors present their report on Gosford Race Club Limited for the financial year ended 30 June 2024.

Information on directors

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

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

Michael Griffiths	
Qualifications	Vice Chairman
Experience	Business Development & Property Sub-Committee
	Risk Sub-Committee
	Company Director
Special responsibilities	Director since October 2010
	Elected Vice Chairman 24 October 2017

Mark Holton	
Qualifications	Director
Experience	Finance & Audit Sub-Committee
	Fellow Certified Practising Accountant
Special responsibilities	Director since October 2021
	Elected Treasurer October 2022

David Hassab	
Qualifications	Director
Experience	Business Development & Property Sub-Committee
	Finance & Audit Sub-Committee
	Company General Manager
Special responsibilities	Director since December 2015
	Chair of Business Development Committee

Reginald Delaney	
Qualifications	Director
Experience	People & Remuneration Sub-Committee
Special responsibilities	Director since October 2003

Naseema Sparks	
Qualifications	Director
Experience	People & Remuneration Sub-Committee Finance & Audit Sub-Committee Risk Sub-Committee
Special responsibilities	Director since October 2021

Peter Kernan	
Qualifications	Director
Experience	Business Development & Property Sub-Committee People & Remuneration Sub-Committee Risk 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.

Meetings of directors

During the financial year, 12 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	12	11	1	-
Michael Griffiths	12	12	-	-
Mark Holton	12	11	1	-
David Hassab	12	10	2	-
Reginald Delaney	12	12	-	-
Naseema Sparks	12	10	1	1
Peter Kernan	12	12	-	-

Company secretary

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

Gosford Race Club Limited

Directors' report
30 June 2024

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 loss of the Club after providing for income tax amounted to ($760,461) (2023: ($706,069)).

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 loss of the Club for the year ended 30 June 2024 was ($760,461) (2023: ($706,069)), after charging $929,228 (2023: $866,941) for depreciation and $2,709 (2023: $58) for net finance costs.

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 2024 and the comparison with the prior year is as follows:

Number of members	2024	2023
General	832	876
Life	9	10
Corporate	16	10
Total	857	896

As at 30 June 2024, the total amount that members of the Club are liable to contribute if the Club is wound up is $1,714 (2023: $1,792).

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.

Likely developments in the operations of the Club and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Club.

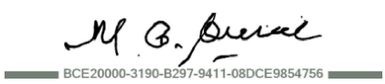
Proceedings on behalf of the Club

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.

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 2024 has been received and can be found on page 7 of the financial report.

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



Michael Cusick
Director



Mark Holton
Director

Dated: 11 October 2024

prosperity
audit services

Sydney
Level 11, 309 Kent Street
Sydney NSW 2000
PO Box 20726 World Square NSW 2002
T 02 8262 8700 F 02 8026 8377

Newcastle
Level 2, 175 Scott Street
Newcastle NSW 2300
PO Box 234 Newcastle NSW 2300
T 02 4907 7222 F 02 8026 8376

Brisbane
Level 22, 333 Ann Street
Brisbane QLD 4000
GPO Box 2246 Brisbane QLD 4001
T 07 3839 1755 F 07 3839 1037

T 1300 795 515

W prosperity.com.au

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 2024, 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.

Alex Hardy

ALEX HARDY

Partner

11 October 2024

Prosperity Audit Services

PROSPERITY AUDIT SERVICES

Newcastle

Gosford Race Club Limited

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 $	2023 $
Revenue	5	16,406,587	15,628,612
Other income	5	409,697	228,519
Administration expenses		(1,746,899)	(1,702,017)
Marketing and promotions		(237,783)	(162,401)
Racing expenses		(2,375,194)	(2,171,991)
Racecourse maintenance		(1,189,656)	(1,192,119)
Hospitality and events		(1,336,417)	(1,613,764)
Prize money, trophies and subsidies		(9,633,832)	(8,804,313)
Other expenses		(125,027)	(49,596)
Profit before depreciation, amortisation and finance costs		171,476	160,930
Depreciation and amortisation expenses		(929,228)	(866,941)
Net finance costs		(2,709)	(58)
Income tax	3.a	-	-
Loss for the year		(760,461)	(706,069)
Other comprehensive income			
Net increase in fair value of financial assets		295,422	335,590
Total comprehensive loss for the year		(465,039)	(370,479)

The accompanying notes form part of these financial statements.

Gosford Race Club Limited

Statement of financial position
As at 30 June 2024

	Note	2024 $	2023 $
Assets			
Current assets			
Cash and cash equivalents		826,275	79,048
Trade and other receivables	8	1,494,769	2,349,094
Inventories		105,991	124,181
Total current assets		2,427,035	2,552,323
Non-current assets			
Financial assets	14	5,789,508	5,547,341
Property, plant and equipment	9	15,868,218	16,768,018
Right-of-use assets		77,956	26,556
Total non-current assets		21,735,682	22,341,915
Total assets		24,162,717	24,894,238
Liabilities			
Current liabilities			
Trade and other payables	10	893,630	814,780
Borrowings	11	-	289,573
Employee benefit provisions	12	246,499	191,056
Lease liabilities		14,568	24,963
Income received in advance		58,585	185,545
Total current liabilities		1,213,282	1,505,917
Non-current liabilities			
Employee benefit provisions	12	38,260	64,706
Lease liabilities		77,794	25,195
Total non-current liabilities		116,054	89,901
Total liabilities		1,329,336	1,595,818
Net assets		22,833,381	23,298,420
Equity			
Retained earnings		20,479,854	21,240,315
Reserves	16	2,353,527	2,058,105
Total equity		22,833,381	23,298,420

The accompanying notes form part of these financial statements.

Gosford Race Club Limited

Statement of changes in equity
For the year ended 30 June 2024

2023	Retained earnings $	Fair value reserves $	Total $
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
Balance at 30 June	21,240,315	2,058,105	23,298,420

2024	Retained earnings $	Fair value reserves $	Total $
Balance at 1 July	21,240,315	2,058,105	23,298,420
Loss for the year	(760,461)	-	(760,461)
Other comprehensive income	-	295,422	295,422
Balance at 30 June	20,479,854	2,353,527	22,833,381

The accompanying notes form part of these financial statements.

Gosford Race Club Limited

Statement of cash flows

For the year ended 30 June 2024

	2024 $	2023 $
Cash flows from operating activities:		
Receipts from customers	19,165,077	17,356,259
Payments to suppliers and employees	(18,519,258)	(17,600,252)
Interest received	4,475	5,988
Interest paid	(7,184)	(6,046)
Net cash flows from/(used in) operating activities	643,110	(244,051)
Cash flows from investing activities:		
Proceeds from sale of plant and equipment	766,033	-
Purchase of property, plant and equipment	(677,901)	(753,107)
Receipts from investment income	274,571	152,871
Net (purchase)/sale of investments	53,255	24,785
Net cash provided by/(used in) investing activities	415,958	(575,451)
Cash flows from financing activities:		
Proceeds from borrowings	-	300,000
Repayment of borrowings	(289,573)	(10,427)
Payments of principal component of leases	(22,268)	(26,971)
Net cash provided by/(used in) financing activities	(311,841)	262,602
Net increase/(decrease) in cash and cash equivalents	747,227	(556,900)
Cash and cash equivalents at beginning of year	79,048	635,948
Cash and cash equivalents at end of financial year	826,275	79,048

The accompanying notes form part of these financial statements.

Gosford Race Club Limited

Notes to the financial statements
For the year ended 30 June 2024

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 2024 were the conduct of licensed horse racing.

The financial report was authorised for issue by the Directors on 11 October 2024.

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.

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

3. Material accounting policy information

a. Income tax

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

b. 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.

3. Material accounting policy information (continued)

c. 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.

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 are 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.

3. Material accounting policy information (continued)

c. Financial instruments (continued)

i. Financial assets (continued)

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.

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.

Where the simplified approach to expected credit loss (ECL) is not applied, 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.

3. Material accounting policy information (continued)

c. Financial instruments (continued)

i. Financial assets (continued)

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.

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.

d. Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time at 30 June 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

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.

4. Critical accounting estimates and judgements (continued)

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 2024.

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.

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.

5. Revenue and other income (continued)

a. Accounting policy (continued)

i. Grants revenue (continued)

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. TAB distributions

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

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.

v. Sponsorship

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

vi. 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.

vii. 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.

viii. 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.

5. Revenue and other income (continued)

a. Accounting policy (continued)

ix. Training Fees

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

x. 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.

b. Revenue

	2024 $	2023 $
Revenue		
TAB distributions - net	4,631,025	4,693,301
Racing	7,157,900	6,325,600
Hospitality and events	2,145,257	2,018,482
Sponsorship and broadcast rights	1,595,193	1,692,998
Rental income	125,687	146,017
Nominations and acceptances	151,896	140,535
Membership subscriptions	88,439	81,351
Admissions	84,403	114,268
Bookmaker fees	26,240	10,836
Training fees	400,547	405,224
	16,406,587	15,628,612

c. Other income

Net gain on disposal of property, plant and equipment	104,488	16,364
Infrastructure funding	-	25,544
Income from investments	199,004	152,871
Other sundry income	106,205	33,740
	409,697	228,519

6. Personnel expenses

	2024 $	2023 $
Wages and salaries	1,839,775	2,109,847
Superannuation	198,870	214,724
Other employment expenses	349,011	192,858
	2,387,656	2,517,429

7. Auditor's remuneration

Audit of financial report	29,500	28,040
Tax compilation and advisory services	8,000	15,700
Time and attendance system advisory services	2,500	2,500
	40,000	46,240

8. Trade and other receivables

Trade receivables	207,697	200,607
Accrued income	1,287,072	2,148,487
	1,494,769	2,349,094

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.

9. 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. 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.

9. Property, plant and equipment (continued)

a. Accounting policy (continued)

i. Depreciation (continued)

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

Fixed asset class	Useful life
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

	2024 $	2023 $
Land		
Land	1,676,139	1,881,139
Buildings		
At cost	13,521,872	13,893,828
Accumulated depreciation	(5,905,644)	(5,816,878)
	7,616,228	8,076,950
Plant and equipment		
At cost	6,837,423	6,468,118
Accumulated depreciation	(4,441,794)	(4,089,435)
	2,395,629	2,378,683
Motor vehicles		
At cost	46,188	46,188
Accumulated depreciation	(21,170)	(9,623)
	25,018	36,565

9. Property, plant and equipment (continued)

b. Property, plant and equipment details (continued)

	2024 $	2023 $
Ground improvements		
At cost	6,308,225	6,297,179
Accumulated depreciation	(2,153,021)	(1,902,498)
	4,155,204	4,394,681
	15,868,218	16,768,018

2024	Land $	Buildings $	Plant and equipment $	Motor vehicles $	Ground improvements $	Total $
Balance as at 1 July	1,881,139	8,076,950	2,378,683	36,565	4,394,681	16,768,018
Additions	-	297,550	369,305	-	11,046	677,901
Depreciation	-	(301,727)	(352,359)	(11,547)	(250,523)	(916,156)
Disposals	(205,000)	(456,545)	-	-	-	(661,545)
Balance at 30 June	1,676,139	7,616,228	2,395,629	25,018	4,155,204	15,868,218

10. Trade and other payables

Current		
Trade payables	337,032	135,188
GST payable	235,258	369,279
Other trade and other payables	321,340	310,313
	893,630	814,780

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.

11. Borrowings

Secured		
Bank loan	-	289,573

11. Borrowings (continued)

a. Defaults and breaches

During the current year, there were no defaults or breaches on any of the loans. The Club repaid the balance of the loan during the year.

In 2024, the Club has access to an undrawn Bank loan facility worth $nil (2023: $624,024).

12. 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

	2024 $	2023 $
Current		
Provision of long service leave	100,363	59,403
Provision of annual leave	146,136	131,653
	246,499	191,056
Non-current		
Provision for long service leave	38,260	64,706

13. Commitments

In the opinion of the Directors, the Club did not have any capital commitments at 2024 (2023: None).

14. 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:

	2024 $	2023 $
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	826,275	79,048
Trade and other receivables	1,494,769	2,349,094
	2,321,044	2,428,142
Fair value through Other Comprehensive Income (OCI)		
Listed investments	5,789,508	5,547,341
	8,110,552	7,975,483
Financial liabilities		
Financial liabilities measured at amortised cost		
Trade and other payables	893,630	814,780
Lease liabilities	92,362	50,158
	985,992	864,938

15. Key management personnel remuneration

The remuneration paid to key management personnel of Gosford Race Club Limited during the year is $565,458 (2023: $495,967).

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 Club 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;

17. Contingencies (continued)

a. Infrastructure upgrade works (continued)

- The Club ceases to operate as a race club;
- 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. 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 (2023: $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.

Businesses controlled by Directors of the Club provided services amounting to $1,607 (2023: $26).

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.

19. 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.

20. 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.

21. 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

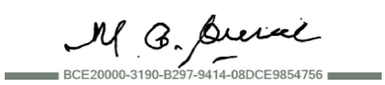
Gosford Race Club Limited

Directors' declaration

The directors of the Club declare that:

1. The financial statements and notes for the year ended 30 June 2024 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 2024 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.



Michael Cusick
Director



Mark Holton
Director

Dated: 11 October 2024

prosperity
audit services

Sydney
Level 11, 309 Kent Street
Sydney NSW 2000
PO Box 20726 World Square NSW 2002
T 02 8262 8700 F 02 8026 8377

Newcastle
Level 2, 175 Scott Street
Newcastle NSW 2300
PO Box 234 Newcastle NSW 2300
T 02 4907 7222 F 02 8026 8376

Brisbane
Level 22, 333 Ann Street
Brisbane QLD 4000
GPO Box 2246 Brisbane QLD 4001
T 07 3839 1755 F 07 3839 1037

T 1300 795 515

W prosperity.com.au

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 2024, 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 2024 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 2024, 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 the directors determine 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, the directors are 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.

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.

Independent audit report to the members of Gosford Race Club Limited

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 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.

Independent audit report to the members of Gosford Race Club Limited

ALEX HARDY

Partner

11 October 2024

PROSPERITY AUDIT SERVICES

Newcastle



THE ENTERTAINMENT GROUNDS

CENTRAL COAST

Gosford Race Club Limited

Racecourse Road, Gosford
NSW 2250, Australia
02 4325 0461

ABN 26 003 846 124