



AUSTRALIAN TURF CLUB



2021 ANNUAL REPORT

“ Before this horse (Stay Inside) had his first start I told Michael he needed time. Now he’s bloody gone and won a Golden Slipper.”

Tommy Berry after winning his third Longines Golden Slipper in 2021 on Stay Inside (Paul McMillan).



CONTENTS

Chairman's Report	03
Chief Executive Officer's Report	09
Introducing the WINX Stand	16
Community Engagement	18
Year in Review	24
Group 1 Race Winners	26
Our Partners	28
Financial Report	29

Front cover: 2021 Heineken T J Smith Stakes winner, Nature Strip with James McDonald onboard (Bradley Photographers).



2021 Longines Golden Slipper trophy (Paul McMillan).

CHAIRMAN'S REPORT



THE AUSTRALIAN TURF CLUB IS ONE OF THE NATION'S MOST SUCCESSFUL MEMBER AND SPORTING ORGANISATIONS AND A TRUE LEADER IN RACING OF ANY JURISDICTION ANYWHERE IN THE WORLD.

As Chairman, on behalf of Directors and all Australian Turf Club staff, it is with pride and gratitude we present this 2020/21 Annual Report which places the Club and Sydney racing in a strong financial position for the future.

The COVID-19 pandemic impacted the lives and businesses of people across the world like nothing else in modern times.

That your Club's major role in operating Sydney racing continued right throughout the year, due to the diligence and professionalism of the staff, a steadfast relationship with Racing NSW and the extraordinary efforts of racing participants, is arguably unmatched.

Crucially it has been our Members who underpinned this success.

In outlining many highlights of 2020/21, may I first single out Members of this great Club and thank and acknowledge your vital loyalty and support.

MEMBERS

With NSW Government Health Orders preventing Members from being on course for significant periods, it was very important your Club remained engaged with Members and recognised and rewarded your patience.

The work by Directors and Management team in extending your Membership and freezing annual subscriptions was industry-leading in Australian racing and many sporting clubs.

More pleasingly we were able to budget for Members to receive credits on food and beverage purchases when back on course, with more than \$1 million redeemed.

These measures recognised the financial hardship many Members across all communities suffered during COVID-19.

With this financial support also came a responsibility for us to increase communications and keep Members involved in our racing from their homes.

I was tremendously pleased and heartened to receive many messages back from Members in support of the Club during these times.

Perhaps above all it was wonderful that when we welcomed Members back on track, including for Spring and Everest Carnival 2020 and through to the end of Autumn 2021, we did so within some enhanced Members' facilities and with an even greater passion for enjoying world-class racing and horses.

ATC TEAM

The well-being, training and performance of the Club's staff has been a priority of ATC strategy for a number of years and the past 12 months brought this into even sharper focus.

A myriad of challenges in managing our racing safely and effectively through COVID-19 – especially at differing stages with and without Members, owners and spectators – called on staff in every department of the Club.

I commend their outstanding efforts and performance, noting that other racing Clubs followed many of our protocols and initiatives, including "Racing from Home" packages and experiences created by our Membership, Racing and Commercial departments.

I also encourage Members to see changes around the raceday experience as they interact with ATC staff, coupled with a very well-received launch of the Club's new branding.

All of this comes around the Club's busy and unique role of racing 52 weeks a year, now with further increased workloads for our people on Saturdays.



2020 Everest Carnival media launch (Hannah Lassen)

Our CEO Jamie Barkley and his talented team deserve great congratulations on continuing to make Sydney racing world-class for our Members and customers at 110 meetings through the year.

FINANCIAL STRENGTH

Directors are very pleased with the financial performance of the Club in 2020/21 under the obvious challenges of COVID-19.

Your Club's EBITDA, Net Surplus, Balance Sheet and Cash Flow are the strongest in more than five years.

This is a testament to our entire team and notably the Chief Financial Officer Matt Galanos in steering ATC through COVID-19, including in further planning for the 2021/22 year and beyond.

Importantly, earlier this year ATC established separate three-year, 10-year and 20-year strategies to ensure your Club has plans for the immediate and long-term future.

Two of the more significant planning items are for the installation of lights for night racing at Royal Randwick, and more stabling on course at Warwick Farm.

RACING AND BUILDING FOR THE FUTURE

A range of projects across many different parts of ATC continued through the year in either development or a roll-out

stage and it is important to highlight these in looking at our forward plans.

The build of the CRM portal - which will transform your Membership experience and access to tickets, rewards and communications - is a game-changer.

Much of this was undertaken by the Membership, IT and Finance teams during the disrupted year but rolled out as part of subscription renewals and services from this year.

The CRM project was achieved and brings further outstanding value to your Membership subscriptions. Further enhancements and benefits are planned and will be available as we continue to build this important programme.

We were also pleased with the progress of construction of the WINX Stand - again with major hurdles posed by COVID-19 - and to be preparing to open this magnificent ATC project within budget.

The stand named in honour by ATC of the mighty mare Winx and her magnificent statue at Rosehill Gardens are permanent reminders and places for enjoyment for Members and patrons.

These two fully-funded ATC projects in honour of Winx go to the heart of what your Club ultimately exists for - world-class horses and racing.

RACING INFRASTRUCTURE

Inextricably linked to our world-class racing are the Club's tracks and training infrastructure.

Sydney continues to attract the best horses, trainers and jockeys in the world - all year round - and Board and Management are finely attuned to our role in progressively maintaining and improving all of the Club's racecourses.

A full replacement of the Warwick Farm A-Grass in partnership with Racing NSW was completed in the financial year on budget and on schedule, and further enhances the care of more than 700 horses at our biggest training centre.

Across all ATC training venues we stable some 1,700 horses, which is a credit to the ATC team and trainers and all their staff who care for the thoroughbreds every day.

Stable boxes were decommissioned and refurbished in Lower High Street at Royal Randwick along with other equine safety and landscaping projects for the benefit of both horse and humans.

Each of our four racecourses have Polytracks, amongst more than 27 racing and training surfaces managed 52 weeks a year by the ATC's outstanding Tracks teams and Racecourse Managers.

These projects and others are strategic and practical outcomes for Members, owners and racing participants to ensure horses remain in the best of care and that Sydney racing continues to grow stronger.

Directors including those on the Property Sub Committee along with senior Executives and Management are increasingly taking stable tours and consultation with our trainers to further improve facilities.

THANK YOU TO OUR PARTNERS AND STAKEHOLDERS

In this past year ATC's relationships with a great many stakeholders has been as important as ever.

This starts with Racing NSW, and I pay tribute to Chairman Russell Balding and CEO Peter V'landys for their leadership across NSW, especially through COVID-19.

The ATC's significant role in working with Government and local councils across all parts of our business deserves special mention.

CEO Jamie Barkley and his Executive team have continued to build the strongest of links across all areas of Government and I extend congratulations and thanks to the ATC Management team.

We particularly thank Minister for Better Regulation and Innovation Kevin Anderson and Minister for Jobs, Investment Tourism and Western Sydney Stuart Ayres who with their Government colleagues including Former Premier Gladys Berejiklian are strong supporters of our racing, business and community projects.

CHAIRMAN'S REPORT

Our racing would not be as valuable and vibrant without the ongoing partnerships with many sponsors, in particular Foundation Partners TABCORP, Longines, Lion, The Star and Moët Hennessy.

These key partners along with a great many other annual commercial and racing industry organisations stayed strong with ATC through the toughest of trading times during COVID-19.

We must thank the amazing racing participants who continue to provide us with thrilling performances and memories.

Trainers, jockeys, strappers, stable staff, through to vets, float drivers and a range of industry groups are among thousands of people who deserve recognition.

Special congratulations to Sydney's now 11-time Training Premiership winner Chris Waller and jockey James McDonald on his fifth Premiership - both men sit at the top of Sydney's hugely talented and competitive sport of racing.

During the past year we strengthened relationships with NSW Provincial and Country racing Clubs, interstate Clubs including naming reciprocal races on Winx Stakes Day, and our peer International Race Clubs.

It's vital we maintain these relationships to keep connected through the industry and to reaffirm our Member Club affiliations.

FELLOW DIRECTORS

A final thanks and acknowledgement of ATC Directors, who freely give a great deal of their own time and expertise, at numerous Board and Sub-Committee meetings, all through the year.

To Bill Evans and Phil Morley - who after distinguished service retired from the Board during the year - your work and diligence is greatly appreciated and commended by Members and colleagues.

They along with Vice-Chair Julia Ritchie and fellow Directors Trish Egan, Angela Belle McSweeney, Paul Barnett, Tim Hale and Ben Bayot bring enormous benefit to Members and your Club.

We warmly welcome Tim and Ben to the Board following the departures of Bill and Phil.

Again to Members, thank you for being the lifeblood of the Australian Turf Club.

We look forward to seeing you at the track again very soon as we enjoy and celebrate the very best of thoroughbred racing.



Matt McGrath
Chairman

"Every big win is special. I was lucky enough to team up with Redzel soon after he got racing with the Snowden's. This is a horse that Carmel (Size) threw me on and Les (Bridge) threw me on really early in his career and he showed instant brilliance."

Kerrin McEvoy after winning his third TAB Everest in 2020 on Classique Legend (Bradley Photographers).





Sonia Kruger, 2021 Sydney Autumn Racing Carnival Ambassador (Hanna Lassen).

CHIEF EXECUTIVE OFFICER'S REPORT



THE AUSTRALIAN TURF CLUB AND SYDNEY RACING HAVE DELIVERED TRULY WORLD-CLASS RESULTS IN 2020/21 IN THREE CRITICAL AREAS: RACING, MEMBERSHIP AND FINANCIAL PERFORMANCE.

I am pleased to report the Australian Turf Club has delivered a strong set of results in 2020/21, particularly in the three critical areas of Racing, Membership and Financial performance.

What makes these results so pleasing is that they were delivered in a year significantly affected by COVID-19.

Despite the impacts on raceday attendance and our important Meeting and Events business, ATC has produced another surplus to sustain and plan for the Club's future.

The resilience of ATC and Racing NSW during extensive COVID-19 restrictions and operational impacts, including periods of reduced or no spectators, enabled Sydney racing to continue for our Members and millions of our customers and spectators.

The Club rose to the unforeseen challenge of a washed out 2021 Longines Golden Slipper Day which resulted in five of the six Autumn Carnival racedays being rescheduled by one week. The business-wide response included the successful reallocation of thousands of Carnival General Admission ticketholders and 10,000 Hospitality customers.

ATC successfully delivered the two largest COVID-Safe racedays in the world in 2020/21: Everest Day at Royal Randwick and Golden Eagle Day at Rosehill Gardens.

Innovation remained at the forefront and included ATC's industry-leading "Racing from Home" program which kept Members and fans informed, entertained and connected to Sydney racing.

ATC's new Project BOLD launched in Autumn to innovate the Member and Customer Experience across all four racecourses and drive continuous improvement in customer satisfaction. The first phase of a three-year Food & Beverage Strategy to reposition Members' retail food menus commenced.

Proudly, through the effort and dedication of our people during this challenging year, Members and customers have given us a record Net Promoter Score (a measure of customer satisfaction).

RACING

ATC delivered a spectacular 2020/21 season with prizemoney of \$143.7 million distributed across 110 metropolitan meetings.

We again hosted the largest number of the world's highest-rated races of any Club in Australia and saw Addeybb (IRE), one of the world's highest rated horses, come to Sydney and win against Australasia's best.

The TAB Everest confirmed its place as the world's best sprint race under a new prizemoney peak of \$15 million. Classique Legend won for Royal Randwick trainer Les Bridge and jockey Kerrin McEvoy, the latter winning a third TAB Everest in just the fourth running.

The Sydney Autumn Carnival remained amongst the world's leading racing events. Contests between Verry Elleegant and Addeybb brought supporters in both hemispheres to their feet in flagship races the Ranvet Stakes and Longines Queen Elizabeth Stakes.

ATC conducted 148 Feature races including 141 Black Type races with 29 at Group 1 Level. Overall there was a record 25 races carrying prizemoney of \$1 million or above.

Ten Group 1 races were officially rated amongst the Top 100 in the world at the Longines World's Best Race and Racehorse awards. This is the highest number of races of a Race Club globally.

The Group 1 Heineken T J Smith Stakes and Group 1 Longines Queen Elizabeth Stakes at Royal Randwick were rated amongst the overall best races in the world.

CHIEF EXECUTIVE OFFICER'S REPORT



Crowds at the 2400m of The Star Australian Oaks at Royal Randwick, 2021 (Paul McMillan).



Winx jockey, Hugh Bowman with trainer, Chris Waller at the Winx statue launch at Rosehill Gardens, 2021 (Paul McMillan).

The ATC Tracks team oversaw significant renovations on all five racetracks.

It was a milestone year for training infrastructure with the resurfacing of the Warwick Farm A-Grass, enabling a premium training surface for over 700 horses. Stabling facilities at Royal Randwick, Rosehill Gardens and Warwick Farm were also enhanced.

ATC led the industry in delivering over 120,000 individual ownership experiences including hospitality, media, communications and concierge. Whilst Everest Carnival owners' attendance was affected by COVID-19 restrictions, almost 1,500 owners and slot holders were hosted on Everest Day. This number grew in Autumn with 6,500 owners attending, including interstate and international owners.

FINANCIAL

Despite the considerable business challenges, an outstanding financial result has been achieved this year.

Our total comprehensive income of \$12.64m represents the highest reported income in the last five years, on the back of total income from operations of \$265.55m, which has almost been restored to the pre-COVID income of 2019 (Graph 1).

A primary driver of this result was the increase in income from TAB Distributions, which allowed us to pay record prizemoney of \$143.68m, an increase of \$12m from prizemoney levels in our last pre-COVID year of 2019 (Graph 2). Pleasingly, other operating expenditure remained flat in the current year at \$128.36m (Graph 3).

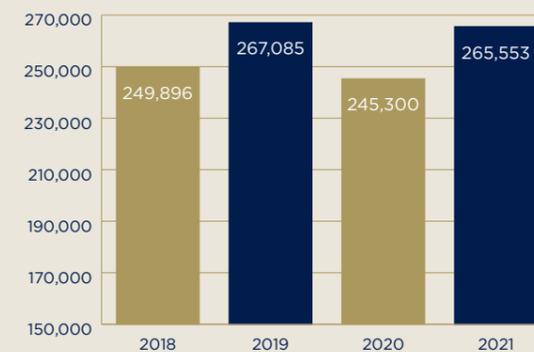
After removing the impact of non-operating items from Total Comprehensive Income, and removing the impact of depreciation and interest, our EBITDA has increased from \$18.46m to \$21.16m, which is the highest EBITDA result since 2015 (Graph 4).

The cashflows generated during the year also allowed ATC to repay \$10m of our bank debt facility, and \$4.05m of the RNSW interminable loan.

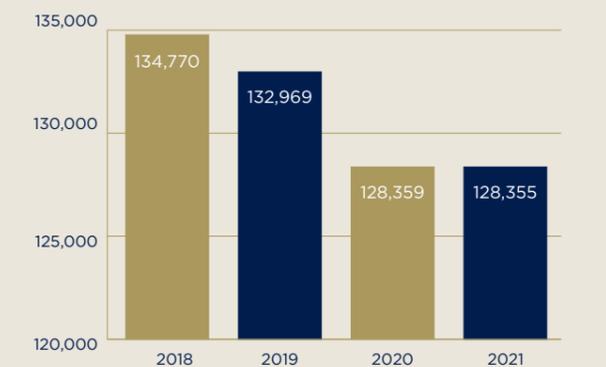
Table 1 - Financial performance for the year ended 31 July 2021

In thousands of AUD	2021	2020
Total Income	288,628	262,790
Total Expenses	(275,983)	(255,371)
Total Comprehensive Income for the period	12,645	7,419
<u>Add/(Subtract):</u>		
Repayment of RNSW interminable Loan	4,050	-
Legacy Stables Expenses	2,083	-
RNSW Capital Works Funding	(750)	(3,390)
Provision for Cladding remediation	(945)	-
(Profit)/Loss on Sale of Non-Core Assets	(10,954)	(1,956)
Defined Benefit Plan Actuarial (Profits)/Losses - Reserves	(158)	(536)
	(6,674)	(5,882)
<u>Add:</u>		
Depreciation	14,197	15,894
Interest	994	1,032
	15,191	16,926
Operating EBITDA	21,162	18,463

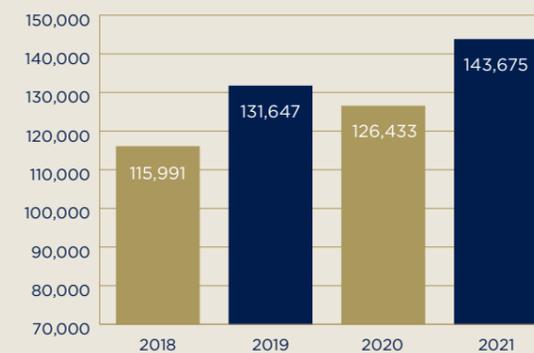
Graph 1 - Revenue from operations



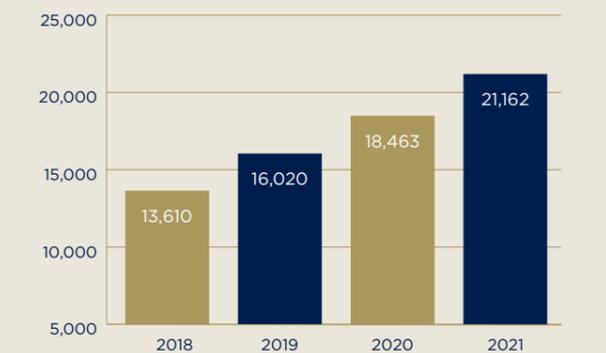
Graph 3 - Expenditure from other operating activities



Graph 2 - Prizemoney



Graph 4 - EBITDA



All above graphs are In thousands of AUD.

CHIEF EXECUTIVE OFFICER'S REPORT



Longines Queen Elizabeth Stakes winning jockey, Tom Marquand with Addeybb and strapper (Bradley Photographers).

MEMBERSHIP

Membership of the Australian Turf Club remains one of the most popular and prestigious in Australian sport.

ATC achieved a total of 14,821 Members and an 88 per cent retention rate in a COVID-19 impacted subscription season which was rescheduled to align to the racing season from 1 August.

ATC is the only Club in Australia to achieve this level of Member retention (on top of a waiting list). The Club also froze and reduced subscription fees and increased benefits such as food and beverage credits for Members.

The introduction of ATC dollars and Member Guest Ticket Vouchers to support 2020/21 Member renewals and impacts due to COVID-19 restrictions saw more than \$1 million in ATC Dollars credits redeemed.

Members enjoyed a refurbished Doncaster Room and Owners & Trainers Bar and Café at Royal Randwick and food and beverage discounts at all retail outlets.

Further Member initiatives included the introduction of mobile digital contactless order and payment for food and beverages for Spring Carnival.

The completion of a new Microsoft Dynamics CRM allowed ATC to consolidate data for Members to a single view of their subscription in the Member Lounge.

This game-changing project was followed by further technology enhancements for renewals, a unified platform for

payments to better service Members and digital ticketing with new turnstile systems at Royal Randwick and Rosehill Gardens.

These are first steps in our pursuit of a vision for ATC Members - a 'one stop' shop that sets a benchmark in Membership in Australian sport and entertainment.

COMMERCIAL

ATC produced a solid commercial performance through customer experience innovations, a sharp focus on profitability and strong acquisition and retention across all customer segments.

Investment in the next generation of racegoers saw continued success across Carnival days, the family-orientated KIA Friday Night Series at Canterbury Park and a successful debut of the Christmas Twilight event at Royal Randwick. A new initiative with local universities saw 3,000 students attend a June raceday at Royal Randwick including many first-time racegoers.

Our raceday events program included the sold-out second annual Everest Carnival Fashion Lunch at Royal Randwick, the inaugural Fabrics of Multicultural Australia (FOMA) Lunch on Golden Eagle Day at Rosehill Gardens and the successful Pink Raceday and Pink Fashion Lunch supporting The McGrath Foundation on Chandon Ladies Day in Autumn.

Strong restaurant sales across Spring and Autumn Carnivals and an increasingly popular Christmas/New Year period helped deliver \$1 million year on year hospitality revenue growth.



Gai Waterhouse with The Hon. Stuart Ayres MP at the 2021 Sydney Autumn Racing Carnival Media Launch (Hanna Lassen)

“ The partnership between Destination NSW and ATC will ensure the prestige, energy and excitement of Everest Carnival is a magnet for locals and visitors, and that the event is an outstanding example for the diversity of experiences Sydney offers year-round.”

The Hon. Stuart Ayres MP, Minister for Jobs, Investment, Tourism and Western Sydney

CHIEF EXECUTIVE OFFICER'S REPORT

ATC continued to be the venue of choice for many profiled charity race days throughout the year including the Cornucopia Committee and Sporting Chance Cancer Foundation.

ATC Commercial partnerships achieved a record year with \$10.6 million revenue and welcomed several new partners including Fujitsu General, ACY Securities, Cleanaway, Quayclean, Dyson and Winx Owners to its world-class partner portfolio. A number of key partnerships were renewed on three-year terms including The Agency, Coolmore, Arrowfield, City Tattersalls Club, Kia, Clubs NSW and Sporting Chance Cancer Foundation.

ATC and Destination NSW continued to grow a strategic partnership which saw increased investment in ATC Carnivals as signature events in Australia's premier tourist and events destination. The City of Parramatta supported the Longines Golden Slipper Carnival as an iconic event in Sydney's west.

Two successful Carnival media launches were held at iconic Sydney locations, the highly anticipated Winx Statue was unveiled at Rosehill Gardens and a giant Longines Golden Slipper experiential initiative toured high-traffic locations across Sydney.

Innovative digital content and experiences included the industry-leading "Racing from Home" program, and a "Love the Horse" series which proved popular with Members and racegoers while highlighting the passion and care the industry has for the thoroughbred.

The Meetings & Events domestic and international industry sector was extensively impacted by COVID-19. Despite this ATC was successful in achieving 80 per cent of the FY21 Meetings & Events revenue budget. ATC was awarded Best Function/Convention Centre Caterer and received an honourable mention for Best Events Caterer at the NSW Restaurant & Catering Awards for Excellence.

A new visual brand identity successfully launched for ATC and its four racecourses which has been widely embraced and applauded by Members and all stakeholders.

INFRASTRUCTURE & STRATEGY

ATC has made substantial progress against a three-year plan focusing on our racing, Members, raceday experiences and people.

ATC has continued to work with Liverpool City Council on provisions for Warwick Farm's non-core off-course land as well as to allow more on-course stabling at Warwick Farm.

Construction of the new \$48 million WINX Stand, a fully-funded ATC project with Racing NSW, continued at Royal Randwick and will be complete by the end of 2021, setting a new benchmark for spectator facilities and meetings and events.

Plans for night racing at Royal Randwick passed an important milestone with Randwick City Council endorsing ATC plans to install lights, which included extensive work to reduce light spillage and disruption around the local streets.

PEOPLE & CULTURE

I am incredibly proud of ATC's staff who are at the core of everything we do for our Members and customers 52 weeks a year. Our highly dedicated team has shown amazing diligence and professionalism over the past season and been instrumental



Moët Room at Royal Randwick (Hanna Lassen).

in keeping racing running during COVID-19 and maintaining the safety of our people, patrons and all racing participants.

Employee wellbeing was again a focus of management strategy. Initiatives included physical and mental wellbeing programs for our staff, increased learning and development opportunities, a successful Emerging Leaders program and mentoring program for middle management.

We also launched a new online rewards program to celebrate and recognise employee performance and milestones and delivered extensive new communication initiatives during COVID-19 lockdown.

As a result, employee turnover has remained stable and engagement of staff increased despite the challenging period.

THANK YOU

May I conclude by thanking on behalf of the entire ATC team all our key stakeholders, partners and racing participants for their support.

I thank Chairman Matt McGrath and all Directors for their strong support and guidance.

Our thanks to Racing NSW Chairman Russell Balding and CEO Peter V'landys for keeping racing operating safely during COVID-19.

To the trainers, jockeys and all stable staff who have joined this effort, congratulations and thank you.

I particularly thank the Australian Turf Club's Foundation Partners - TABCORP, Longines, Lion, Moët Hennessy and The Star - for their steadfast support.

To owners, we very much appreciate your support of our racing and your patience during the times when we have been restricted and unable to have you on track.

I also thank the media - including our official broadcast partners SKY Racing and Channel 7 - who have done a wonderful and important job in broadcasting Sydney racing to so many during lockdown periods.

Most importantly, thank you to our Members for your ongoing loyalty and commitment. You remain the lifeblood of our Club, which remains one of the world's very best.

Jamie Barkley
Chief Executive Officer

INTRODUCING THE WINX STAND



Artist's impression

SYDNEY'S NEWEST WORLD-CLASS VENUE

The new WINX Stand is inspired by Winx, a thoroughbred who captivated and inspired Australia, and who was for many the world's best racehorse. Over a racing career of five years, she became the world's highest-rated horse and set records which made her a household name. With her unprecedented achievements, there may never be another thoroughbred like Winx:

- » 37 wins and three second places from 43 starts
- » 33 race unbeaten streak over 1,462 days prior to her retirement in Autumn 2019
- » World record 25 Group 1 victories
- » Over \$26 million in prizemoney won

From December 2021 general admission patrons will enjoy an elevated raceday experience with state-of-the-art amenities over two floors of the WINX Stand.

With seamless indoor and outdoor flow, flexible light-filled spaces and an open-air rooftop terrace offering breathtaking views across the racecourse and Eastern Suburbs, it will also provide a platform for businesses to inspire champion performance across an array of domestic and international meetings and events including galas, conferences, exhibitions, celebrations and parties, and iconic music and cultural events.

The WINX Stand will complement Sydney's world-class offering boosting incoming business and revenue. It will deliver over \$150 million in economic benefit to NSW and support its economic recovery from COVID-19.



Artist's impression



Artist's impression



Artist's impression

WINX STAND HIGHLIGHTS

- » Two-storey multi-purpose \$45 million facility
- » 5,043m² of floor space
- » Ground | Hall 100m (w) x 23m (d) x 6.2m (h)
- » Level 1 | Two spaces of 32m (w) x 21m (d) x 4.5m (h), plus additional outdoor terrace
- » Up to 5,000 capacity on the Ground floor
- » Up to 3,000 capacity on Level 1
- » Open-air terrace overlooking the track
- » Natural light and a multitude of green spaces
- » Award-winning catering and hospitality
- » Accessible transport links to Sydney CBD including Light Rail and buses
- » Plentiful parking available on-site

COMMUNITY ENGAGEMENT



The key focus of our Community Engagement program is to put our people first and continue to further the ATC's commitment to being a socially responsible business. We achieve this through our connection and reach across the local areas of our four racecourses.

The ATC Foundation represents racing and our Members through the positive societal impact on both industry and non for-profit organisations.

CONTRIBUTION SUMMARY



Over **\$550,000** raised for the ATC Foundation through donations and fundraising activities. ATC Members contribute with hundreds of donations during the Member renewal process.



Generous donor, Mr Bon Ho, Owner of the 2020 TAB Everest winner, Classique Legend contributed **\$300,000** to the ATC Foundation providing grant funding for people in need.



Ongoing support from long-term sponsorship partner, Mirvac Limited.



ATC staff were involved in over **150 hours** of volunteering activities across numerous organisations including Ronald McDonald House, Salvation Army and Canterbury Little Athletics.



Food repurposing and redistribution program with over **5,000** meals distributed to organisations across Sydney who support people experiencing food insecurity, homelessness and family violence.



Contribution of over **\$50,000** in raceday fundraising activities for the Sydney Children's Hospital's Foundation (SCHF) and McGrath Foundation.

DROUGHT RELIEF



» Provided funding to the Foundation for Rural & Regional Renewal (FRRR) to invest in drought affected areas in Tamworth.

CHILDREN'S HEALTH



- » Invested in the delivery of an online well-being literacy program for over 3,800 families nationally for Camp Quality.
- » Provided 125 nights of accommodation for parents with seriously ill children through Ronald McDonald House Charities, Greater Western Sydney.
- » Supported 20 children with disabilities to attend the Sony Foundation's Holiday Camp.
- » Grant funding for refurbishment of isolation rooms Ronald McDonald House, Randwick.

SOCIAL SUPPORT SERVICES



» Support socially isolated seniors, persons with disability and long-term unemployed in Redfern, Zetland, Waterloo and Surry Hills through Beehive Industries Co-Operative Ltd.

MENTAL HEALTH / YOUTH



- » Supported 48 young men in mentoring programs at Quakers Hill High School and Kellyville High School through Top Blokes Foundation.
- » Invested in the development of an online, digital mental well-being training platform for 250 parents of teenagers across metropolitan and regional NSW through The Kidman Centre, UTS.
- » Supported sustainable educational workshops, training programs and products building mental fitness in communities across Australia through gotcha4life.

DOMESTIC VIOLENCE:



- » Assist 50 vulnerable children who have experienced family and domestic violence with a trauma recovery pack through RizeUp Limited.
- » Support community workshops providing knowledge and skills to be leaders against gender-based violence through The Deli Women & Children's Centre.



AFTER THE POSTPONEMENT OF THE 2021 LONGINES GOLDEN SLIPPER, NO FOOD WENT TO WASTE, WITH FRESH PRODUCE AND PRE-PREPARED MEALS DONATED TO VARIOUS FOOD RELIEF CHARITIES ACROSS SYDNEY.

Executive chef Gerry Maher (front) and his team at Rosehill Gardens sent more than 180 dozen oysters, 160kg peeled prawns, over 4,000 sandwiches/salads, 2,000 fruit boxes, 280kg variety of fruit and vegetables, 120kg beef fillet, 200kg fish fillet to those facing food insecurity.



Proceeds from Everest Carnival pins supported various ATC Foundation charitable causes.



Minister Kevin Anderson, former ATC Foundation Chairman Phil Morley and ATC CEO Jamie Barkley at Tamworth Jockey Club.

RACING INDUSTRY



- » Provided 36 riders with disabilities the opportunity to attend equine assisted activities at Riding for the Disabled (NSW) Cootamundra Centre in an area severely affected by the drought.
- » Supply funding to support ARCC Chaplain resource for women in Sydney and Provincial racing.
- » Facility improvements and construction of all-weather equestrian dressage arena in Malabar, NSW for South East Equestrian Club.
- » Purchase of a two horse angled float to transport horses for Riding for the Disabled Association in Mudgee.
- » Funding to support the implementation of four introductory programs in NSW through Equine Pathways Australia Limited.
- » Support full time dedicated Case Manager for the National Jockeys Trust.
- » Funding to support the film and visual re-creation of Darby McCarthy Life Journey, an inspiring life story of Australia's most successful Indigenous jockey, Richard Laurence (Darby) McCarthy.

EDUCATION



» Construction of imaginative school playground and outdoor learning environment at Earlwood Public School.

HOMELESSNESS



- » Investing in Milk Crate Theatre who co-create a performance which shares the stories, challenges and hopes of the Waterloo public housing estate community.
- » Laundry and shower services for people experiencing homelessness through Orange Sky.

HEALTH



- » Support the delivery of in-hospital peer support for families with a premature or sick newborn at the Royal Hospital for Women's Neonatal Intensive Care Unit (NICU) in Randwick. This includes education sessions to hospital staff (nurses and social workers).
- » Supporting medical research into all childhood cancers through The Kids' Cancer Project.
- » Support urgent and critical care to newborns through to adolescents within Sydney Children's Hospitals Foundation, Randwick.



2021 SYDNEY AUTUMN RACING CARNIVAL



2020 SPRING CARNIVAL



2021 Sydney Autumn Racing Media Launch at the Sydney Mint (Hanna Lassen).





Samantha Jade performing (Hannah Lassen).



Australian Cricketer David Warner with wife Candice and children (Hannah Lassen).



Gal Waterhouse with Santa Claus (Hannah Lassen).



28 | AUSTRALIAN TURF CLUB



29 | ANNUAL REPORT | 23

THE YEAR IN REVIEW

RACING



MEETINGS AND EVENTS



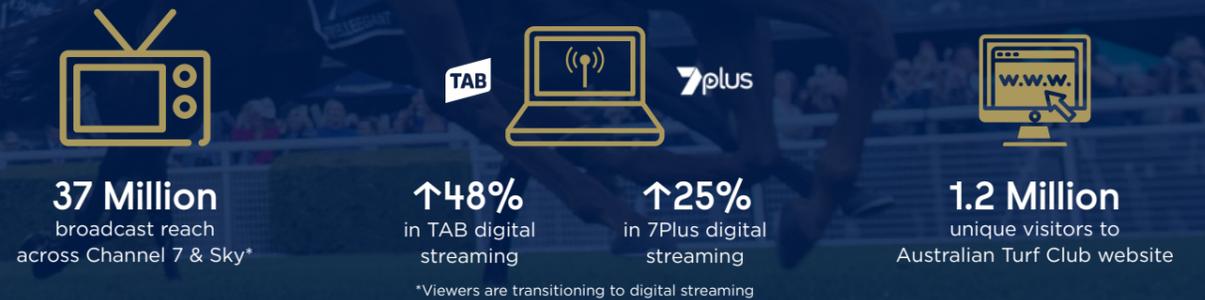
ATC FOUNDATION



FOOD AND BEVERAGE



BROADCAST AND SOCIAL MEDIA



MEMBERSHIP





2020 The TAB Everest winner, Classique Legend (Bradley Photographers).



2021 Longines Golden Slipper winner, Stay Inside (Bradley Photographers).



2020 Iron Jack Golden Eagle winner, Collette (Bradley Photographers).



2021 Longines Queen Elizabeth Stakes winner, Addeybb (Bradley Photographers).

GROUP 1 RACE WINNERS

Prizemoney	Race Name	Winner	Jockey	Distance (Metres)	Weight (Kg)	Trainer
\$4,000,000	Longines Queen Elizabeth Stakes	Addeybb (IRE)	Tom Marquand	2000m	59	William Haggas
\$3,500,000	Longines Golden Slipper	Stay Inside	Tommy Berry	1200m	56.5	Richard & Michael Freedman
\$3,000,000	The Star Doncaster Mile	Cascadian (GB)	Jamie Kah	1600m	53	James Cummings
\$2,500,000	Heineken T J Smith Stakes	Nature Strip	James McDonald	1200m	58.5	Chris Waller
\$2,000,000	Bentley Australian Derby	Explosive Jack (NZ)	John Allen	2400m	56.5	Ciaron Maher & David Eustace
\$2,000,000	Schweppes Sydney Cup	Selino (GB)	Ron Stewart	3200m	50	Chris Waller
\$1,500,000	Kia Tancred Stakes	Sir Dragonet (IRE)	Glen Boss	2400m	59	Ciaron Maher & David Eustace
\$1,000,000	De Bortoli Wines Golden Rose Stakes	Ole Kirk	Tommy Berry	1400m	56.5	Michael, Wayne & John Hawkes
\$1,000,000	Moët & Chandon Spring Champion Stakes	Montefilia	Jason Collett	2000m	54.5	David Payne
\$1,000,000	Mostyn Copper Randwick Guineas	Lion's Roar (NZ)	Brenton Avdulla	1600m	56.5	John O'Shea
\$1,000,000	TAB Epsom	Probabeel (NZ)	Kerrin McEvoy	1600m	52.5	Jamie Richards
\$1,000,000	The Agency George Ryder Stakes	Think It Over	Glen Boss	1500m	59	Kerry Parker
\$1,000,000	Moët & Chandon Queen of the Turf Stakes	Nettoyer	Tommy Berry	1600m	57	Wendy Roche
\$1,000,000	Inglis Sires'	Anamoe	James McDonald	1400m	56.5	James Cummings
\$1,000,000	The Star Australian Oaks	Hungry Heart	Kerrin McEvoy	2400m	56	Chris Waller

Prizemoney	Race Name	Winner	Jockey	Distance (Metres)	Weight (Kg)	Trainer
\$750,000	Heineken Metropolitan	Mirage Dancer (GB)	Nash Rawiller	2400m	55.5	Trent Busuttin & Natalie Young
\$700,000	Bisley Workwear Galaxy	Eduardo	Joseph Pride	1100m	57	Joseph Pride
\$700,000	Ranvet Stakes	Verry Elleegant (NZ)	James McDonald	2000m	57	Chris Waller
\$600,000	Coolmore Classic	Krone	Tim Clark	1500m	57	Tony Gollan
\$600,000	SKY Racing Rosehill Guineas	Mo'unga (NZ)	Tommy Berry	2000m	56.5	Annabel Neasham
\$600,000	TAB Chipping Norton Stakes	Verry Elleegant (NZ)	James McDonald	1600m	57	Chris Waller
\$600,000	Schweppes All Aged Stakes	Kolding (NZ)	Brenton Avdulla	1400m	59	Chris Waller
\$500,000	Fujitsu George Main Stakes	Kolding (NZ)	Tommy Berry	1600m	59	Chris Waller
\$500,000	Darley Flight Stakes	Montefilia	Hugh Bowman	1600m	56	David Payne
\$500,000	Heineken Canterbury Stakes	Savatiano	Hugh Bowman	1300m	57	James Cummings
\$500,000	Cellarbrations Surround Stakes	Forbidden Love	Nash Rawiller	1400m	56	Richard & Michael Freedman
\$500,000	Vinery Stud Stakes	Hungry Heart	Kerrin McEvoy	2000m	56	Chris Waller
\$500,000	Winx Stakes	Verry Elleegant (NZ)	James McDonald	1400m	57	Chris Waller
\$500,000	Moët & Chandon Champagne Stakes	Captivant	James McDonald	1600m	56.5	Peter & Paul Snowden

OUR PARTNERS

FOUNDATION PARTNERS



Official Beer & Cider Partner



Official Timekeeper & Watch Partner



Official Champagne Partner



Official Entertainment Partner



Official Wagering Partner

GOLD PARTNERS



BENTLEY



AIR CONDITIONING



EST 1867



SILVER PARTNERS



INDUSTRY PARTNERS



PARTNERS



FINANCIAL REPORT

BOARD PROFILES

For the year ended 31 July 2021



MATTHEW MCGRATH
Chairman
Independent Director



JULIA RITCHIE
Vice-Chair
Elected Director



TRISH EGAN
Independent
Director



ANGELA BELLE MCSWEENEY
Elected
Director



PAUL BARNETT
Independent
Director



TIM HALE sc
Elected
Director



BEN BAYOT
Elected
Director



BILL EVANS
Former
Director



PHIL MORLEY
Former
Director

EXECUTIVE PROFILES

For the year ended 31 July 2021



JAMIE BARKLEY
Chief Executive
Officer



MATT GALANOS
Chief Financial
Officer



JANE COLES
Executive General Manager
Member & Customer Experience



PIERS THOMPSON
Executive General Manager
Infrastructure & Strategic Projects



MEL RICHARDS
Executive General Manager
People & Culture



JAMES ROSS
Executive General Manager
Racing & Wagering

DIRECTORS' REPORT

For the year ended 31 July 2021

The directors present their report together with the financial statements of Australian Turf Club Limited (the Company), for the year 1 August 2020 to 31 July 2021 and the auditor's report thereon.

1. DIRECTORS

The directors of the Company at any time during or since the end of the year 1 August 2020 to 31 July 2021 are:

<p>Mr Matthew McGrath</p> <p>Independent Director GAICD</p>	<ul style="list-style-type: none"> » Appointed to the Board 1 February 2015 » Chair of the Board of the Company from 11 September 2018 » Director Australis Communications » Director Makachla Pty Ltd » Thoroughbred racehorse owner over past ten years » Chair of Property and Racing Infrastructure Committee » Member of Finance and Audit Committee » Member of Remuneration and Nomination Committee
<p>Ms Julia Ritchie</p> <p>Elected Director MAICD</p>	<ul style="list-style-type: none"> » Appointed to the Board 1 February 2015 » Vice-Chair of the Board of the Company from 11 September 2018 » Former Director NSW Racehorse Owners Association » Former Director of the Australian Jockey Club Limited » Thoroughbred breeder and racehorse owner for over 40 years » Owner and Director of Wild Oaks and Oak Ridge Spelling & Agistment farms » Chair of Commercial Committee » Member of Property and Racing Infrastructure Committee » Executive Director The Bill & Patricia Ritchie Foundation
<p>Ms Trish Egan</p> <p>Independent Director GAICD</p>	<ul style="list-style-type: none"> » Appointed to the Board 1 February 2015 » Vice-Chair of the Board of the Company from 19 September 2016 to 11 September 2018 » Chief Operating Officer, Diabetes NSW & ACT » Trustee, Racing NSW Equine Welfare Fund » Thoroughbred racehorse owner » Chair of Remuneration and Nomination Committee » Chair of Safety and Risk Committee » Chair of Australian Turf Club Foundation
<p>Ms Angela Belle McSweeney</p> <p>Elected Director GAICD</p>	<ul style="list-style-type: none"> » Appointed to the Board 1 February 2017 » Director H Q Productions » Marketing Consultant to racing industry for over 25 years » Winner of NSW Racehorse Owners Association Trophy for the single person contributing the most to racing » Established "Fashions on the Field" at request of AJC, leading to wider "Fashions on the Field" throughout NSW » Third generation of the McSweeney/Nailon racing family » Graduate Australian Institute of Directors » Current owner and previous owner of over fifty thoroughbred racehorses over the last three decades » Vice President The Black & White Committee for Vision Australia since 2012 » Member of Commercial Committee » Member of Safety and Risk Committee » Member of Australian Turf Club Foundation

DIRECTORS' REPORT

For the year ended 31 July 2021

<p>Mr Paul Barnett</p> <p>Independent Director GAICD</p>	<ul style="list-style-type: none"> » Appointed to the Board 1 February 2019 » Chief Executive Officer, Mingara Leisure Group » Director of ClubsNSW, Director of Club Keno Holdings Pty Ltd, Chairman of ClubBiz » Graduate of Australian Institute of Company Directors 2014 » Master of Management Enterprise (MME) University of Newcastle 2005 » Former Director Salvation Army Central Coast Advisory Board 2011-2015 » Former Director Coast Community Connections 2015-2017 » Former Director Regional Development Australia Central Coast 2009-2011 » Chair of Finance and Audit Committee » Member of Property and Racing Infrastructure Committee
<p>Mr Tim Hale SC</p> <p>Elected Director</p>	<ul style="list-style-type: none"> » Appointed to the Board 1 February 2021 » Senior Counsel for New South Wales since 1999 » Queens Counsel for Western Australia since 2000 » Member of Safety Risk and Welfare Committee » Member of Remuneration and Nomination Committee
<p>Mr Ben Bayot</p> <p>Elected Director</p>	<ul style="list-style-type: none"> » Appointed to the Board 12 May 2021 » Managing Director, Facilities First Australia » Managing Director, Serco Facilities Management » Member of Finance and Audit Committee » Member of Commercial Committee
<p>Mr Bill Evans</p> <p>Elected Director GAICD</p>	<ul style="list-style-type: none"> » Appointed to the Board 25 February 2014 to 31 January 2021 » Graduate of the Australian Institute of Company Directors » Graduate of Sydney University (Hons 1) » Graduate of London School of Economics (MSc) » Chief Economist, Westpac Banking Corporation » Former Chairman Australian Business Economists; Life Member » Chair of Finance and Audit Committee
<p>Mr Phil Morley</p> <p>Elected Director MAICD</p>	<ul style="list-style-type: none"> » Appointed to the Board 20 May 2016 to 11 May 2021 » Consultant/Advisor to the Food Industry » Previous Metcash Limited - Head of Fresh Protein Strategy » Former Chairman of Lenard's Group Holdings » Former Director of Meat & Livestock Australia » Former Director of Aus-Meat Limited » Former Director of the NSW Racehorse Owners Association » Thoroughbred racehorse owner for over 20 years » Chair of the Australian Turf Club Foundation » Chair of Remuneration and Nomination Committee » Member of Property and Racing Infrastructure Committee

DIRECTORS' REPORT

For the year ended 31 July 2021

2. INCORPORATION

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

3. DIRECTORS' MEETINGS

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

Director	Board		Finance & Audit		Safety & Risk		Remuneration & Nominations		Commercial		Property & Racing Infrastructure	
	A	B	A	B	A	B	A	B	A	B	A	B
Matthew McGrath	14	14	5	5	4	4	2	2	5	5	5	5
Julia Ritchie	14	14	3	3					5	5	2	2
Trish Egan	14	14			4	4	2	2	5	4		
Angela Belle McSweeney	14	14			4	4			5	5		
Paul Barnett	14	12	3	3	4	2					5	5
Tim Hale	7	7			2	2						
Ben Bayot	3	3	1	1					1	1		
Bill Evans	7	7	2	2								
Phil Morley	11	11					2	2			3	3

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

B - Number of meetings attended



2021 Australian Turf Club Board of Directors.

DIRECTORS' REPORT

For the year ended 31 July 2021

4. SHORT AND LONG TERM OBJECTIVES

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

- » Be a world-class centre for thoroughbred racing and training with a focus on horse welfare and safety.
- » Be a highly capable customer centric organisation delivery as one team.
- » Create memorable experiences and destinations that inspire customers, industry, staff and communities.
- » Grow and enhance brand and reputation.
- » Build a strong and active Member community.
- » Leverage balance sheet strength to position for long term sustainability and growth.
- » Prioritise asset divestment to create a future fund to protect the future of racing.
- » Create an agile technology platform.

5. STRATEGY AND PRINCIPAL ACTIVITIES

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

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

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

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

- » Conduct up to 110 metropolitan race meetings per annum in NSW, including 9 of the top 100 races in the world.
- » Provide training facilities for 1,750 horses stabled and in training at its three training venues.
- » Maintain its four racecourses and venues to deliver its racing, training and events programs.
- » Invest in and deliver COVID-19 safe carnival product and experiences.
- » Host over 3,000 diverse non-raceday and COVID-19 safe events.
- » Complete construction of the new WINX Stand.
- » Deliver an A-grass track for Warwick Farm and refresh Canterbury and Kensington tracks.
- » Complete essential upgrades to stabling areas.
- » Work with RNSW to ensure the Company received its full entitlement to funding from its wagering activities.
- » Deliver first phases of the CRM system and digital ticketing projects.
- » Progress the concept masterplan for Canterbury Park.
- » Work with Liverpool Council on its proposed structure plan.
- » Progress plans for night racing at Royal Randwick.
- » Refresh and operate the Rosehill Gardens Bowling Club.
- » Continue to work effectively with Government, business, industry and community organisations.
- » Enhance community engagement and charitable programs.

6. PERFORMANCE MEASUREMENT

The profit of the Company for the year 1 August 2020 to 31 July 2021 was \$12,645,000.

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

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

DIRECTORS' REPORT

For the year ended 31 July 2021

7. MEMBERSHIP CLASSES AND LIABILITY

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

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

The total amount which Voting Members would be required to contribute in the event that the Company is wound up is \$11,984 (2020: \$12,958).

8. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 37 and forms part of the directors' report for the year 1 August 2020 to 31 July 2021.

9. ROUNDING OFF

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

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



Mr Matthew McGrath
Chairman

Dated at Sydney this 7th day of October 2021



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

To the Directors of Australian Turf Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Turf Club Limited for the financial year ended 31 July 2021 there have been:

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



KPMG



T Duvall
Partner

Sydney
7 October 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2021

<i>In thousands of AUD</i>	<i>Note</i>	2021	2020
Revenue			
Revenue from contracts with customers	6	265,553	245,300
Other income	7	23,063	17,406
Revenue and other income		288,616	262,706
Expenditure			
Prizemoney, trophies and subsidies		(143,675)	(126,433)
Commercial expenses		(46,521)	(48,924)
Administrative expenses		(18,885)	(19,825)
Tracks and training costs	8	(17,477)	(14,670)
Racing costs		(20,314)	(18,799)
Facilities maintenance expenses		(10,800)	(10,147)
Property costs		(162)	(101)
Depreciation and amortisation		(14,196)	(15,643)
Impairments		-	(250)
Expenditure		(272,030)	(254,792)
Results from core operating activities		16,586	7,914
Repayment of RNSW interminable loan		(4,050)	-
QEII Grandstand Cladding Works	20	945	-
Results from total operating activities		13,481	7,914
Finance income - interest		12	84
Finance costs - interest		(1,006)	(1,115)
Net finance costs		(994)	(1,031)
Profit / (Loss) for the period		12,487	6,883
Other comprehensive income			
Defined benefit plan actuarial gains/(losses)	18	158	536
Other comprehensive income for the period		158	536
Total comprehensive income for the period		12,645	7,419

The notes on pages 42 to 64 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 31 July 2021

<i>In thousands of AUD</i>	<i>Note</i>	2021	2020
Assets			
Cash and cash equivalents	9	33,084	26,147
Restricted cash and cash equivalents	10	351	14,230
Trade and other receivables	11	20,232	29,820
Defined benefit asset	18	727	762
Inventories		1,008	895
Total current assets		55,402	71,854
Trade and other receivables	11	633	633
Assets held for sale	12	855	834
Property, plant and equipment	13	355,672	335,224
Intangible assets	14	1,398	1,335
Total non-current assets		358,558	338,026
Total assets		413,960	409,880
Liabilities			
Trade and other payables	15	14,870	9,684
Loans and borrowings	16	5,803	1,221
Employee benefits	17	8,236	10,744
Revenue in advance	19	11,046	11,977
Other provisions	20	8,227	9,090
Total current liabilities		48,182	42,716
Loans and borrowings	16	32,726	42,090
Revenue in advance	19	18,669	23,054
Employee benefits	17	651	488
Other provisions	20	4,873	5,318
Total non-current liabilities		56,919	70,950
Total liabilities		105,101	113,666
Net assets		308,859	296,214
Funds			
Reserve	21	136,060	136,060
Accumulated funds		172,799	160,154
Total funds		308,859	296,214

The notes on pages 42 to 64 are an integral part of these financial statements.

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 July 2021

<i>In thousands of AUD</i>	Reserves	Accumulated funds	Total
Balance at 1 August 2019	136,060	152,735	288,795
Total comprehensive income for the period			
Profit/(Loss) for the 12-month period	-	6,883	6,883
<i>Other comprehensive income</i>			
Defined benefit plan actuarial gains	-	536	536
Total other comprehensive income/(loss)	-	536	536
Total comprehensive income/(loss) for the period	-	7,419	7,419
Balance at 31 July 2020	136,060	160,154	296,214
Balance at 1 August 2020	136,060	160,154	296,214
Total comprehensive income for the period			
Profit/(Loss) for the 12-month period	-	12,487	12,487
<i>Other comprehensive income</i>			
Defined benefit plan actuarial gains	-	158	158
Total other comprehensive income/(loss)	-	158	158
Total comprehensive income/(loss) for the period	-	12,645	12,645
Balance at 31 July 2021	136,060	172,799	308,859

The notes on pages 42 to 64 are an integral part of these financial statements.



2021 NSW Caravan Camping Holiday Supershow at Rosehill Gardens (Paul McMillan).

STATEMENT OF CASH FLOWS

For the year ended 31 July 2021

<i>In thousands of AUD</i>	Note	2021	2020
Cash flows from operating activities			
Cash receipts from operations		275,704	245,413
Cash paid to suppliers and employees		(263,392)	(241,266)
Cash generated from operating activities		12,312	4,147
Interest received		12	84
Interest paid		(1,006)	(1,115)
Net cash from operating activities		11,318	3,116
Cash flows from investing activities			
Acquisition of property, plant and equipment		(32,138)	(15,626)
Proceeds from sale of property, plant and equipment		12,231	1,959
Contracted capital work obligations on sold property		(74)	(85)
Payment for asset remediation works		(280)	(473)
Net cash used in investing activities		(20,261)	(14,225)
Cash flows from financing activities			
Proceeds from government funding		12,899	5,151
Proceeds from RNSW RCF Loan		4,240	-
Repayment of RNSW Interminable Loan		(4,050)	-
Repayment of lease principal		(1,088)	(608)
Repayment of bank borrowings		(10,000)	-
Net cash from financing activities		2,001	4,543
Net decrease in cash and cash equivalents		(6,942)	(6,566)
Cash and cash equivalents at beginning of period		40,377	46,943
Cash and cash equivalents at end of period		33,435	40,377
Included in the financial statements as:			
Cash and cash equivalents	9	33,084	26,147
Restricted Cash and cash equivalents	10	351	14,230
		33,435	40,377

The notes on pages 42 to 64 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

1. REPORTING ENTITY

Australian Turf Club Limited (the Company) is a not for profit company limited by guarantee. Financial statements of the Company are as at and for the year ended 31 July 2021. The Company was incorporated on 1 February 2011 pursuant to the Australian Jockey and Sydney Turf Club's Merger Act 2010 (the Act).

2. BASIS OF PREPARATION

(a) Tier 2 general purpose financial statements

The financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASBs) adopted by the Australian Accounting Standards Board (AASB), the Registered Clubs Act 1976 (NSW) and the Corporations Act 2001.

The financial statements were authorised for issue by the Board of Directors on 7 October 2021.

(b) Basis of measurement

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

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. COVID-19 and the associated social distancing obligations imposed by Federal and State governments has significantly impacted the racing industry as a whole and the commercial operations of the ATC and particularly raceday and non-raceday revenues have declined during the period of COVID-19 restrictions. ATC has prepared risk adjusted cash flow projections to the 12 month period ending 31 October 2022 incorporating a range of down side scenarios over this period that may arise from reasonably foreseeable impacts from COVID-19 based on information available at the time of approving this financial report. These forecasts support the use of the going concern conclusion.

(c) Functional and presentation currency

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

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

(d) Use of estimates and judgements

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Instruments

(i) Recognition and initial measurement

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

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

(ii) Classification and subsequent measurement

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

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

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

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

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

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

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

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

Financial assets at amortised cost

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

Financial liabilities - Classification, subsequent measurement and gains and losses

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Financial instruments (continued)

(iii) Derecognition

Financial assets

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

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

Financial liabilities

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

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

(iv) Offsetting

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

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

(b) Assets held for sale

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

During the year the Company incurred capital works associated with the development of Governor Macquarie Drive precinct at Warwick Farm as a result of obligations imposed under revisions to the Development Application and requirements of local government. These costs represented additional unforeseen costs associated with the development and disposal of this property in prior years and accordingly have been expensed during the prior year.

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Intangible assets

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

(e) Inventories

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

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

(f) Impairment

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

(i) Financial Assets

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Impairment (continued)

(i) Financial Assets (continued)

Measurement of ECLs

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

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

Credit-impaired financial assets

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

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

(ii) Non-financial assets

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable group of assets that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of comprehensive income. The recoverable amount of all CGU's has been reviewed and impairment testing has been performed at 31 July 2021 where indicators of impairment exist. This has resulted in no impairment being recognised during the period (2020: \$250,000) in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Impairment (continued)

(iii) Calculation of recoverable amount

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

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

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

(g) Employee benefits

(i) Defined contribution (accumulation style) superannuation plans

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

(ii) Defined benefit superannuation funds

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

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

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

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

(iii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits, other than defined benefit superannuation funds, is the amount of future benefit that employees have earned in return for their service in both the current and prior periods plus related on-costs. Consideration is given to on-costs, expected future salary and wage levels, and experiences of employee departures and service periods. Expected future payments are discounted to determine its present value. The rate used for the 2021 reporting date was 1.25% (2020: 0.92%).

(iv) Termination benefits

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

(v) Short-term employee benefits

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

(vi) Defined contribution (accumulation style) superannuation plans

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Provisions

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

(i) Revenue in advance

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

(j) Revenue

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

(i) TAB distribution

The TAB distribution includes distributions paid or owed by Tabcorp Holdings Limited (Tabcorp) to the racing industry for the supply of racing for the year ended 31 July 2021.

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

(ii) Commercial

Sponsorship

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

Membership

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

Events and hospitality

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

(iii) Broadcast rights

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

(iv) Racing NSW prizemoney subsidy

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Revenue (continued)

(v) Racing

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

(vi) Training

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

(vii) Property

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

(viii) Government Grants

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

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

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

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

(k) Racing NSW and Racing Corp

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



The Star's Sokyo Chef, Chase Kojima (Hannah Lassen)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Leases

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

(i) As a lessee

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

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

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

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

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

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

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

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

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

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

Short-term leases and leases of low-value assets

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Leases (continued)

(ii) As a lessor

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

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

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

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

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

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

(m) Interest income and interest expense

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

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

(n) Income tax

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

(o) Goods and services tax

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

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

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

4. NEW STANDARDS AND INTERPRETATIONS

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 August 2021 and have not been applied in preparing these financial statements. Those which may be relevant to the entity are set out below. The entity does not plan to adopt these standards early.

The Company's accounting policy has historically been to capitalise all costs related to SaaS arrangements as plant and equipment assets in the Statement of Financial Position. The adoption of the new interpretation has not resulted in any reclassifications of these assets from the Statement of Financial Position as an expense in the statement of Comprehensive Income.

A number of new standards effective from 1 August 2020 have been adopted. These have not had a material effect on the entity's financial statements.

5. DETERMINATION OF FAIR VALUES

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

<i>In thousands of AUD</i>	2021	2020
TAB distribution	93,720	80,448
Commercial	48,179	50,890
Broadcast rights	27,040	28,357
Racing NSW prizemoney subsidy	75,522	66,215
Racing	8,557	8,475
Training	10,676	9,829
Property	1,093	920
Other revenue	766	166
	265,553	245,300

7. OTHER INCOME

<i>In thousands of AUD</i>	2021	2020
RNSW track upgrade contributions	750	3,390
Profit on sale of property, plant and equipment	10,954	1,956
Government assistance	11,042	7,008
Insurance recoveries	317	5,052
	23,063	17,406

8. EXPENDITURE

Expenditure includes the following items:

<i>In thousands of AUD</i>	2021	2020
Personnel expenses		
Wages and salaries	41,915	42,325
Contributions to defined contribution plans	3,491	3,424
Change in liability for annual leave and long service leave	206	(90)
Expenses related to defined benefit plans	166	192
Other employment expenses	3,971	4,316
	49,749	50,167
Tracks & training		
Core operations	15,394	14,670
Legacy stables	2,083	-
	17,477	14,670

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

9. CASH AND CASH EQUIVALENTS

<i>In thousands of AUD</i>	2021	2020
Cash on hand	295	110
Cash at bank	32,789	26,037
Cash and cash equivalents in the statement of cash	33,084	26,147

10. RESTRICTED CASH AND CASH EQUIVALENTS

<i>In thousands of AUD</i>	2021	2020
Cash at bank - Randwick Capital Fund*	351	14,230
Restricted cash and cash equivalents in the statement of cash flows	351	14,230

* During the 2020 financial year the Company extended its agreement with Racing NSW, whereby it committed to expend an amount equal to its PGI fee entitlements on capital works at Randwick to improve the public precinct areas, Randwick course proper and potentially other capital improvements. At year end there is \$351,000 of cash held in a separate bank account of the Company that is committed to these capital works and is considered to be restricted cash as it is not otherwise available to the Company for its day to day operations.

11. TRADE AND OTHER RECEIVABLES

<i>In thousands of AUD</i>	2021	2020
Current		
Trade receivables	6,529	4,734
Allowance for impairment on trade receivables	(713)	(284)
	5,816	4,450
Other receivables	10,911	23,000
Allowance for impairment on other receivables	-	-
	10,911	23,000
Prepayments	3,505	2,370
	20,232	29,820
Non-current		
Other receivables	633	633
	633	633

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

<i>In thousands of AUD</i>	2021	2020
At 1 August	(284)	(367)
Reversal of impairment recognised	47	137
Impairment loss recognised	(476)	(54)
Balance at 31 July	(713)	(284)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

12. ASSETS HELD FOR SALE

<i>In thousands of AUD</i>	2021	2020
Assets and assets of disposal groups classified as held for sale		
Land	855	834
	855	834

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

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

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

The above asset classified as held for sale is classified as non-current due to the completion of the transaction being completed beyond 12 months of being classified as held for sale unless events or circumstances occur that are beyond the control of the Company.



The delivery of the Bentley Australian Derby trophy on The Star Championships Day 1 (Jason McCawley).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

13. PROPERTY, PLANT AND EQUIPMENT

<i>In thousands of AUD</i>	Land and buildings	Plant and equipment	Construction work in progress	Assets under finance lease	Right of use asset	Total
Cost						
Balance at 1 August 2020	392,376	48,719	22,508	-	5,703	469,306
Additions	-	-	35,364	-	-	35,364
Disposals	(546)	(528)	-	-	-	(1,074)
Construction work in progress transfers	5,345	1,913	(9,370)	-	2,112	-
Reclassification to Intangible assets	-	-	(63)	-	-	(63)
Balance at 31 July 2021	397,175	50,104	48,439	-	7,815	503,533
Balance at 1 August 2019	392,118	46,300	23,224	3,879	-	465,521
Recognition of right-of-use assets on initial application of AASB 16	-	-	-	(3,879)	4,728	849
Additions	-	-	16,138	-	-	16,138
Disposals	(12,718)	(484)	-	-	-	(13,202)
Construction work in progress transfers	12,976	2,903	(16,854)	-	975	-
Balance at 31 July 2020	392,376	48,719	22,508	-	5,703	469,306
Depreciation and impairment						
Balance at 1 August 2020	82,265	31,783	16,990	-	3,044	134,082
Depreciation for the period	8,710	4,328	-	-	1,158	14,196
Disposals	(2)	(415)	-	-	-	(417)
Balance at 31 July 2021	90,973	35,696	16,990	-	4,202	147,861
Balance at 1 August 2019	84,888	27,533	16,990	2,084	-	131,495
Recognition of right-of-use assets on initial application of AASB 16	-	-	-	(2,084)	2,084	-
Depreciation for the period	9,953	4,730	-	-	960	15,643
Disposals	(12,576)	(480)	-	-	-	(13,056)
Balance at 31 July 2020	82,265	31,783	16,990	-	3,044	134,082
Carry amounts						
At 1 August 2020	310,111	16,936	5,518	-	2,659	335,224
At 31 July 2021	306,202	14,408	31,449	-	3,613	355,672
At 1 August 2019	307,230	18,767	6,234	1,795	-	334,026
At 31 July 2020	310,111	16,936	5,518	-	2,659	335,224

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

13. PROPERTY, PLANT AND EQUIPMENT (continued)

Core and Non-core Property

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

Core property

- The Company has determined the following to comprise its core-property as at 31 July 2021:
- the course proper (and Kensington Track) at Royal Randwick Racecourse, the course proper at Rosehill Gardens Racecourse, the course proper at Warwick Farm Racecourse, and the course proper at Canterbury Park Racecourse, along with all training tracks at Royal Randwick, Rosehill Gardens, Warwick Farm and Canterbury Park Racecourses;
- the premises owned or occupied by the Company on Royal Randwick Racecourse (including the defined area of the licensed premises of the registered club) comprising facilities, provided by the Company for the race day use of members and their guests;
- the premises owned or occupied by the Company on Rosehill Gardens Racecourse comprising facilities, provided by the Company for the race day use of members and their guests;
- the premises owned or occupied by the Company on Warwick Farm Racecourse comprising facilities, provided by the Company for the race day use of members and their guests; and
- the premises owned or occupied by the Company on Canterbury Park Racecourse comprising facilities, provided by the Company for the race day use of members and their guests.

Non-core property

The Company has determined that as at 31 July 2021 all property which is not specifically defined as core-property is non-core property.

14. INTANGIBLE ASSETS

<i>In thousands of AUD</i>	2021	2020
<i>Poker machine entitlements</i>		
Deemed cost		
At 1 August	1,145	1,395
Impairment	-	(250)
Balance at 31 July	1,145	1,145
Trademarks		
At 1 August	190	190
Reclassification from Property, Plant & Equipment	63	-
Balance at 31 July	253	190
	1,398	1,335

Poker machine licenses have been assessed as having an indefinite useful life under current legislation in NSW and are valued at cost. The recoverable amount has been assessed on a fair value, less costs to sell basis. The fair value of the licenses was derived from recent third party transaction prices for the transfer of such entitlements by Sydney Metropolitan Clubs between July 2020 and June 2021. Accordingly, at 31 July 2021, the carrying amount of assets remains appropriate, with no impairment required (2020: \$250,000).

15. TRADE AND OTHER PAYABLES

<i>In thousands of AUD</i>	2021	2020
Current		
Trade payables	2,234	1,838
Other payables and accruals	12,636	7,846
	14,870	9,684

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

16. LOANS AND BORROWINGS

<i>In thousands of AUD</i>	2021	2020
Current		
RNSW Loan	4,266	-
Lease liabilities	1,537	1,221
	5,803	1,221
Non-current		
Bank borrowings	30,000	40,000
Lease liabilities	2,726	2,090
	32,726	42,090

Financing facilities

The Company entered into a financing facility with Westpac Banking Corporation in 2017 for a period of 5 years. The Company's \$10,000,000 King St development facility was rolled over and combined with the financing facility in 2019. The Company secured an additional \$20,000,000 in financing in February 2020. The revised financing facility has a maturity date of November 2022 and has been secured by the assets of the Company. An amount of \$30,000,000 has been drawn down as at 31 July 2021 and has been classified as a non-current liability.

The Company entered into a lease financing facility on 28 September 2015 with Commonwealth Bank of Australia. The Company has access to total lease finance facilities of \$5,000,000 which is open-ended and cancellable by one month's written notice by either the Company or Commonwealth Bank of Australia. At 31 July 2021, \$3,557,000 of the lease financing facility has been utilised.

In 2020 the Company entered into an agreement with RNSW whereby RNSW would provide cash funding via an interest-free loan to enable the Company to build the WINX Stand at Royal Randwick, to be repaid out of future receipts of PGI income until the funds are paid in full. As at 31 July 2021, RNSW had provided \$4,266,000 of funds to the Company as funding for the WINX Stand.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

17. EMPLOYEE BENEFITS

<i>In thousands of AUD</i>	2021	2020
Current		
Liability for annual leave	2,966	3,128
Liability for long service leave	3,302	3,097
Other employee benefits	1,968	4,519
	8,236	10,744
Non-current		
Liability for long service leave	651	488
	651	488

18. DEFINED BENEFIT ASSET/LIABILITY

<i>In thousands of AUD</i>	2021	2020
Total fair value of plan assets	6,564	5,585
Total present value of defined benefit obligations	(5,461)	(4,823)
Unrecognised asset due to Asset Ceiling	(376)	-
Total surplus/(deficit) in the plan recognised in the statement of financial position	727	762

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

Fair value of plan assets comprise:

<i>In percentage</i>	2021	2020
Equity securities	62%	57%
Fixed interest securities	11%	18%
Property	13%	5%
Other	14%	20%
	100%	100%



Diners enjoying the Grandview Restaurant hospitality on The Championships Day 2 - Longines Queen Elizabeth Stakes Day, 2021 (Paul McMillan).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

18. DEFINED BENEFIT ASSET/LIABILITY (continued)

Movement in the present value of the defined benefit obligations

<i>In thousands of AUD</i>	2021	2020
Defined benefit obligations at 1 August	4,823	6,158
Benefits paid by the plan	(61)	(1,810)
Current service costs and interest	295	370
Actuarial gains / (losses) in other comprehensive income	404	105
Defined benefit obligations at 31 July	5,461	4,823

Movement in fair value of plan assets

<i>In thousands of AUD</i>	2021	2020
Fair value of plan assets at 1 August	5,585	7,486
Contributions paid into the plan	20	13
Benefits paid by the plan	(61)	(1,810)
Expected return on plan assets	78	142
Actuarial gains / (losses) in other comprehensive income	942	(246)
Fair value of plan assets at 31 July	6,564	5,585

Actual gain/(loss) on plan assets	1,020	(104)
--	--------------	--------------

Movement in the asset ceiling of the plan

<i>In thousands of AUD</i>	2021	2020
Asset ceiling at 1 August	-	827
Interest income	-	17
Remeasurements	376	(844)
Asset ceiling at 31 July	376	-

Actuarial (gains) and losses recognised in other comprehensive income

<i>In thousands of AUD</i>	2021	2020
Cumulative amount at 1 August	(438)	98
Defined benefit plan actuarial (gains)/losses	(158)	(536)
Cumulative amount	(596)	(438)

Actuarial assumptions

	2021	2020
Discount rate at 31 July	1.6%	1.5%
Future salary increases	3.0%	3.0%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

19. REVENUE IN ADVANCE

<i>In thousands of AUD</i>	2021	2020
Current		
Revenue in advance	11,046	11,977
	11,046	11,977
Non-current		
Revenue in advance	18,669	23,054
	18,669	23,054

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

20. OTHER PROVISIONS

<i>In thousands of AUD</i>	2021	2020
Current		
QEII Grandstand Cladding Provision	7,223	7,500
Governor Macquarie Drive Provision	1,004	1,590
	8,227	9,090
Non-current		
QEII Grandstand Cladding Provision	2,997	3,942
Governor Macquarie Drive Provision	1,876	1,376
	4,873	5,318

Movement in provision

Current		
Opening balance	9,090	2,602
Provision recognised	(500)	7,140
Provision utilised	(363)	(652)
Closing balance	8,227	9,090
Non-current		
Opening balance	5,318	12,363
Provision recognised	(445)	(7,045)
Closing balance	4,873	5,318

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

21. ACCUMULATED FUNDS & RESERVES

Accumulated funds

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

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

The total amount which Voting Members would be required to contribute in the event that the Company is wound up is \$11,984 (2020: \$12,958).

Reserve

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

22. LEASES

See accounting policy in Note 3(l)

(a) Leases as lessee (AASB 16)

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

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

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

(i) Amounts recognised in profit or loss	2021	2020
Leases under AASB16		
Interest on lease liabilities	149	81
Depreciation on right of use assets	1,158	960
(ii) Amounts recognised in statement of cash flows	2021	2020
Amounts recognised in statement of cashflow		
Total cash outflows for leases	1,564	917

23. CAPITAL COMMITMENTS

During the year ended 31 July 2021 the Company entered into contracts to purchase property, plant and equipment for a total of \$30,351,000 (2020: \$15,347,000) which consists of the following:

<i>In thousands of AUD</i>	2021	2020
Randwick Capital Fund	351	14,230
WINX Stand	27,930	-
Other	2,070	1,117
	30,351	15,347

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

24. KEY MANAGEMENT PERSONNEL

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

Board Members

- » Mr Matthew McGrath (Chairman)
- » Ms Julia Ritchie (Vice-Chair)
- » Mr Paul Barnett (Honorary Treasurer)
- » Mrs Trish Egan
- » Ms Angela Belle McSweeney
- » Mr Tim Hale (Queens Counsel) (commenced 1 February 2021)
- » Mr Ben Bayot (commenced 12 May 2021)
- » Mr Bill Evans (Honorary Treasurer) (separated 31 January 2021)
- » Mr Phil Morley (separated 11 May 2021)

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

Executives

Chief Executive:

- » Mr Jamie Barkley

During the period the executives were:

- » Mr Matt Galanos - Chief Financial Officer
- » Ms Jane Coles - Executive General Manager Membership and Customer Service
- » Mr Piers Thompson - Executive General Manager Infrastructure and Strategic Projects
- » Mrs Melissa Richards - Executive General Manager People and Culture
- » Mr James Ross - Executive General Manager Racing Services
- » Ms Corina Black - Executive General Manager Commercial (separated 2 July 2021)

Key management personnel compensation

During the year ended 31 July 2021, the total key management personnel compensation recognised in profit or loss was \$3,804,242 (2020: \$3,875,483). Total compensation includes paid salary, annual leave and superannuation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2021

25. RELATED PARTIES

Other related party transactions

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

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

26. CONTINGENCIES

Financial assistance was provided to both the Australian Jockey Club Limited and the Sydney Turf Club by way of interminable loans from the Racecourse Redevelopment Fund. These loans were transferred to the Company as a result of the Act (refer to Note 1). These loans are only repayable either on the sale of properties which have benefited by the expenditure of loans, or in the event the Company ceases its current operations. The maximum contingent liability at 31 July 2021 in respect of these loans which has not been provided for in the Financial Statements amounts to \$101,407,000 (2020: \$101,407,000). On 1 July 1998 the operations of the Racecourse Development Fund were transferred to the respective controlling authorities. Accordingly, any contingent liability will be in favour of Racing NSW.

The Company has received a claim from a third party related to the previous disposal of land. The Directors intend to fully defend the matter. Based on all information currently available, the Directors are of the opinion that provision is not necessary as it is not probable that a future sacrifice of economic benefit will be required.

27. SUBSEQUENT EVENTS

Subsequent to year end, the impact of the COVID-19 pandemic continues to evolve with government imposed restrictions including lockdowns across Sydney. The Company continues to monitor market conditions in light of government decisions and is focused on continuing to deliver its strategy in FY22. Based on the Company's most recent outlook of the range of potential relaxation of COVID-19 restrictions, performed up to the date of the approval of this report, there is no material change to the carrying value of the assets or liabilities recorded by the Company at 31 July 2021.

DIRECTORS' DECLARATION

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

- (a) the financial statements and notes, set out on pages 38 to 64, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 July 2021 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.



Mr Matthew McGrath
Chairman

Dated at Sydney this 7th day of October 2021.



Warwick Farm's rebranded winning post and Australian Turf Club branded saddle cloths (Bradley Photographers).



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

To the Members of Australian Turf Club

OPINION

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

- » giving a true and fair view of the Company's financial position as at 31 July 2021 and of its financial performance for the year ended on that date; and
- » complying with *Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001*.

The Financial Report comprises:

- » Statement of financial position as at 31 July 2021;
- » Statement of profit or loss and other comprehensive income, Statement of changes in funds, and Statement of cash flows for the year then ended;
- » Notes including a summary of significant accounting policies;
- » Directors' Declaration.

BASIS FOR OPINION

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

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

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

OTHER INFORMATION

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

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

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

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



RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The Directors are responsible for:

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objective is:

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

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

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

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

KPMG

T Duvall
Partner

Sydney
7 October 2021



Hot Dub Time Machine performing in the Theatre of the Horse after the 2021 The Star Championships Day 1 last race (Hanna Lassen).



AUSTRALIAN TURF CLUB

Australian Turf Club Ltd
Royal Randwick Racecourse, Alison Road, Randwick
Locked Bag 3, Randwick, NSW 2031
P 1300 729 668 | E info@australianturfclub.com.au | australianturfclub.com.au