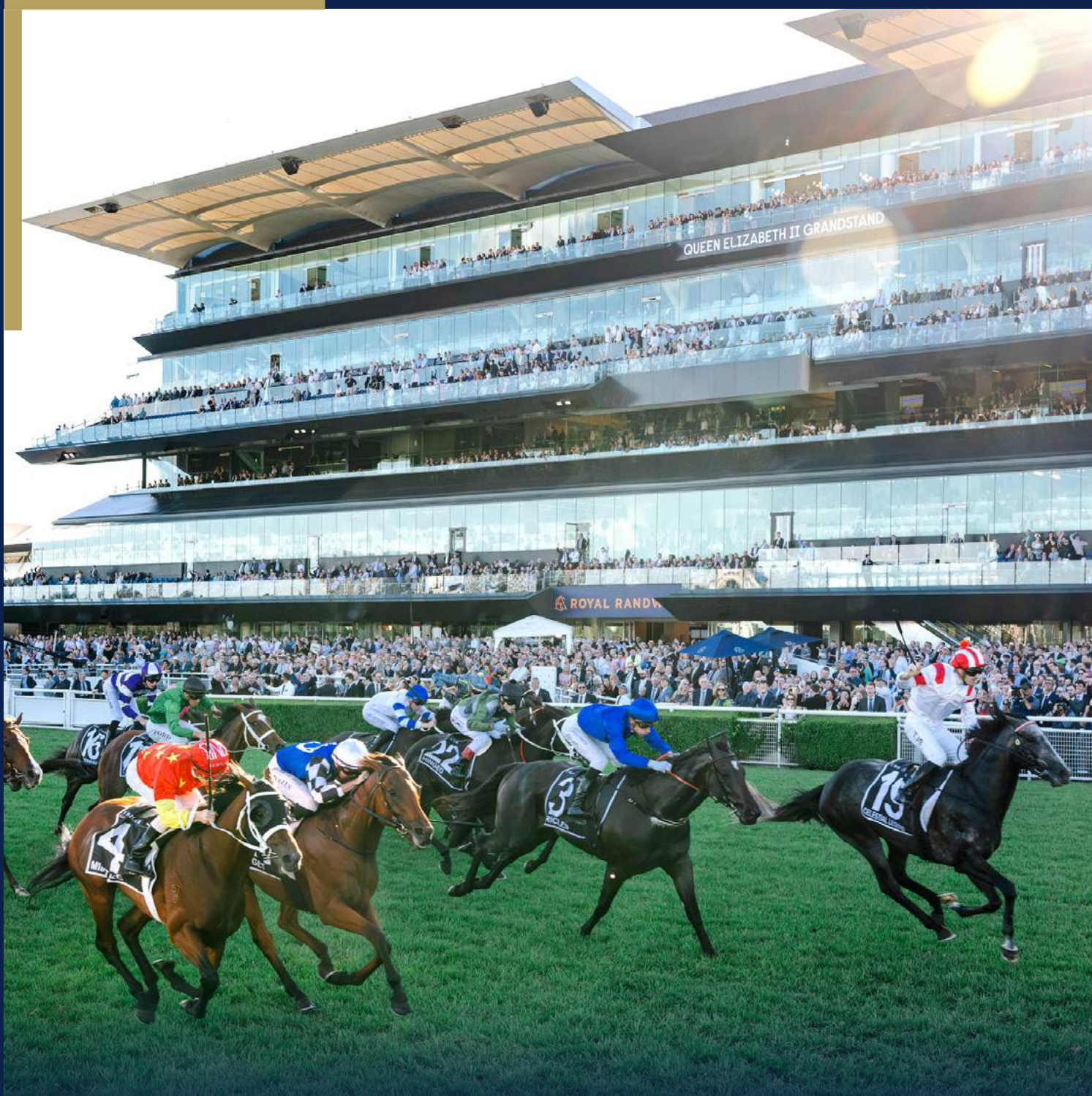




AUSTRALIAN TURF CLUB



2024 ANNUAL REPORT



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CHAIRMAN'S REPORT



I am pleased to present the 2023-24 Annual Report for the Australian Turf Club.

The ATC is fortunate to be the host of Sydney's world class racing. The depth and quality of our racing ignites the excitement and motivation for us all to work together in support and benefit of ATC Members and the wider NSW racing industry.

The ATC, with partners Racing NSW, have in the recent past created racing and prizemoney that is the envy of the world. The \$20 million Everest and \$10 million Golden Eagle remain unprecedented in their scope and success. The Everest in particular has drawn record crowds and introduced a whole new generation of 18 to 35-year-olds to racing.

We are home to some of the world's best trainers and jockeys who at Spring and Autumn Carnivals, and all 109 racedays each year, remind us time and again of the depth and breadth of our participants. I pay tribute to our trainers, strappers, stable staff, farriers, float drivers, vets and volunteers and the many other contributors to the industry who care for the magnificent thoroughbreds that are the heart of our sport.

The ATC has deeply involved and committed Members at the core of our Club. Improving Members' value for money, raceday experiences and other benefits are front of mind for Directors and Management.

The 2023-24 year is one in which the ATC faced a number of challenges, particularly to its funding and operating model. ATC Directors and Management have implemented a number of successful initiatives to improve the Club's financial result. This has yielded total comprehensive income of \$570,000 for the year (up from \$364,000 in 2022-23) with an operating loss of \$2.4 million (a significant reduction on the 2022-23 operating loss of \$9.9 million). Pleasingly, total revenue was \$372 million (up 6%) and operating EBITDA was \$15 million (up 88%).

ATC revenues from sponsorships, raceday admissions and hospitality have all faced headwinds this year, due to higher inflation and cost of living pressures.

The ongoing downturn in wagering is a growing issue for the ATC, with 62% of our revenues derived from wagering turnover. In particularly, wagering declines have seen the ATC's TAB distributions reduce from a high in 2020-21 of \$89.6 million to \$72.4 million in the current year. We are fortunate that Racing NSW has provided the Club with additional

funding to top-up this payment to \$82.8 million. However, continued wagering declines may affect Racing NSW's ability to provide top-ups in the future.

The way people interact with sport and the fan experience generally is changing, with new and different forms of media influencing social changes and trends. There has never been more competition for people's sporting and entertainment attention. The ATC needs to find new ways to appeal to the 18 to 35-year-olds that will take racing through the next 50 years.

I believe that substantial investment is required to transform the Club's current Member facilities to the contemporary lifestyle and leisure facilities that will attract the new Members of the future (eg gymnasiums, pools, cafes etc).

Significant and ongoing investment is also required to maintain and continuously improve our racing and training surfaces and stabling facilities to ensure the ATC continues to attract the best trainers, jockeys and horses to provide the very best racing.

For these reasons, the Directors and Management have been investigating the concept of redeveloping Rosehill Racecourse. The driving force for exploring this is the potential to generate the funds needed to meet the challenges outlined above. In addition to funding the facilities to attract future Members, racegoers and participants, the proposal is a once in a generation opportunity to provide the ATC with a future income stream which is not dependant on wagering. This would secure the ATC's financial independence and long-term future.

An initial submission to the NSW Government was lodged in March 2024 under the Unsolicited Proposals process, as various approvals and agreements will be required from the Government for the proposal to be feasible.

The proposal is currently in the Stage 2 due diligence phase. This will tell us how, and if, the project is viable for the ATC and Members.

I acknowledge there have been strong views expressed against the redevelopment of Rosehill Racecourse. However, the Directors have a fiduciary duty to act in the best interests of the ATC and its Members as a whole. The potential for the proposal to secure the Club's financial future, is too significant not to be fully and rigorously investigated. While we will continue to listen to all Members' views, I strongly encourage Members to keep an open mind until the due diligence investigations are completed. This will allow for more constructive debate and a fully informed vote by Members.

The delay is challenging, however I urge Members to reserve judgement until we complete the due diligence and provide all the relevant information. Ultimately, it will be a decision for Members to vote on.

In closing, I want to recognise and sincerely thank CEO Matt Galanos and all the ATC staff for their tireless work and unwavering commitment to the Club and to provide Members and all stakeholders with memorable raceday and non-raceday experiences.

As Chairman, and with the support of Directors and Management, I thank you for your continued loyalty and contribution to the ATC as we shape our future together.

A handwritten signature in blue ink, appearing to read 'Peter McGauran'.

Peter McGauran
Chairman



CHIEF EXECUTIVE OFFICER’S REPORT



The 2023-24 year was a challenging one on several fronts for your Club.

Successful initiatives to improve operating EBITDA are buried beneath fundamental challenges in the Club’s funding and operating model.

By far the biggest issue is the continuation of record lows in TAB wagering revenue (excluding PGI) and its impact on wider operations. The reliance of the current funding and operating model on income from wagering means the continuing declines cannot be immediately replaced by income from other sources.

When this is added to the ongoing impacts of inflation and interest rates on the cost of living, we are effectively being squeezed at both ends of the spectrum. Further, the cost-of-living pressures facing all of us flow on and effect the capacity for patrons to attend our raceday and non-raceday events.

We are responding to these challenges in two ways.

Firstly, we have diligently reviewed operating costs and made over \$7.8m in savings throughout the year, and while this remains an ongoing strategy, there is only so far we can go before we start to impact the ability to deliver world-class events for which your Club is renowned.

Secondly, we continue to explore new opportunities to generate income streams that reduce the reliance on wagering, which is why a project of the scale of the potential redevelopment of Rosehill Gardens needs to be fully explored before presenting the findings to Members.

One thing that does not change regardless of circumstances is the relentless commitment by all at the Club to provide Members and all stakeholders with memorable raceday and non-raceday experiences, and I am proud and humbled to lead an organisation with such dedicated staff.

RACING

ATC’s racing program continued to reach new highs in 2023-24, with more than \$210 million prizemoney won at 109 metropolitan meetings, including world-class Spring and Autumn Carnivals.

Your Club hosted 157 feature races including 141 Blacktype events (29 at Group 1 Level).

A record 46 races carried prizemoney of \$1 million or more, many of these new races delivered in partnership with Racing NSW.

The Sydney Spring Carnival attracted world-class horses, trainers and jockeys and the \$20 million TAB Everest affirmed its place as the world’s best sprint.

The \$10 million Golden Eagle again grew in global profile with Japanese visitor Obamburumai claiming victory.

The Sydney Autumn Carnival remained amongst the world’s leading racing events with the TAB Golden Slipper won by the Sir Owen Glenn owned Lady Of Camelot for trainers Gai Waterhouse and Adrian Bott.

Obamburumai returned to contest The Star Doncaster Mile that was taken out by the Les Bridge trained Celestial Legend.

The Ciaron Maher trained Pride Of Jenni won The Queen Elizabeth Stakes in memorable fashion thanks to an extraordinary front-running ride by Declan Bates.

Circle Of Fire saluted in the Schweppes Sydney Cup for Ciaron Maher and ridden by Hong Kong based jockey Andrea Atzeni.

ATC’s tracks teams did an incredible job managing our course proper and training tracks at all four courses, despite periods of sustained heavy rainfall (who will forget the effort in enabling the Royal Randwick meeting on Championships Day 1 to go ahead after seeing the footage of trainers in knee-deep water in the early morning). Renovations and other improvements throughout the year supported the safety and welfare of horses racing and training across our venues.

Your Club set a record number of owner attendances in the 2023-24 season with 52,100 owners attending meetings.

Nine ATC Group 1 races were internationally recognised amongst the Top 100 in the world at the Longines World’s Best Race and Racehorse awards. This was supported by internationally trained horses racing at the Sydney Spring and Autumn Carnivals for renowned trainers such as James Ferguson (Land Legend), William Haggas (Post Impressionist) & Keiji Yoshimura (Obamburumai).

MEMBERSHIP

ATC Membership remains amongst the most prestigious and best value of anywhere across Sydney, and indeed Australian metropolitan racing.

Management and staff have been focused on creating value and enhancing the raceday experience for Members.

The Membership Consultative Committee provided valuable feedback and insight from Members. With the aid of this Committee, your Club has improved many aspects of your Membership, such as more loyalty seating, carnival cash draws, inner sanctum tours, prizes, events and surprises for those on course – all exclusive to Members. We finished the racing season with a wonderful thank you to Members, showcasing a winter wonderland activation in the Official Stand.

We continue to encourage Members to attend with friends and family by using your additional complimentary vouchers.



CHIEF EXECUTIVE OFFICER’S REPORT

The TAB Golden Slipper Barrier Draw Breakfast and The Punters Masterclass Event grew again last year, tipping ATC Members many winners.

For ‘An Evening With’ this year we heard some great insights from Damian Oliver and Gary Portelli and even had a beautiful musical act starring Brooke Supple.

We saw the return of overseas racing tours, such as Royal Ascot this year with more planned.

COMMERCIAL

Our commercial team gave another outstanding performance to return income to the Club, Members and our racing programs and industry.

ATC greatly appreciates the continued support of our business and racing partners, achieving \$11m in sponsorship revenue for the year.

Raceday hospitality at Royal Randwick and Rosehill Gardens venues continues to deliver outstanding and innovative experiences, including the successful launch of the new Winter Long Lunch experience that was attended by nearly 2,000 patrons throughout the winter racing season.

ATC’s non-raceday business successfully delivered close to 400 events across all of our venues during the year.

The Winx Stand was the cornerstone of this success welcoming some of the event industry’s most sought-after events, including the Qantas Loyalty Offsite Conference, Mumbrella Awards, Dally M Awards, HSC and Careers Expo, Service NSW Annual Conference, Sydney Breast Cancer Foundation Fundraiser Lunch, The Great Australian Beer SpectAPular, Italian Chamber of Commerce Gala Dinner, SMPTE METexpo.

Rosehill Gardens affirmed its status as one of Australia’s Meetings and Events premier venues, delivering another highly successful NSW Caravan, Camping and Holiday Supershow, the Local Government NSW Annual Conference, the Transit Systems Dinner and the Westpac Customer and Corporate Services End of Year Celebration, while welcoming back some of its long standing events with the Hot Rod Expo’s 10-year anniversary, Big W Tradeshow, NSW Farmer’s Conference, ACU Graduation Ceremonies and the Master Builder’s Conference.

FACILITIES

The Property and Facilities team remained focussed on a commitment to enhancing the Member and guest experience, racing and training facilities, and investing in vital infrastructure projects.

Achievements included the installation of the new big screen at Royal Randwick (with the Rosehill Gardens infield screen to be updated in the coming year), and a significant upgrade to the interior of the Grand Pavilion at Rosehill Gardens, with new lighting and carpet significantly upgrading this important facility for both raceday and non-raceday events.

HUMAN RESOURCES

Employee engagement was a key focus as we look to enhance the experience of team members.

Customised leadership training enabled leaders to debrief and workshop the results from our annual engagement survey, creating meaningful plans and to drive high-performance across our teams.

To ensure the talent to deliver outstanding raceday and non-raceday events, more than 400 casual team members were recruited and onboarded with a focus on recruiting more experienced staff and implementing best-practice hospitality and customer service training.

ATC FOUNDATION AND COMMUNITY ENGAGEMENT

Our achievements in 2023-24 extended beyond operational and commercial performance, encompassing noteworthy advancements in our people, community, and sustainability programs.

We remain determined to make a difference in the communities around our racecourses and venues.

Our financial contribution to the community through the work of the ATC Foundation increased to \$317,000 in 2023-24.

We reached a significant milestone with the Canterbury Park Friday Night Jockey Series extending to support 12 local charities in the Canterbury LGA and increased our staff volunteer hours through the ATC Giving Back Program.

We continue a long-standing partnership with Sydney Mission - Matthew Talbot Hostel (Royal Randwick) and Parramatta Mission (Rosehill Gardens) with the donation of surplus food and unsold retail items on racedays donated to each community group.

THANK YOU

There are many people and partners to thank for their assistance throughout the year.

Thank you to the ATC Board, led by Chairman Peter McGauran and all directors for their selfless dedication to the Club.

Thank you to Racing NSW, in particular retired chair Russell Balding AO, current Chair Dr Suranne Cooke and Chief Executive Peter V’landys, AM for their continued support.

To all ATC staff, I thank you for your continued dedication and commitment.

Thank you to our many partners, including foundation partners Tabcorp, Lion, Moët Hennesey and The Star, and our broadcast partners, SKY Racing and Channel 7 for your continuing partnerships and support.

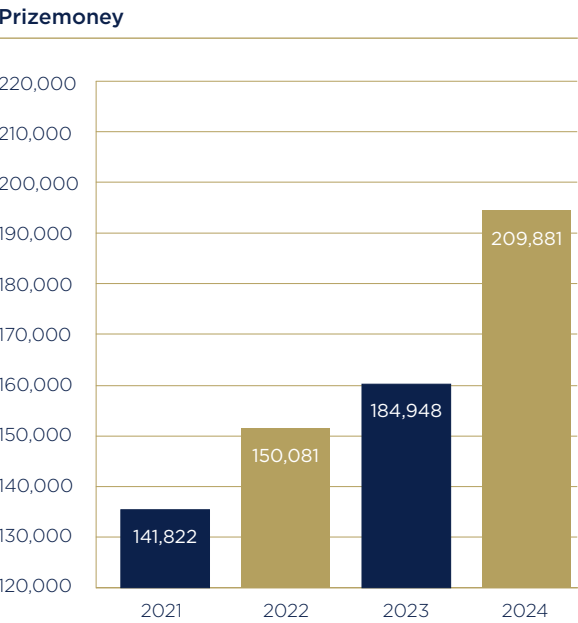
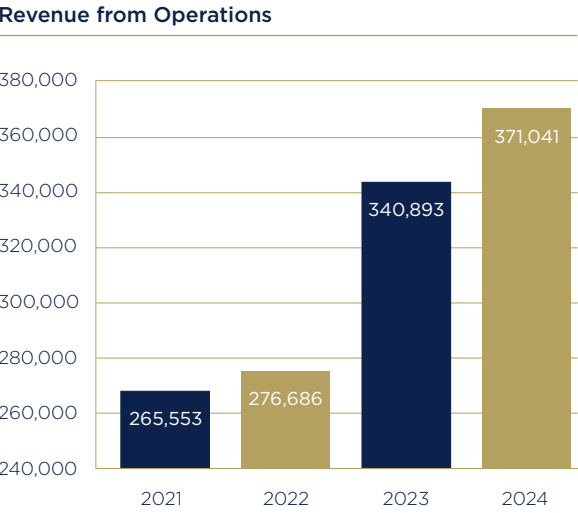
Finally, thank you to all our Members for your continued loyalty and support. You are the lifeblood of the Club, and I look forward to continuing our journey together over the coming year.



Matt Galanos
Chief Executive Officer



FINANCIAL PERFORMANCE For the year ended 31 July 2024		
	2024	2023
	\$'000	\$'000
Total Income	372,436	351,569
Total Expenses	(371,866)	(351,205)
Total Comprehensive Income for the period	570	364
<u>Add/(Subtract):</u>		
Provision for Cladding remediation	(1,939)	-
Proceeds from RNSW - Cladding Contribution	(990)	(5,191)
Proceeds from RNSW - Interminable Loan	-	(5,000)
Defined Benefit Plan Actuarial (Profits)/Losses - Reserves	(58)	(117)
	(2,987)	(10,308)
Operating Surplus/(Deficit)	(2,417)	(9,944)
<u>Add:</u>		
Depreciation and Impairment	15,536	15,291
Interest	2,082	2,269
Other	(194)	357
	17,424	17,917
Operating EBITDA	15,007	7,973



2023 SYDNEY EVEREST CARNIVAL



ATC FOUNDATION

VISION

Together, we inspire and empower our people, Members and industry to make a positive contribution to the community within our four destinations.



The ATC Foundation raised over \$280,000 to charities, community groups and sporting clubs across New South Wales. In September 2023, the Australian Turf Club hosted our fourth Sydney Everest Long Lunch at Royal Randwick. This celebration marks the start of spring carnival and is devoted to supporting a worthwhile cause. Entering the second year of a charity alignment between the ATC Foundation and SpinalCure Australia, a record \$45,229 was raised. These funds are directed towards SpinalCure's flagship program, Project Spark, a world leading medical research program which aims to develop neurostimulation treatments that will restore meaningful function to people living with SCI in the short term.

We are endlessly proud of the Pink Fashion Lunch at Rosehill Gardens and in 2024, over 600 guests, including corporate partners and industry participants, rallied together to raise \$33,249.20 to support of the ATC Foundation and Sydney Breast Cancer Foundation. The generosity of the guests contributed to the purchase of a Trident Faxitron x-ray machine for Horsby Public Hospital. This machine will immediately confirm where margins of the tissue specimen removed from a breast are adequate and a huge benefit to the patient by savings the chance of a second surgery and ongoing medical costs.

In July 2024, the Australian Turf Club hosted its third annual Racing for Good Charity Raceday at Royal Randwick. The ATC Foundation joins with long-time charity partner ASX Refinitiv Charity Foundation to raise funds and awareness for a range of charities. Over 520 people attend the official function in the Royal Randwick ballroom. The giving was at an all-time high and shared among charity partners. Monies raised across the day were collected from the official function ticket sales, a raffle, a silent auction and a multitude of other fundraising activities undertaken across the race day.

The ATC Foundation is dedicated to supporting charities, groups and clubs in the communities where we operate. The ATC Foundation website is available to take submissions from our members and the general public to seek support for the causes that are close to your heart. We'd like to thank our partners, organisations and friends for their generosity and support of the ATC Foundation. It is the generosity from others that allows us to give. Without your support, the \$290,000 figure we managed to donate would not be possible.

We extend our heartfelt gratitude to our Members, corporate partners and friends of the ATC for their unwavering good will and kindness. It is through the generosity of others that we are able to make a difference.

CHARITY PARTNERS

We would like to thank the charity partners that we worked with during the 2023/2024 racing season.



SOCIAL RESPONSIBILITY

In executing our social responsibility strategy and advancing the ATC's impact in the community, we recognise that we need to take a long-term view to deliver on our sustainability outcomes. This year has been one of an unwavering commitment to our journey, with key improvements in outcomes across all strategic pillars.

We are focused on deepening and evolving our sustainability program including continuing to reduce the use of potable water, increase our food sustainability program and driving positive change for our local communities.

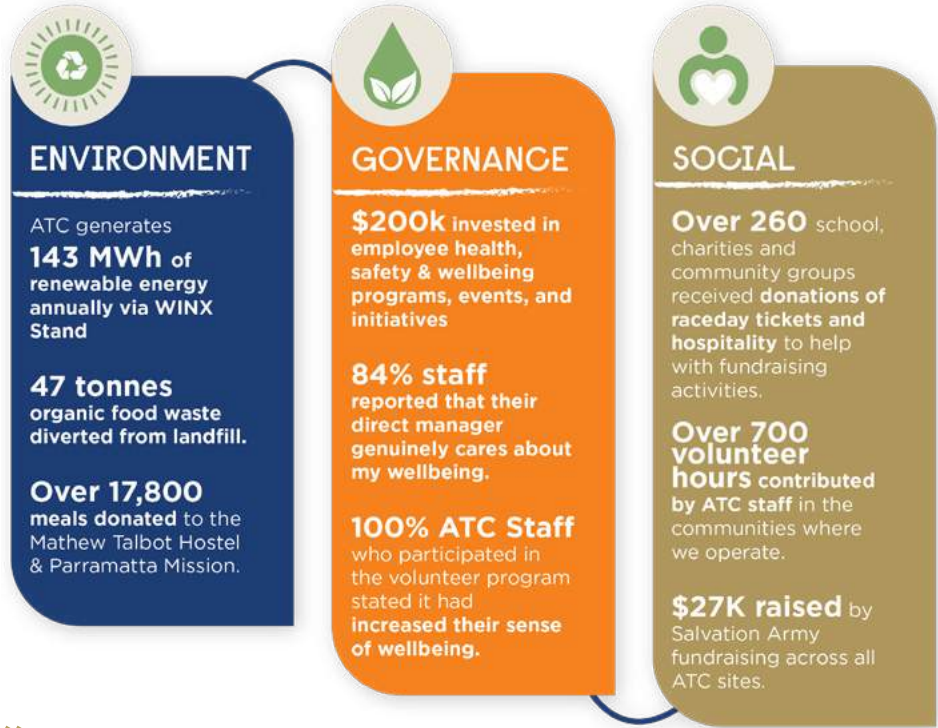
ATC's Giving Back Program

Our volunteer program supported 6 charitable organisations with over 96 staff members volunteering their time to be involved. The volunteer program applies to permanent employees, providing at least one day of paid volunteer leave each year.

In 2023-2024, our People volunteered 702 hours to community organisations. This represents more than 87 working days in value to the community.



ATC'S IMPACT



ATC demonstrates a commitment to environmental sustainability, community engagement, and employee wellbeing through various initiatives.

The United Nations Sustainable Development Goals (SDGs) seek to address the most significant challenges our world is facing today by 2030. We have identified eight SDGs that sit within our sustainability strategy in relation to which we feel we can make the most meaningful contribution and drive change.



ROYAL RANDWICK CHRISTMAS FESTIVAL

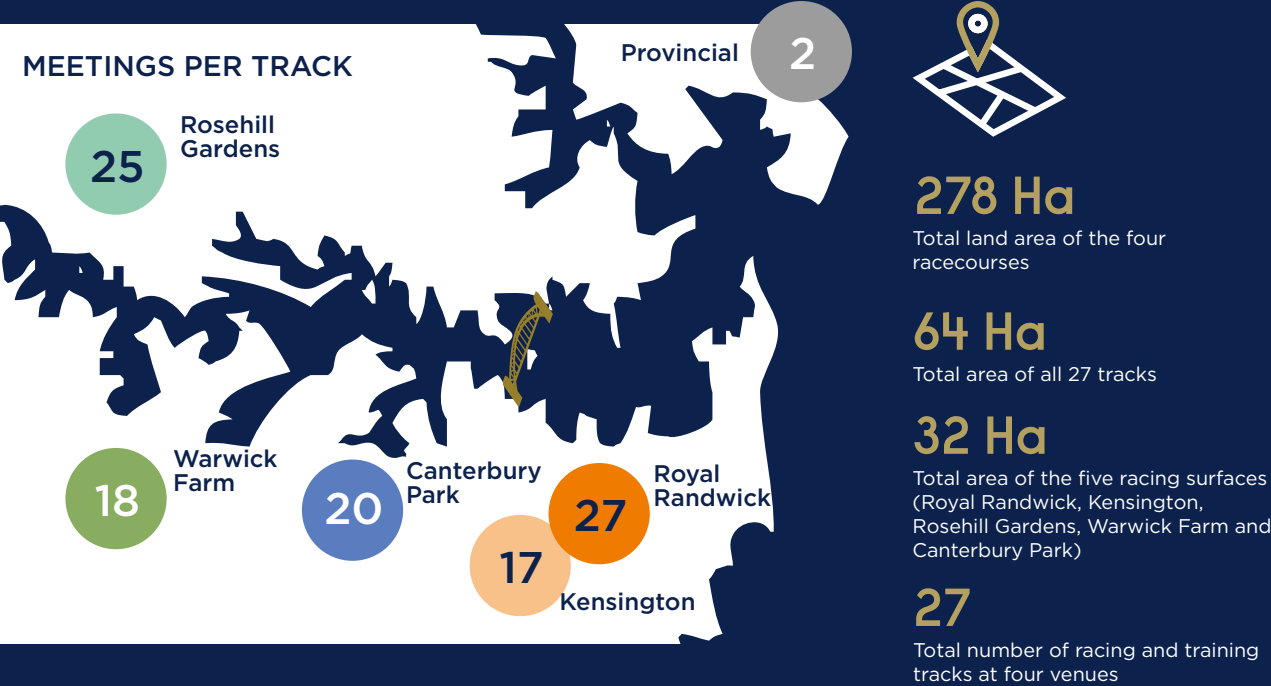


KIA FRIDAY NIGHT RACING



THE YEAR IN REVIEW

RACING



BROADCAST AND WEBSITE



FOOD AND BEVERAGE



MEETINGS AND EVENTS



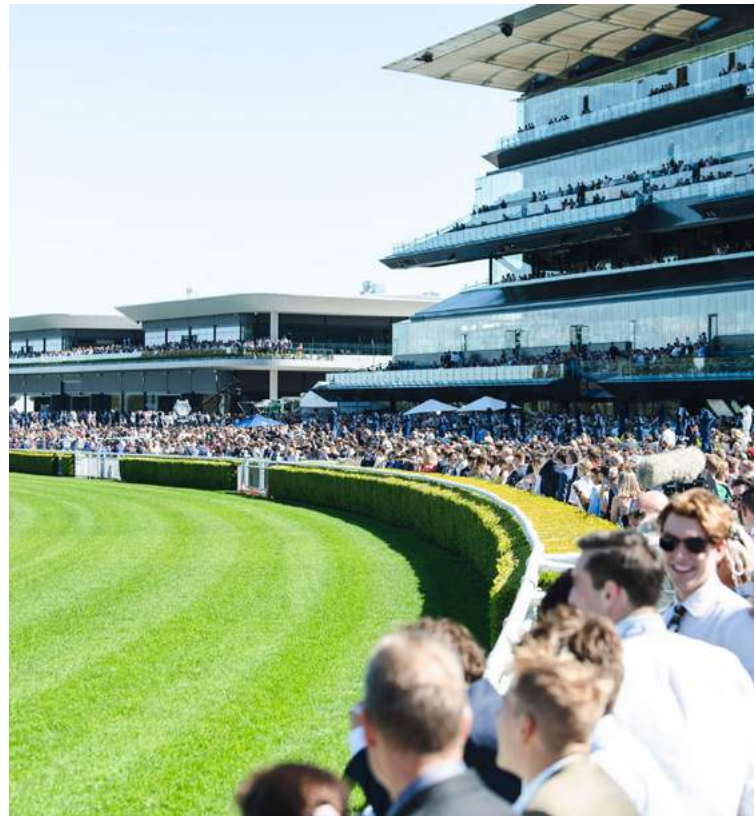
ATC FOUNDATION



MEMBERSHIP



2024 SYDNEY AUTUMN RACING CARNIVAL





THINK ABOUT IT - TAB EVEREST 2023



LADY OF CAMELOT - TAB GOLDEN SLIPPER 2024



FANGIRL - KING CHARLES III 2023

Photo: Bradley's

GROUP 1 RACE WINNERS

Prizemoney	Race Name	Winner	Jockey	Distance (Metres)	Weight (Kg)	Trainer
\$5,000,000	King Charles III Stakes	Fangirl	James McDonald	1600	57.0	Chris Waller
\$5,000,000	TAB Golden Slipper	Lady of Camelot	Blake Shinn	1200	54.5	Gai Waterhouse & Adrian Bott
\$5,000,000	Queen Elizabeth Stakes	Pride of Jenni	Declan Bates	2000	57.0	Ciaron Maher
\$4,000,000	The Star Doncaster Mile	Celestial Legend	Tyler Schiller	1600	49.0	Les Bridge
\$3,000,000	James Squire T J Smith Stakes	Chain of Lightning	Damian Lane	1200	56.5	Peter Moody & Katherine Coleman
\$2,000,000	Moët & Chandon Spring Champion Stakes	Tom Kitten	Adam Hyeronimus	2000	56.5	James Cummings
\$2,000,000	ATC Australian Derby	Riff Rocket	James McDonald	2400	56.5	Chris Waller
\$2,000,000	Schweppes Sydney Cup	Circle of Fire	Andrea Atzeni	3200	51.5	Ciaron Maher
\$1,500,000	TAB Epsom	Rediener	Kathy O'Hara	1600	50.0	Chris Waller
\$1,500,000	Kia Tancred Stakes	Kalapour	Dylan Gibbons	2400	59.0	Kris Lees
\$1,500,000	Schweppes All Aged Stakes	Magic Time	Michael Dee	1400	57.0	Grahame Begg
\$1,000,000	Winx Stakes	Fangirl	James McDonald	1400	57.0	Chris Waller
\$1,000,000	Kia Golden Rose	Militarize	Joao Moreira	1400	56.5	Chris Waller
\$1,000,000	TAB Verry Elleegant Stakes	Think it Over	Nash Rawiller	1600	59.0	Kerry Parker
\$1,000,000	The Agency Randwick Guineas	Celestial Legend	Kerrin McEvoy	1600	56.5	Les Bridge
\$1,000,000	Coolmore Classic	Zougotcha	James McDonald	1500	57.0	Chris Waller
\$1,000,000	The Agency George Ryder Stakes	Veight	Damian Lane	1500	56.0	Tony & Calvin McEvoy
\$1,000,000	Ranvet Stakes	Via Sistina	James McDonald	2000	57.0	Chris Waller
\$1,000,000	Kia Ora Galaxy	Zapateo	Kerrin McEvoy	1100	53.0	James Cummings
\$1,000,000	Inglis Sires'	Manaal	Jason Collett	1400	54.5	Michael Freedman
\$1,000,000	The Star Australian Oaks	Autumn Angel	Mark Zahra	2400	56.0	Peter Moody & Katherine Coleman
\$1,000,000	Grainshaker Vodka Queen Of The Turf	Zougotcha	James McDonald	1600	57.0	Chris Waller
\$1,000,000	Moët & Chandon Champagne Stakes	Broadsiding	James McDonald	1600	56.5	James Cummings
\$750,000	James Squire Metropolitan	Just Fine	Rachel King	2400	50.0	Gai Waterhouse & Adrian Bott
\$750,000	Darley Flight Stakes	Tropical Squall	Adam Hyeronimus	1600	56.0	Gai Waterhouse & Adrian Bott
\$750,000	DrinkWise Surround Stakes	Tropical Squall	Adam Hyeronimus	1400	56.0	Gai Waterhouse & Adrian Bott
\$750,000	James Squire Canterbury Stakes	Lady Laguna	Tyler Schiller	1300	57.0	Annabel Neasham
\$750,000	Sky Racing Rosehill Guineas	Riff Rocket	Nash Rawiller	2000	56.5	Chris Waller
\$750,000	Vinery Stud Stakes	Orchestral	James McDonald	2000	56.0	Roger James & Robert Wellwood

MEETINGS AND EVENTS



OUR PARTNERS

FOUNDATION PARTNERS



Official Beer
and Cider Partner



Official
Champagne Partner



Official
Casino Partner



Official
Wagering Partner

GOLD PARTNERS

















SILVER PARTNERS



Accolade
Wines









PARTNERS







































































INDUSTRY PARTNERS

































MEDIA PARTNERS







FINANCIAL
REPORT

BOARD PROFILES

For the year ended 31 July 2024



PETER McGAURAN
Chairman
Independent Director



TIM HALE SC
Vice-Chair
Elected Director



ANGELA BELLE McSWEENEY
Elected Director



BEN BAYOT
Elected Director



DAVID McGRATH
Independent Director



CAROLINE SEARCY
Elected Director



NATALIE HEWSON
Independent Director



DIRECTORS' REPORT

For the year ended 31 July 2024

The directors present their report together with the financial statements of Australian Turf Club Limited (the Company), for the year 1 August 2023 to 31 July 2024 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 2023 to 31 July 2024 are:

Name and Qualifications	Experience and special responsibilities
Mr Peter McGauran	
Independent Director	» Appointed to the Board 14 February 2022 » Chair of the Board of the Company from 29 August 2022 » Member of Remuneration and Nomination Committee » Member of Finance and Audit Committee
Mr Tim Hale SC	
Elected Director GAICD	» Appointed to the Board 1 February 2021 » Vice-Chair of the Board of the Company from 29 August 2022 » Senior Counsel for New South Wales since 1999 » Kings Counsel for Western Australia since 2000 » Chair of the Membership Committee » Chair of the Members Consultative Committee » Member of Finance and Audit Committee » Member of Remuneration and Nomination Committee
Ms Angela Belle McSweeney	
Elected Director GAICD	» Appointed to the Board 1 February 2017 » Marketing and Communications Consultant to racing industry for over 25 years » Winner of NSW Racehorse Owners Association Trophy for the single person contributing the most to racing » Third generation of the McSweeney/Nailon racing family » Established “Fashions on the Field” at request of AJC, leading to wider “Fashions on the Field” throughout NSW » Graduate Australian Institute of Directors » Current breeder and previous owner of over fifty thoroughbred racehorses over the last three decades » Vice President of The Black and White Committee for Vision Australia since 2012 » Ambassador for Spinal Cure Australia » Awarded Life Membership to City Tattersall’s Club » Member of the Membership Committee » Chair of ATC Foundation
Mr Ben Bayot	
Elected Director	» Appointed to the Board 12 May 2021 » Chair of Finance and Audit Committee » Member of Remuneration and Nomination Committee
Mr David McGrath	
Independent Director MAICD	» Appointed to the Board 14 February 2022 » Chair of Remuneration and Nomination Committee » Member of the Membership Committee » CEO – myPlates.com.au and TasPlates.com.au » Non-Executive Director – Carbine Investments » Member – Australia Institute of Company Directors » CIO Australia Top 50 (2019 and 2023) » Gr.1 Racehorse Owner & NSW Thoroughbred Breeder

DIRECTORS' REPORT

For the year ended 31 July 2024

Name and Qualifications	Experience and special responsibilities
Ms Caroline Searcy	
Elected Director GAICD	» Appointed to the Board 1 February 2023 » Member of the Membership Committee » Vice-Chair of the ATC Foundation » Member of Remuneration and Nomination Committee » Former Vice-President, Thoroughbred Breeders' NSW » Former Board member, Thoroughbred Breeders' Australia » Immediate-past Chair, Carbine Club of NSW » Managing Director, SearcyMedia » Thoroughbred owner and breeder
Ms Natalie Hewson	
Independent Director MAICD	» Appointed to the Board 1 February 2023 » Member of Finance and Audit Committee » Chartered Accountant (Australia & New Zealand) » Registered Tax Agent » Chartered Tax Adviser



DIRECTORS' REPORT

For the year ended 31 July 2024

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 and Audit		Membership	
	A	B	A	B	A	B
Peter McGauran	11	11	4	3		
Tim Hale SC	11	11	4	2	1	1
Angela Belle McSweeney	11	10			1	0
Ben Bayot	11	8	4	4		
David McGrath	11	11			1	1
Caroline Searcy	11	11			1	1
Natalie Hewson	11	11	4	3		

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

DIRECTORS' REPORT

For the year ended 31 July 2024

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.
- » Create memorable experiences and destinations that inspire customers, industry, staff and communities.
- » Grow and enhance brand and reputation.
- » Leverage balance sheet strength to position for long-term sustainability and growth.
- » Continue to work with Members and the NSW Government on the potential for a Metro station at Rosehill Gardens.

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 for all patrons.
- » 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:

- » Conduct up to 110 metropolitan race meetings throughout the year.
- » 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.
- » Host over 3,000 diverse non-raceday meetings and events.
- » Progress the concept masterplan for Canterbury Park, Rosehill Gardens, Warwick Farm and Royal Randwick.
- » Continue to work with Members and the NSW Government on the potential for a Metro station at Rosehill Gardens.
- » 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 2023 to 31 July 2024 was \$570,000.

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

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



DIRECTORS' REPORT

For the year ended 31 July 2024

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 \$11,979 (2023: \$12,539).

8. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead auditor's independence declaration is set out on page 31 and forms part of the directors' report for the year 1 August 2023 to 31 July 2024.

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 Peter McGauran
Chairman

Dated at Sydney this 10th day of October 2024



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 2024 there have been:

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



KPMG



Cameron Slapp
Partner

Sydney
10 October 2024

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 July 2024

In thousands of AUD	Note	2024	2023
Revenue			
Revenue from contracts with customers	6	371,041	340,893
Other income	7	990	10,191
Revenue and other income		372,031	351,084
Expenditure			
Prizemoney, trophies and subsidies		(210,338)	(185,391)
Equine welfare contribution		(3,214)	(2,853)
Commercial expenses		(69,509)	(70,164)
Administrative expenses		(16,376)	(20,082)
Tracks and training costs	8	(20,515)	(19,175)
Racing costs		(24,798)	(24,011)
Facilities maintenance expenses		(10,484)	(10,708)
Property costs		(606)	(401)
Depreciation and amortisation		(15,286)	(15,666)
Impairment (expense)/reversal	14	(250)	375
Expenditure		(371,376)	(348,076)
Results from core operating activities		655	3,008
Governor Macquarie Drive works		-	(492)
QEII Grandstand Cladding works	20	1,939	-
Results from total operating activities		2,594	2,516
Finance income - interest		347	368
Finance costs - interest		(2,429)	(2,637)
Net finance costs		(2,082)	(2,269)
Profit for the period		512	247
Other comprehensive income			
Defined benefit plan actuarial gains	18	58	117
Other comprehensive income for the period		58	117
Total comprehensive income for the period		570	364

The notes on pages 36 to 61 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 31 July 2024

In thousands of AUD	Note	2024	2023
Assets			
Cash and cash equivalents	9	13,374	30,998
Restricted cash and cash equivalents	10	928	857
Trade and other receivables	11	23,484	18,790
Defined benefit asset	18	546	600
Inventories		1,172	1,337
Total current assets		39,504	52,582
Trade and other receivables	11	633	633
Assets held for sale	12	908	874
Property, plant and equipment	13	354,353	360,570
Intangible assets	14	1,648	1,898
Total non-current assets		357,542	363,975
Total assets		397,046	416,557
Liabilities			
Trade and other payables	15	11,178	17,572
Loans and borrowings	16	8,595	12,939
Employee benefits	17	10,989	10,197
Revenue in advance	19	23,366	19,242
Other provisions	20	1,576	6,497
Total current liabilities		55,704	66,447
Loans and borrowings	16	36,694	37,148
Revenue in advance	19	261	9,192
Employee benefits	17	841	794
Other provisions	20	701	701
Total non-current liabilities		38,497	47,835
Total liabilities		94,201	114,282
Net assets		302,845	302,275
Funds			
Reserve	21	136,060	136,060
Accumulated funds		166,785	166,215
Total funds		302,845	302,275

The notes on pages 36 to 61 are an integral part of these financial statements.

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 July 2024

In thousands of AUD	Reserves	Accumulated Funds	Total
Balance at 1 August 2022	136,060	165,851	301,911
Total comprehensive income for the period			
Profit for the 12-month period	-	247	247
Other comprehensive income			
Defined benefit plan actuarial gains	-	117	117
Total other comprehensive income	-	117	117
			-
Total comprehensive income for the period	-	364	364
Balance at 31 July 2023	136,060	166,215	302,275
Balance at 1 August 2023	136,060	166,215	302,275
Total comprehensive income for the period			
Profit for the 12-month period	-	512	512
Other comprehensive income			
Defined benefit plan actuarial gains	-	58	58
Total other comprehensive income	-	58	58
Total comprehensive income for the period	-	570	570
Balance at 31 July 2024	136,060	166,785	302,845

The notes on pages 36 to 61 are an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the year ended 31 July 2024

In thousands of AUD	Note	2024	2023
Cash flows from operating activities			
Cash receipts from operations		373,887	376,603
Cash paid to suppliers and employees		(374,702)	(362,522)
Cash generated from operating activities		(815)	14,801
Interest received		347	368
Interest paid		(2,429)	(2,637)
Net cash from operating activities		(2,897)	11,812
Cash flows from investing activities			
Acquisition of property, plant and equipment		(4,818)	(5,578)
Proceeds from sale of property, plant and equipment		475	-
Contracted capital work obligations on sold property		(572)	(273)
Payment for asset remediation works		(2,236)	(4,952)
Net cash used in investing activities		(7,151)	(10,803)
Cash flows from financing activities			
Proceeds from RNSW - cladding contribution		990	5,191
Repayment of RNSW RCF loan		(6,744)	(6,821)
Proceeds of RNSW interminable loan		-	5,000
Repayment of finance lease principal		(1,751)	(1,885)
Repayment of bank borrowings		-	(10,000)
Net cash from financing activities		(7,505)	(8,515)
Net decrease in cash and cash equivalents		(17,553)	(7,506)
Cash and cash equivalents at beginning of period		31,855	39,361
Cash and cash equivalents at end of period		14,302	31,855
Included in the financial statements as:			
Cash and cash equivalents	9	13,374	30,998
Restricted cash and cash equivalents	10	928	857
		14,302	31,855

The Company received \$6,600,000 for outstanding wagering revenues (TAB distributions) owing in the 2023-24 year, on 18 September 2024. The delayed receipt impacted the cash generated from operating activities and the cash balance in the 2023-24 year.

The notes on pages 36 to 61 are an integral part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

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 2024. 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) General purpose financial statements

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the *Corporations Act 2001*. They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial statements were authorised for issue by the Board of Directors on 10 October 2024.

(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.

(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 material effect on the amounts recognised in the financial statements are included in note 13 – Property, plant and equipment and note 18 – Defined benefit asset.

(e) Going concern and net current liability

The Company has prepared the financial statements for the year ended 31 July 2024 on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. At 31 July 2024 the Company's current liabilities exceeded its current assets by \$16,200,000 (2023: \$13,865,000), including revenue received in advance of \$23,366,000 (2023: \$19,242,000).

Management has prepared cash flow forecasts that support the Company's ability to continue as a going concern over the coming 12-month period from the date of issuing these financial statements. Key considerations impacting the assumptions used within these forecasts include:

- » The Company achieving forecasted trading performance and associated operating cashflows at levels consistent with previous financial years, noting the impact of the delayed receipt of \$6,600,000 in FY24 for outstanding wagering revenues (TAB Distributions), subsequently received on 18 September 2024;
- » Facility maintenance and associated capital expenditure and cashflows remaining consistent with previous financial years;
- » Ongoing compliance with debt covenants in relation to the Commonwealth Bank of Australia financing facility set out in Note 16, such that debt repayments fall due under current contractual terms;
- » No material adverse outcome to the third-party claim in relation to a proposed land development at Canterbury Park, contingency disclosed at Note 27;

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

2. BASIS OF PREPARATION (CONTINUED)

(e) Going concern and net current liability (continued)

- » No significant change in business operations including the associated measurement and recognition of revenue and expenditure.

In addition to the above 12-month cash flow forecast assumptions, Directors have also considered the following matters:

- » As referenced at Note 16, the fully drawn \$30,000,000 bank facility with the Commonwealth Bank of Australia expires on 10 October 2026. This facility is currently guaranteed by Racing NSW. The Company will seek to refinance this loan prior to its expiry;
- » The requirement for member approval prior to the sale of any 'core' property as set out in Note 13 and the requirement for repayment to Racing NSW of amounts as set out in Note 27 where any asset sale of more than \$1,000,000 occurs, unless by other arrangement approved by RNSW. This may limit the ability of the Company to address in a timely manner operating cash flow shortfalls or debt repayment requirements with asset sales.

Based on these forecasts, the directors consider that the Company will continue as a going concern and be able to meet its obligations as and when they fall due over the coming 12-month period from the date these financial statements were authorised for issue.

3. MATERIAL 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(ii) **Classification and subsequent measurement (continued)**

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.

(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 2024

3. MATERIAL 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. The Company has provided for these costs, refer to note 20.

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. These works have now been completed; no further provision is required

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Impairment (continued)

(i) Financial Assets (continued)

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 profit or loss and other comprehensive income.

An impairment loss is reversed only to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

The recoverable amount of all CGU’s has been reviewed and impairment testing has been performed at 31 July 2024 where indicators of impairment exist. This has resulted in the recognition of an impairment expense of \$250,000 during the period (2023: \$375,000 impairment reversal) in the statement of profit or loss and other comprehensive income.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(iii) Calculation of recoverable amount (continued)

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. 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 2024 reporting date was 4.326% (2023: 4.03%).

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

3. MATERIAL 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 2024.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) **Revenue (continued)**

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.

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

3. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) **Leases (continued)**

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 of the following:

- » 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 2024

3. MATERIAL 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 Company 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

4. NEW STANDARDS AND INTERPRETATIONS

The Company adopted Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060) from 1 August 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclose accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

A number of other new standards are also effective from 1 August 2023 but they do not have material effect on the Company'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

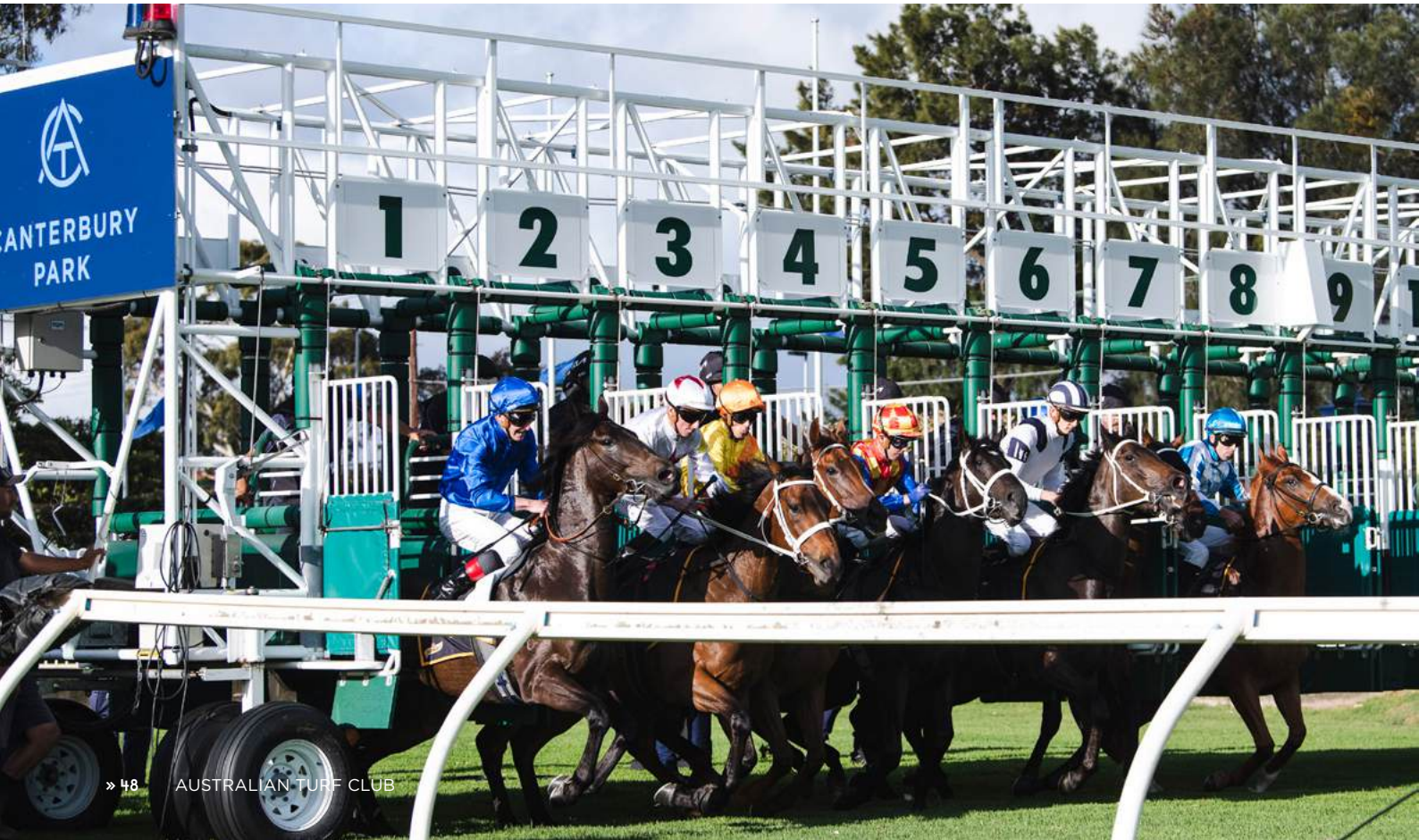
For the year ended 31 July 2024

6. REVENUE FROM CONTRACTS WITH CUSTOMERS

In thousands of AUD	2024	2023
TAB distribution	87,225	85,140
Commercial	80,309	82,480
Broadcast rights	33,852	31,405
Racing NSW prizemoney subsidy	146,230	119,445
Racing	9,656	9,671
Training	12,423	11,575
Property	949	912
Other revenue	397	265
	371,041	340,893

7. OTHER INCOME

In thousands of AUD	2024	2023
RNSW Cladding Income	990	5,191
RNSW Funding Income	-	5,000
	990	10,191



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

8. EXPENDITURE

Expenditure includes the following items:

In thousands of AUD	2024	2023
Personnel expenses		
Wages and salaries	49,405	52,388
Contributions to defined contribution plans	5,083	4,793
Change in liability for annual leave and long service leave	419	(296)
Expenses related to defined benefit plans	106	127
Other employment expenses	5,614	5,966
	60,627	62,978

Tracks and training

Core operations	20,515	19,175
	20,515	19,175

9. CASH AND CASH EQUIVALENTS

In thousands of AUD	2024	2023
Cash on hand	183	835
Cash at bank	13,191	30,163
Cash and cash equivalents in the statement of cash	13,374	30,998

The Company received \$6,600,000 for outstanding wagering revenues (TAB distributions) owing in the 2023-24 year, on 18 September 2024. The delayed receipt impacted the cash balance as at 31 July 2024.

10. RESTRICTED CASH AND CASH EQUIVALENTS

In thousands of AUD	2024	2023
Cash at bank - Randwick Capital Fund	928	857
Restricted cash and cash equivalents in the statement of cash flows	928	857

* 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 \$928,000 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

11. TRADE AND OTHER RECEIVABLES

In thousands of AUD	2024	2023
Current		
Trade receivables	6,148	6,168
Allowance for impairment on trade receivables	(436)	(415)
	5,712	5,753
Other receivables	13,240	9,027
	13,240	9,027
Prepayments	4,532	4,010
	23,484	18,790
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:

In thousands of AUD	2024	2023
At 1 August	(415)	(542)
Reversal of impairment recognised	99	247
Impairment loss recognised	(120)	(120)
Balance at 31 July	(436)	(415)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

12. ASSETS HELD FOR SALE

In thousands of AUD	2024	2023
Assets and assets of disposal groups classified as held for sale		
Land	908	874
	908	874

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 has been classified as held for sale and as non-current due to the contractual requirement for the Company to sell the asset on successful completion of the matters above.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

13. PROPERTY, PLANT AND EQUIPMENT

In thousands of AUD	Land and buildings	Plant and equipment	Construction work in progress	Right of use assets	Total
Cost					
Balance at 1 August 2023	446,060	55,948	21,913	10,812	534,733
Additions	-	-	9,592	-	9,592
Disposals	(358)	(11,417)	-	(221)	(11,996)
Construction work in progress transfers	3,032	1,549	(8,892)	4,311	-
Balance at 31 July 2024	448,734	46,080	22,613	14,902	532,329
Balance at 1 August 2022	443,309	57,007	21,294	8,448	530,058
Additions	-	-	8,041	-	8,041
Disposals	-	(3,213)	-	(153)	(3,366)
Construction work in progress transfers	2,751	2,154	(7,422)	2,517	-
Balance at 31 July 2023	446,060	55,948	21,913	10,812	534,733
Depreciation and impairment					
Balance at 1 August 2023	110,976	39,953	16,990	6,244	174,163
Depreciation for the period	10,430	3,330	-	1,526	15,286
Disposals	(298)	(10,954)	-	(221)	(11,473)
Balance at 31 July 2024	121,108	32,329	16,990	7,549	177,976
Balance at 1 August 2022	100,553	38,994	16,990	5,280	161,817
Depreciation for the period	10,423	4,126	-	1,117	15,666
Disposals	-	(3,167)	-	(153)	(3,320)
Balance at 31 July 2023	110,976	39,953	16,990	6,244	174,163
Carrying amounts					
At 1 August 2023	335,084	15,995	4,923	4,568	360,570
At 31 July 2024	327,626	13,751	5,623	7,353	354,353
At 1 August 2022	342,756	18,013	4,304	3,168	368,241
At 31 July 2023	335,084	15,995	4,923	4,568	360,570

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

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 2024:

- 1 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, and all stabling facilities at Royal Randwick, Rosehill Gardens and Warwick Farm Racecourses;
- 2 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;
- 3 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;
- 4 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
- 5 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 2024 all property which is not specifically defined as core-property is non-core property.

14. INTANGIBLE ASSETS

In thousands of AUD	2024	2023
Poker machine entitlements at cost net of impairments		
At 1 August	1,645	1,270
Impairment (expense)/reversal	(250)	375
Balance at 31 July	1,395	1,645
Trademarks at cost		
At 1 August	253	253
Balance at 31 July	253	253
	1,648	1,898

Poker machine licenses have been assessed as having an indefinite useful life under current legislation in NSW and are valued at the lower of cost and recoverable amount. 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 2023 and June 2024. Accordingly, at 31 July 2024, the carrying amount required an impairment expense of \$250,000 (2023: \$375,000 impairment reversal).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

15. TRADE AND OTHER PAYABLES

In thousands of AUD	2024	2023
Current		
Trade payables	2,212	2,932
Other payables and accruals	8,966	14,640
	11,178	17,572

16. LOANS AND BORROWINGS

In thousands of AUD	2024	2023
Current		
RNSW loan	6,213	6,213
Bank borrowings	-	5,000
Lease liabilities	2,382	1,726
	8,595	12,939
Non-current		
RNSW loan	2,573	9,810
Bank borrowings	30,000	25,000
Lease liabilities	4,121	2,338
	36,694	37,148

Financing facilities

On 10 October 2023 the Company entered into a 3 year financing facility with Commonwealth Bank of Australia totalling \$30,000,000. The new facility expires on 10 October 2026.

The total available funding through lease financing facilities with Commonwealth Bank of Australia is \$13,500,000. Tranche A was entered into on 28 September 2015 for \$5,000,000. The Company then secured an additional \$2,500,000 in 2022, which provides total lease finance facilities of \$7,500,000 which are open-ended and cancellable by one month's written notice by either the Company or Commonwealth Bank of Australia. Tranche B for \$6,000,000 was secured on 10 October 2023 for a term up to 5 years. At 31 July 2024, \$4,934,000 of the lease financing facility has been utilised leaving \$8,566,000 available for use. The difference between the lease financing facility and the total lease liability relates to non-finance leases.

In 2020 the Company entered into an agreement with RNSW whereby RNSW would provide cash funding via an interest-free loan of \$29,706,000, 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 2024, a balance of \$8,786,000 (2023: \$16,023,000) remains outstanding.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

17. EMPLOYEE BENEFITS

In thousands of AUD	2024	2023
Current		
Liability for annual leave	2,861	2,625
Liability for long service leave	3,673	3,621
Other employee benefits	4,455	3,951
	10,989	10,197
Non-current		
Liability for long service leave	841	794
	841	794

18. DEFINED BENEFIT ASSET/LIABILITY

In thousands of AUD	2024	2023
Total fair value of plan assets	5,532	5,037
Total present value of defined benefit obligations	(4,707)	(4,161)
Unrecognised asset due to asset ceiling	(279)	(276)
Total surplus in the plans recognised in the statement of financial position	546	600

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:

In percentage	2024	2023
Equity securities	59%	57%
Fixed interest securities	19%	15%
Property	5%	5%
Other	17%	23%
	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

18. DEFINED BENEFIT ASSET/LIABILITY (CONTINUED)

Movement in the present value of the defined benefit obligations

In thousands of AUD	2024	2023
Defined benefit obligations at 1 August	4,161	4,714
Benefits paid by the plan	(63)	(1,054)
Current service costs and interest	372	371
Actuarial losses in other comprehensive income	237	130
Defined benefit obligations at 31 July	4,707	4,161

Movement in fair value of plan assets

In thousands of AUD	2024	2023
Fair value of plan assets at 1 August	5,037	5,644
Contributions paid into the plan	28	22
Benefits paid by the plan	(63)	(1,054)
Expected return on plan assets	249	216
Actuarial losses in other comprehensive income	281	209
Fair value of plan assets at 31 July	5,532	5,037

Actuarial gain on plan assets	530	425
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Movement in the asset ceiling of the plan

In thousands of AUD	2024	2023
Asset ceiling at 1 August	276	301
Interest income	15	13
Remeasurements	(12)	(38)
Asset ceiling at 31 July	279	276

Actuarial (gains) and losses recognised in other comprehensive income

In thousands of AUD	2024	2023
Cumulative amount at 1 August	(791)	(674)
Defined benefit plan actuarial (gains) / losses	(58)	(117)
Cumulative amount	(849)	(791)

	2024	2023
Discount rate at 31 July	5.0%	5.4%
Future salary increases	3.0%	3.0%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

19. REVENUE IN ADVANCE

In thousands of AUD	2024	2023
Revenue in advance	23,366	19,242
	23,366	19,242
Non-current		
Revenue in advance	261	9,192
	261	9,192

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.



NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

20. OTHER PROVISIONS

In thousands of AUD	2024	2023
Current		
QEII Grandstand Cladding provision	-	4,349
Governor Macquarie Drive provision	1,576	2,148
	1,576	6,497
Non-current		
Governor Macquarie Drive provision	701	701
	701	701
Movement in provision		
Current		
Opening balance	6,497	7,540
Measurement of provision	-	4,183
Provision utilised	(4,921)	(5,226)
Closing balance	1,576	6,497
Non-current		
Opening balance	701	4,573
Measurement of provision	-	(3,872)
Closing balance	701	701

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. These works have now been completed; no further provision is required.

21. ACCUMULATED FUNDS AND 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 \$11,979 (2023: \$12,539).

Reserve

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

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

In thousands of AUD	2024	2023
Leases under AASB16		
Interest on lease liabilities	436	160
Depreciation on right of use assets	1,526	1,117

(ii) Future lease payments

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, e.g. for short-term leases and leases of low-value items) are disclosed for reach of the following periods.

In thousands of AUD	2024	2023
Less than one year	2,816	1,837
One to five years	4,825	2,569
	7,641	4,406

23. CAPITAL COMMITMENTS

During the year ended 31 July 2024 the Company entered into contracts to purchase property, plant and equipment for a total of \$1,248,000 (2023: \$1,665,000) which consists of the following:

In thousands of AUD	2024	2023
Randwick Capital Fund	928	857
Other	320	808
	1,248	1,665

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

24. REMUNERATION OF AUDITORS

	2024	2023
Auditors of the Australian Turf Club - KPMG		
Audit of the financial report	162,500	156,960
Non-audit services	11,697	27,772
	174,197	184,732

25. 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 Peter McGauran (Chairman)
- » Mr Tim Hale (Kings Counsel) (Vice-Chair)
- » Ms Angela Belle McSweeney
- » Mr Ben Bayot
- » Mr David McGrath
- » Ms Caroline Searcy
- » Mrs Natalie Hewson

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 Matt Galanos – Chief Executive

During the period the executives were:

- » Mr Brett De Vine – Head of Media and Broadcast
- » Mr Matthew Sharman – Head of Hospitality and Venues
- » Mr Stephen McMahon – Head of Membership and Corporate Affairs
- » Ms Donna Forbes – Head of Commercial
- » Mr Shihan Ramasundara – Head of Corporate Services
- » Mr Nevesh Ramdhani – Head of Racing and Wagering (commenced 22 May 2024)
- » Mr James Ross – Head of Racing and Wagering (until 10 May 2024)

Key management personnel compensation

During the year ended 31 July 2024, the total key management personnel compensation recognised in profit or loss was \$2,893,151 (2023: \$4,673,741). Total compensation includes paid salary, annual leave, short-term incentives, long service leave and superannuation.

26. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2024

27. 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 2024 in respect of these loans which has not been provided for in the Financial Statements amounts to \$101,407,000 (2023: \$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.

In 2023, The Company and Racing NSW have entered into contractual agreement for an interminable loan of \$5,000,000. It is only repayable in the event that the Company sells an asset valued at more than \$1,000,000 unless by other arrangement approved by RNSW. This contingent liability will be recorded as a liability and expense, when it is probable that such a transaction will take place.

In 2023, The Company and Racing NSW have entered into contractual agreement for an interminable loan up to \$7,000,000, as at 31 July 2024, \$6,181,000 had been drawn down. It is only repayable in the event that the Company sells an asset valued at more than \$1,000,000 unless by other arrangement approved by RNSW. This contingent liability will be recorded as a liability and expense, when it is probable that such a transaction will take place.

On 27 September 2023, the Company and Racing NSW have entered into contractual agreement for RNSW to provide guarantee over the \$30,000,000 debt facility and \$5,000,000 overdraft facility, refer to note 16. An annual charge of 1.25% of the overall debt guaranteed will be charged in the event that the Company sells an asset valued at more than \$1,000,000 unless by other arrangement approved by RNSW. Interest to the value of \$328,000 has been calculated as at 31 July 2024. This contingent liability will be recorded as a liability and expense, when it is probable that such a transaction will take place.

The Company has received a claim from a third party in relation to a proposed land development at Canterbury Park. The Company intends 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.

28. SUBSEQUENT EVENTS

The Company received \$6,600,000 for outstanding wagering revenues (TAB distributions) owing in the 2023-24 year, on 18 September 2024.

There have been no further subsequent events after the balance sheet date through to the date the financial statements were issued that need disclosure.



CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 31 July 2024

Australian Turf Club is not required by Australian Accounting Standards (AAS) to prepare consolidated financial statements and as a result subsection 295(3A)(a) of the Corporations Act 2001 to prepare a Consolidated Entity disclosure Statement does not apply to the company.

DIRECTORS' DECLARATION

For the year ended 31 July 2024

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

- (a) the financial statements and notes, set out on pages 32 to 61, are in accordance with the Corporations Act 2001, including:
 - (i) a true and correct view of the Company's financial position as at 31 July 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified 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.
- (c) The Consolidated Entity Disclosure Statement as at 31 July 2024 set out on page 62 is true and correct.

Signed in accordance with a resolution of directors.



Mr Peter McGauran
Chairman

Dated at Sydney this 10th day of October 2024.



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

For the year ended 31 July 2024



Opinion

We have audited the **Financial Report** of Australian Turf Club Limited (the Company).

- » In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Company’s financial position as at 31 July 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The Financial Report comprises:

- » Statement of financial position as at 31 July 2024
- » Statement of profit or loss and other comprehensive income, Statement of changes in funds, Statement of cash flows and Consolidated entity disclosure statement for the year then ended;
- » Notes, including material 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 these requirements..

Other Information

Other Information is financial and non-financial information in Australian Turf Club Limited’s annual report 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 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..

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

For the year ended 31 July 2024



Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- » preparing the Financial Report in accordance with the *Corporations Act*, including giving a true and fair view of the financial position and performance of the Company, and in compliance with *Australian Accounting Standards - Simplified Disclosures Framework* and the *Corporations Act 2001*
- » implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act*, including giving a true and fair view of the financial position and performance of the Company, and that 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



Cameron Slapp
Partner

KPMG Sydney
10 October 2024





AUSTRALIAN TURF CLUB

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