



2019 / 20  
ANNUAL REPORT  
AND FINANCIAL STATEMENTS





**Wyong Race Club Limited**

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A company limited by guarantee.  
A.B.N. 54 943 635 817

**PATRON:**

Bob Graham

**LIFE MEMBERS:**

Mrs J. Smith

Mrs J. Langbridge

J. Wilkinson

**DIRECTORS:**

John Waghorn (Chairman)

Marion Langlar (Vice Chair)

Frank Arangio

Denis Hanley

Andrew Paton-Smith

Mark Waugh

Darren Hooper

**General Manager:** Robin Taylor

**Racing & Operations Manager:** Dean Grogan

**Track Manager:** Phillip Robinson

**Finance Manager:** Emma Fitzgerald

**Membership Administration:** Kylie McAlister

**Buildings & Projects:** Lloyd Hunt



**John Waghorn**  
(Chairman)



**Frank Arangio**



**Andrew Paton-Smith**



**Mark Waugh**



**Marion Langlar**  
(Vice Chair)



**Denis Hanley**



**Darren Hooper**



**Robin Taylor**  
(GM)

# NOTICE OF 2020 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT: The 2020 Annual General Meeting of Wyong Race Club Limited will be held on Tuesday 10 November 2020 in the Magic Millions Lounge (middle floor), Wyong Racecourse, Howarth St, Wyong, commencing at 6.00pm

## AGENDA

The business of the Annual General Meeting (AGM) shall be as follows:-

1. **Confirm the Minutes of the 2019 Annual General Meeting.**
2. **Receive & consider Annual Financial Report for year ended 30 June 2020 including –**
  - Directors' Report
  - Statement of Comprehensive Income
  - Statement of Financial Position
  - Statement of Cash Flows
  - Statement of Changes in Equity
  - Notes to the Financial Statements
  - Auditor's Reports
3. **Election of FOUR (4) Board members.**

WRC elected Board Members John Waghorn, Marion Langlar, Mark Waugh and Darren Hooper all retire by rotation in accordance with the Rules and being eligible John Waghorn, Mark Waugh and Darren Hooper are offering themselves for re-election.

Please note - the three RNSW independent directors are also scheduled to be appointed this year, circumstances permitting. The positions will be advertised after the AGM and RNSW will determine the appointment of the three independent directors after receiving a report from an independent panel formed to consider the applications received.

#### 4. **Further Notices of Motion:**

A. "That Members approve and agree to expenditure by the Club until the next Annual General Meeting of the Club of reasonable expenses incurred by directors in relation to such other duties including entertainment of special guests to the Club and other promotional activities performed by directors including attending functions at other clubs to represent the Club, such activities and expenses as may be approved."

B. "That Members approve and agree to the availability until the next Annual General Meeting of the Club a reserved car space at Club race meetings for directors."

C. "That Members approve and agree to expenditure by the Club until the next Annual General Meeting of the Club of reasonable cost of refreshments after Board meetings."

5. **Appoint the Auditor for the ensuing year.**
6. **Election of Patron.**
7. **Transact, in accordance with the Constitution, any other ordinary business that may be lawfully brought forward.**

**Robin Taylor**  
General Manager

# NOTICE OF 2020 ANNUAL GENERAL MEETING

**It would be appreciated if members who wish to raise queries or seek information about any matters appearing in the Annual Report, give at least (10) days written notice to the General Manager. This will allow sufficient time for proper research and preparation of the replies for the benefit of all Members.**

## **Please note:**

Members wishing to nominate for the FOUR (4) available elected positions on the Board of Directors are required to lodge their nominations on the prescribed form with the Company's General Manager at the General Office, Howarth Street, Wyong NOT LATER THAN 12 noon on Friday 23 October 2020. Nomination forms are available from the Club's Office during normal business hours.

**Election of the Board** – shall take place in the following manner:

- a) Any two Ordinary or Life Members of the Club shall be at liberty to nominate any other Ordinary or Life Member or a person who has been a member of the Board to serve as an officer or other member of the Board.
- b) The nomination must be in writing and signed by the member and his proposer and seconder shall be lodged with the secretary by 12 noon on Friday 23 October, 2020.
- c) A list of such nominations, with proposer's and seconder's names, shall be posted at the Club's registered offices at least seven days immediately preceding the meeting at which the elections take place and will be made available on the Wyong RC website [www.wyongraceclub.com.au](http://www.wyongraceclub.com.au), not later than Thursday 29 October 2020.

The **2020 Annual Report** will be posted to all financial Members on or before 15 October 2020 in accordance with the Rules.

Members and Proxies attending the AGM will be required to prove their identity with photo ID such as a driver's licence, a passport, or similar. A Member's card by itself will be insufficient proof of identity.

**Appointing a Proxy:** if you are a Member entitled to attend and vote at this AGM, you may appoint a person as your proxy to attend and vote for you at the meeting. A proxy need not be a member of the company. For the appointment of a proxy to be effective the required form (available from the Racing Club office) will need to be completed and returned by 4pm Thursday 5 November 2020. The Constitution of the Wyong Race Club does not provide for postal voting.



# CHAIRMAN'S REPORT

**On behalf of the Board of Directors, I am honoured to present the Wyong Race Club Annual Report along with the Audited Financial Statements for the year ended 30 June 2020.**

The 2020 year has certainly created unprecedented challenges for everyone in the community. For the Racing Industry to be able to keep operating has been a triumph for Racing NSW. Every industry participant from race clubs and their track and administrative staff, to trainers and their stable staff and track riders, jockeys, stewards and owners have contributed to racing continuing uninterrupted since the commencement of the COVID-19 restrictions.

While racing has continued, there have been substantial impacts on race clubs and their members. The Club was required to host seven meetings between late March and the end of June with strict security protocols in place and without member and public attendance. This included the Wyong heat of the Provincial Championships which is one of the few Saturday meetings the Club holds and one of our best attended meetings.

Since July, members have been allowed back to the races although numbers have been limited due to social distancing requirements. Member attendance has gradually improved over this period even though numbers for the Wyong Cup meeting had to be capped at 500. I would like to thank members for their ongoing support and trust that the Board decision to waive membership fees for existing members for the 2020/2021 year has been well received.

The 2019/20 year saw the transition of management at the Club from David Jewell to Robin Taylor following the 2019 AGM. Robin has provided excellent support to the Board in managing the Club's operations through the COVID-19 crisis. He has also been very effective in presenting options for the Board to consider in forward planning for the Club into the future.

David Jewell was not lost to the Club as he was retained on a project management basis to oversight the two capital projects completed during the year. Both the undergrounding and upgrade of our power supply and the construction of the Polytrack were completed on time and within budget. In total the Club received \$3.225million from Racing NSW towards these projects which was much appreciated. Both of these projects will have long term benefits to the Club and our trainers.



Thank you David for a job well done. David's abilities have not been lost to the industry as he is playing a support role for the Provincial Racing Association in terms of looking at sustainable ways for the Provincial Clubs to

# CHAIRMAN'S REPORT

operate and be funded into the future. He has also continued to be of great assistance to me as a sounding board on a number of issues.

The Club has reported a profit of \$3,317,278 for the financial year ended 30 June 2020, having posted an operational loss of \$349,111 last year. This year's result has been significantly distorted by the one-off capital grant provided by Racing NSW worth \$3.225m for the Polytrack and electrical upgrade projects. Discounting these grants the Club made a notional operating profit of \$92,278. The General Manager's report will cover the financial result in more detail.

At a strategic planning session held last December, the Board reaffirmed its vision for Wyong Race Club "to be a Racing and Training Centre of Excellence incorporating high quality member and community facilities." This vision has driven Board decision making over the past 5 years and the numerous upgrades to both training facilities and member facilities over that time.

Going forward, the Board is now focussing on increasing the number of horses trained on site to maximise utilisation and returns to the Club from providing training facilities including the new Polytrack. Stable fees were increased for 2020/21 to cover the additional maintenance costs associated with the Polytrack but the Club still subsidises training at Wyong by around \$350,000 per annum.

Discussions have been held with Central Coast Council on potential stable expansion sites and Council's strategic plans for the local area. Economic Impact Studies have been undertaken on the financial benefits to the local economy from both racing and training conducted at Wyong. It is intended that these will be used to support funding requests to Racing NSW for stabling expansion.

The condition of the surrounding wetlands is also an issue that the Board is attempting to

address with Council as waterways surrounding the track are becoming severely polluted reducing water flow. This was one of the factors behind the abandonment of the July Saturday meeting. The volume of noxious weed infesting the wetlands and the perimeter of the course also needs to be addressed.



Kim Waugh was again the leading trainer based at Wyong. She was closely followed by Damien Lane with Allan Denham, Kristen Buchanan and Tracey Bartley all training over 25 winners for the season. Ongoing support from our sponsors, media and racing NSW staff are all very much appreciated by the Club. Hopefully 2020/21 will see a resumption of normal racing life for all participants at some stage.

I would like to thank all the staff for their contribution over the past year. COVID-19 has created many operational challenges for both training and racing at Wyong. The way that the staff have responded has been magnificent and greatly appreciated by the Board. New security

and safety protocols have been introduced and new online ticketing systems have been implemented, all of which should make Wyong a COVID-19 safe venue for patrons.

Construction of the Polytrack presented many logistical challenges for the track staff in continuing to provide training facilities for the 200 horses trained on site and the many off site trainers who use our facilities. Training continued over the five-month construction period with very few problems and I would like to thank Phill Robertson for working with the project managers and construction staff to allow the project to proceed according to schedule.

Finally, I would like to congratulate the Board on what it has achieved since its initial appointment six years ago following a period under administration. With very little change

of membership over that time, the Board has continued to have a strategic focus and has been well supported by its former CEO and current GM.

With the entire Board standing down at this year's annual general meeting, I would be remiss not to acknowledge the input of Deputy Chair, Marion Langlar, and appointed member Andrew Paton-Smith who have both indicated that they would not be seeking re-election. To the remaining Board members, I wish you the all the best in your efforts to be re-elected by the members or re-appointed by Racing NSW.

**John Waghorn**  
Chairman

29 September 2020



# GENERAL MANAGER'S REPORT

**I am pleased to have the opportunity to present my first General Manager's report to Members.**

2020 will no doubt be a year that most people and organisations would rather forget. Unfortunately, the issues and their impacts that emerged in 2020, are likely to be with us for quite some time to come. Having taken over the reins from David Jewell at the AGM in November 2019, the balance of the 2019-2020 year turned out to be very different to what I had expected. As if the impact of summer's extreme high temperatures, bushfires and flooding were not enough to test our resilience, COVID-19's dramatic and ongoing impact from March 2020 has revealed how vulnerable we are in our highly connected world. Taking a positive view, it has also shown us that even under the most extreme of circumstances, people and their communities can adapt, survive and even thrive, finding opportunity even in the most challenging of situations.

Sadly, for some businesses, the impact of COVID-19 related restrictions has been devastating. H&H Catering, the Club's caterers for 10 years or so, went from discussing expansion plans in January 2020 to completely withdrawing services from the Club in less than six months. We wish Kerry Harman and her team at H&H Catering all the best in their efforts to come back stronger as the hospitality sector recovers in the coming months. Having witnessed this rapid business contraction, we can be thankful that the Club's core activity of racing programs and training operations have been largely unaffected, albeit operating under varying degrees of COVID-19 restrictions. This continuity of operation has allowed most of the industry dependent on Wyong's racing businesses, hospitality aside, to also keep going (trainers, track-riders, transport logistics and the like).

Under the circumstances, this year's financial result is remarkable, and it comes with a significant qualification, that the result would not have been achieved without the enormous financial support of Racing NSW and Federal Government. Arguably more important than Racing NSW's funding, was the mindset of Racing NSW leadership who remained

resolute that racing would continue in NSW despite the challenges presented by the COVID-19 pandemic. This single-minded conviction has ensured the Club has ended the year in a very positive position under the circumstances.

This year, prior to COVID-19, the Club had completed of two significant projects, each important in its own way, designed to ensure Wyong will continue to build its reputation as one of Australia's leading Provincial Racing Clubs in pursuit of the Club's vision of being acknowledged as a Racing and Training Centre of Excellence. Both these projects that were delivered with substantial financial support of Racing NSW.



The first project completed in early 2020 diverted the stable complex's power supply away from compromised power poles to an underground solution. New powerlines have been run under the course proper from near the admin building to the stable complex, and redundant powerlines and power poles removed. The end result is that our eleven stable blocks are now independently connected to a centralised distribution board with individual metering. Importantly, the stable complex is no longer at risk of a major power outage due to poles and or lines failing. Routine electrical maintenance and localised outages should now be less disruptive, with maintenance personnel now able isolate issues at the stable level rather than disrupting the whole stable complex, which was the major weakness of the previous configuration.

The completion of second project, a new state of the art 1600m all-weather Polytrack, constructed

by Robson Civil Projects Pty Ltd (road base) and Martin Collins Australia Pty Ltd (synthetic surface and drainage layer) in early May provides WRC's trainers with an additional training option, one that is more forgiving on their horses and riders. From a Club perspective the new surface allows for an increase in theoretical training capacity on site while reducing wear on the course proper from training gallops, with a significant portion of these turf gallops being moved to the Polytrack. The Polytrack also has other benefits which include: no need to irrigate, minimal disruption from significant rainfall events, and does not need to be remediated as often and to the same extent as the sand tracks.

My predecessor, David Jewell, claimed Wyong's course proper to be one of the best performing racetracks in NSW, especially given the amount of racing, trials, grass jumpouts and regular grass gallops conducted on the surface. I have to agree with that assessment and concur that overall, our training facilities are also amongst the best in the state.



We are fortunate to have an active group of resident trainers, who continue to enjoy plenty of success at Wyong and other racing venues. Our facilities for members and racecourse patrons are also good for a Club of our size although sadly not as many people have been able to make use of them in recent months due to the ongoing COVID-19 restrictions.

Financially under the circumstances the Club is in a relatively sound position. It has no debt, and despite investing \$1.3m of its capital reserves into the Polytrack, the Club has navigated the recent

business challenges fairly well taking advantage of available financial support along the way. The Club has endeavoured to balance the needs of remaining operational yet COVID-19 safe, rationalising discretionary spend to ensure the Club did not have to rely on a NAB contingency facility of \$500k which the Board agreed to put in place in January 2020 prior to the start of the Polytrack project and before COVID-19 emerged as a material business risk.

## Financial

The Club has reported a profit of \$3,317,278 for the financial year ended 30 June 2020, having posted operational loss of \$349,111 last year. This year's result has been significantly distorted by the one-off capital grant provided by Racing NSW worth \$3.225m for the aforementioned Polytrack and electrical upgrade projects.

Last year when the Board signed off on the annual accounts, Racing NSW advised the Club that a further "top-up" payment was pending, but at the time of finalising the 2019 report funds were still yet to be quantified and released. In February 2020 Racing NSW made a belated "top-up" for the 2018-2019 year of \$170.5k. This amount taken up this year due to its timing has also positively influenced this year's result.

The notional operating profit for the year can largely be attributed to \$659.1k worth of atypical funding made up of the Racing NSW FY19 top-up payment of \$170.5k, Racing NSW COVID-19 expenditure support for March - June of \$356.6k, net JobKeeper benefit of \$82k and ATO cash boost of \$50k.

The reduction in the scheme of distribution reflects an ongoing general decline in TAB profitability combined with a significant dip in wagering during April and May 2020 triggered by COVID-19 restrictions - primarily the closure of pubs and clubs and suspension of many sports that punters bet on. Since June and the reopening of pubs and clubs, TAB wagering has rebounded back to above 2018 levels, anecdotally reflecting a number of factors including

# GENERAL MANAGER'S REPORT

- JobKeeper cashed up punters, limited wagering options for punters to bet on with many sports yet to return to full operation and limited alternative recreational options leaving people with extra cash with which to wager. The question remains as to what happens when JobKeeper is stepped back over the coming months.

TAB profits are paid to Racing NSW, after accounting for Racing NSW charges, the industry's share is distributed to the ATC, the Provincial and Country Clubs on an agreed industry formula. The amount available to be shared by the five Provincial Clubs in 2019-2020 was actually down \$1.502m to \$23.527m. This was \$2.47m smaller than the \$26m distribution pool that the PRA clubs had been hoping that Racing NSW would base its 2019-2020 distribution payments on.

A break-up of historical payments to the PRA clubs compiled from RNSW annual distribution statements is shown below. The data reflect the downturn in TAB performance that started in early 2019.

Members should note that the final result this year includes an allowance for \$912,682 of depreciation. Excluding the depreciation (which is a non cash item) the Club has achieved a cash operating surplus of \$980,095 for the year.

Our depreciation allowance of \$913k decreased \$11k (1.2%) reflecting the number of capital

projects we have completed in the past year. Employee costs of \$1.923m decreased \$76k (3.8%). Consulting fees of \$87.2k reflects a number of initiatives pursued over the year involving the engagement of professional services in the areas of strategic planning, JobKeeper financial planning, WHS reviews, public relations and the outsourcing of our marketing function in lieu of filling a fulltime vacancy. Security expenses of \$113.6k increased by \$53.7k (90%) primarily due to \$57.6k associated



with the enforcement of COVID-19 Racing NSW's "essential personnel only" protocols between March and June. Insurance costs (sourced through Racing NSW) of \$372k were up \$28k (8.1%) and R&M costs of \$427k were down \$42k (9%).

Prizemoney paid for the year was a slight decrease of \$164k (2.6%) totalling \$6.038m (which includes \$125.4k paid by RNSW as part of its COVID-19

## Summary: Distributions paid to the Provincial Clubs

	Provincial Distribution	Variation
2019/20	\$23.527m	(6.00%)
2018/19	\$25.029m	(5.77%)
2017/18	\$26.564m	2.27%
2016/17	\$25.974m	-
2015/16	\$25.973m	1.2%
2014/15	\$25.7m	6.2%

support for racing clubs). While maintaining prizemoney levels is important, increasing operating costs at the club level will have to be addressed by Racing NSW at some point, especially while most other forms of income for racing clubs have been decimated by COVID-19 related restrictions (direct and indirect).

Under the circumstances and despite this year's challenges the Club's balance sheet is relatively strong. The Club has no debt and its cash from operating activities was up on the prior year. Wyong's Board remains of the view that Racing NSW's club funding model needs to be updated to reflect underlying industry trends to prevent the risk of losses in the future.

## Sponsorship and Promotions

The Club is indebted to the continued support of all of its sponsors financial and otherwise throughout the year. It is pleasing that our major sponsors



Magic Millions and Carlton & United Breweries have both continued their commercial partnerships with us, even though they have, like many, been significantly hit by the consequences of COVID-19. We are also grateful to all our regular sponsors who have chosen to maintain their ongoing associations with the Club. Some of our regular sponsors, due to COVID-19 have not been able to continue their sponsorship this year, either because of their trading circumstances or because the limitations imposed on the Race Club prevent them taking full advantage of a sponsorship proposition, which for most business involves some degree of hospitality activation.

The recent 2020 Carlton Draft Gold Cup, like many other carnivals, was significantly disrupted by COVID-19 restrictions. Normally attracting the biggest attendance of the year, this year's total 500 allocated seating tickets availability for members and patrons, is roughly the same number of people that would be hosted within the Carlton Draught Pavilion on Cup day under normal circumstances.

Strong fields in our two black type feature races, a near perfect track and fine weather ensured the "capacity" crowd was entertained on biggest day of the year.

With Cup behind us we are now looking forward to our Christmas racing carnival, where the \$200,000 Magic Millions 2YO is the feature race in December. The three end of year race meetings are normally promoted under our Christmas at the Races banner, traditionally generating terrific support with the Club hosting numerous workplace Christmas functions. To what extent, business as usual returns is the significant unknown at this stage.

During the COVID-19 downtime, the Club has taken the opportunity to further refresh its website and online ticketing solution, which should give the Club greater control of ticket sales and distribution. We acknowledge the assistance of Oddball Marketing and Web Bird Digital in helping to bring these improvements to the Club.

# GENERAL MANAGER'S REPORT

Membership numbers have been bolstered for 2020-2021 with FY20 members not having to pay a renewal fee in for the 2020-2021 period, the Board agreeing to waive the fee given members were unable to take full advantage of their memberships due to COVID-19 restrictions. During July and August, we have seen some new members sign up, a decision which may have been influenced by the Club's decision to prioritise ticketing offers to Members first during this period of restricted access to race meetings.



November 2020 will be the second running of two metropolitan stand-alone Saturday licences at Newcastle and Kembla which both include \$1m races, The Hunter and The Gong respectively. Racing NSW has indicated that before it would consider allocating Wyong an equivalent race meeting, it wishes to assess the true financial benefit of running such meetings and races. Given the current environment is not likely to provide Racing NSW with an objective assessment of these race meetings we do not envisage Wyong being offered its own stand-alone meeting for at least another couple of years.

I would like to express my thanks to former CEO, David Jewell who is a very experienced thoroughbred racing professional. He has always been open to sharing his thoughts and providing me with a fast-track means to gather pertinent information on industry matters.

The running of the business and race meetings would not be possible without my knowledgeable and experienced Management Team which consists

of Dean Grogan (Racing / Operations Manager), Phill Robinson (Track Manager), Kylie McAlister (Membership, Admin & Functions) and Emma Fitzgerald (Finance Manager). They are ably assisted by their respective teams that look after our track and training facilities, race day services and hospitality operations. Thanks also goes to Lloyd Hunt (Buildings & Projects) who regularly switches role focus from maintenance supervisor to project coordinator, sometimes several times a day.

I would also like to acknowledge the Club's Chairman, John Waghorn and the current Board for their support as I have transitioned into the role taking over the reins from David Jewell. We are all facing new challenges created by COVID-19 and I appreciate their candour and open-mindedness to the questions that I pose them on a regular basis as we work together to navigate our way forward.

I would also extend my sincere thanks for the support that Club and my team receives from the Racing NSW CEO and his executive team, our members, trainers, stable staff, owners, contractors, jockeys, Racing NSW stewards, TAB and Sky Channel staff, the local media, our sponsors, our caterers and my fellow Provincial Racing Club Chief Executives and their Boards. There are a lot of people involved in helping us deliver successful racing events at Wyong despite what mother nature might throw at us.

**Robin Taylor**  
General Manager



# 2019-2020 RACING REPORT

With COVID-19 affecting us significantly from March onward, 2019-2020 proved to be one of the most challenging seasons on record.

Despite the restrictions we were forced to operate under, it was encouraging that we still experienced an increase in starter numbers on the previous season.

Wyong conducted 22 race meetings last season and it was pleasing to see an uplift in starter numbers again this season to 8.87, slightly up on last year's numbers. For the Provincial clubs the past four years has seen the average starters numbers increase, and hopefully the trend will continue next season.

In the past 12 months the Provincial starter numbers average has increased to 8.90 across the 999 races.

## Summary: Provincial Field Sizes

	Meeting	Races	Average Starters
2013-14	135	1045	9.73
2014-15	130	1005	9.24
2015-16	138	1036	9.00
2016-17	128	941	8.53
2017-18	136	1048	8.18
2018-19	132	1021	8.78
2019-20	131	999	8.90

It was a tough finish to the season and start to the new racing season due to COVID-19.

The Club spends a significant sum on annual and regular maintenance programs to ensure

the course proper meets the rigorous demands of our racing and training schedule. The presentation of our racing surface is a credit to Track Manager Phill Robinson and his hard-working track staff. Phill has done a great job to get us through to a long overdue track renovation this October, on the back of a very busy racing and trials schedule.

Last year the club had to put the renovations off until February 2020 due to a new licence in early November. As it turned out the weather was not on our side at that point, and with only three weeks of water left in the dam the renovations had to be cancelled. They are due to start on October 2nd and the track will be back to its best by November.

Wyong distributed \$5.9 million prizemoney in 2019/20 season.

TAB wagering on Wyong was \$27.7m down \$4.3m on the previous year, while TAB turnover per race of \$168,943 was down compared to \$186,255 sum from the previous year. The impact of the COVID-19 lockdown is evident in these figures.



# 2019-2020 RACING REPORT

## FEATURE RACE RESULTS:

### 2020 \$160,000 Carlton Draught Wyong Gold Cup (Listed)

PATHS OF GLORY 6yo g.m. trained by Richard & Michael Freedman and ridden by Rachel King

### 2020 \$140,000 Bishop Collins Accountants Mona Lisa Stakes (Listed)

ASIAGO 4yo b.m. trained by James Cummings and ridden by Rachel King

### 2019 \$200,000 Magic Millions Two Year Old Classic (Listed)

FARNAN 2yo b.c. trained by Gai Waterhouse & Adrian Bott and ridden by Tim Clarke

### 2019 \$100,000 Magic Millions Three & Four Year Old Stakes

DIAMOND THUNDER 4yo b.g. trained by Mark Newnham and ridden by Joshua Parr

### 2020 \$150,000 Wyong Polytrack Provincial Championships

ANIMATE 4yo b.g. trained by Kris Lees and ridden by Andrew Gibbons

## 2019-20 Wyong Race Meeting Premierships

**Congratulations to the following Premiership recipients -**

**Leading Trainer at Wyong - Joe Pride 11 wins**

**Leading Jockey at Wyong - Josh Parr 9 wins**

**Leading Apprentice - Tom Sherry 14 wins**

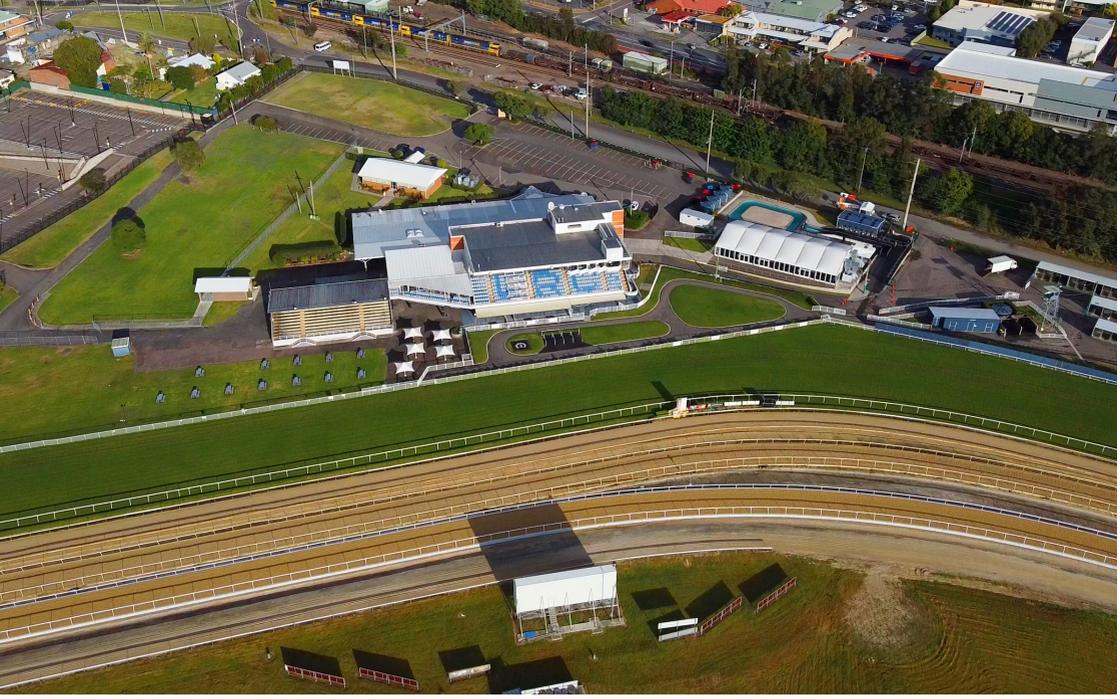
Wyong trainers delivered yet another impressive year of results on their home track saddling up 193 winners, for more than \$6.9 million in prizemoney.

Kim Waugh was the leading Wyong-based trainer once again with an impressive 37 winners and prizemoney of \$1.51 million for the season. Damien Lane had a great 12 months with 32 winners and \$1.21 million in prizemoney to claim second place on the local trainers table, ahead of Tracey Bartley (25 wins), Allan Denham (24) and Kristen Buchanan (24). The Club extends its congratulations to all of our local trainers on another successful season.

**Dean Grogan**  
Racing & Operations Manager







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# DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2020.

## Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Waghorn (Chairman)  
Marion Langlar (Deputy Chairman)  
Frank Arangio  
Denis Hanley  
Andrew Paton-Smith  
Mark Waugh  
Darren Hooper (elected 11 November 2019)

## Objectives

The objectives of the company are:

- to carry on the business of thoroughbred horse racing in all of its branches in accordance with the Australian Rules of Racing as enforced by Racing NSW;
- to develop any such land as a Racecourse and for such other sporting or income producing activities as the Board thinks fit; and
- to conduct any other activities in accordance with the Memorandum and Articles of Association.

## Strategy for achieving the objectives

- Conduct thoroughbred race meetings in accordance with the Australian Rules of Racing and licences issued by Racing NSW;

- Participation in the Provincial Racing Association of NSW and the local community;
- Promotion of the sport of thoroughbred horse racing by growing participation and interest in racing;
- Position/Promote the Club a Racing and Training Centre of Excellence;
- Detailed budgeting process to ensure financial viability in future periods.

The Club's policy is to support local charities and not for profit groups, in the past year these have included:

- Samaritans Christmas Function; Purple Gala Dinner for the Cancer Council; Morisset Lake Macquarie Agricultural Show "Off The Track" qualifying class
- Provision of venue usage support for RYDA and Wyong Regional Chamber of Commerce,.
- Donation of race day packages to organisations including: Ronald McDonald House, ASX Refinitiv Charity Foundation, NSW Police Force, Northlakes Toukley Rotary Club, Caves Beach SLSC, Melanoma Institute Australia, Men of League, Clubs NSW, Central Coast Orchid Festival.

## Principal activities

During the financial year the principal continuing activities of the company consisted of:

- Assisting in the promotion and conduct of thoroughbred horse racing and associated training activities at Wyong.

## Operating Results

The surplus of the company for the financial year after providing for income tax (\$NIL) amounted to \$3,317,278. After discounting the one-off capital grant of \$3.225m the Club made a notional operating profit of \$92,278. (2019: deficit of \$349,111).

## Performance measures

- Monthly Board meetings and director meetings as required to review financial performance, horse racing and operational activities and the development of the Club's Strategic plan;
- Continue to review returns to participants to ensure that the Wyong Race Club is both competitive and financially sustainable;
- Analyse structural and income producing growth strategies for the Club;
- Benchmark performance against similar racing entities;
- Review the investment strategy and policy of the Club; and
- Monitor the performance of the GM including compliance, implementation of Board strategies and to ensure that the Policies and Procedures within the Club are being followed.

## Significant changes

Transition from David Jewell CEO to Robin Taylor GM with effect from the conclusion of the Club's AGM 12 November 2019.

COVID-19 Significantly impacted race day and non-race day activities from March 2020.

Completion of 1600m Polytrack with \$3m assistance grant from RNSW

Removal of above ground powerlines to the stabling area with \$225k assistance grant from RNSW.

## Events after balance date

The announcement by the World Health Organization regarding to the global pandemic outbreak of COVID-19 and the response of the Australian Government may materially affect the operations of the company in future financial periods. Since the declaration of the pandemic, COVID-19, management registered the company for available stimulus and relief packages. Where eligible, the Company continues to apply for eligible stimulus relief measures. In respect of future measures, as these are announced by the Australian Government the Board will assess whether the Company's eligibility and consideration will be given to the potential benefit from accessing these measures with reference to the Company's strategic priorities and financial position. At the date of this report, the Board and management believe the company has sufficient resources to continue operations

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Environmental issues

The Directors believe the company has complied with all significant environmental regulations under a law of the Commonwealth or of a state or territory.

## Dividends

The Corporations law prohibits a company limited by guarantee from paying dividends.related company or corporation.

# DIRECTORS' REPORT

## Shares in companies

The company does not hold shares in any related company or corporation.

## Information on directors

**Name:** John Waghorn

**Title:** Chairman

**Qualifications:** B.Ec. Grad Dip Mgmt

**Experience and expertise:** Management Consultant

**Name:** Marion Langlar

**Title:** Director

**Experience and expertise:** Retired (Company Director)

**Name:** Frank Arangio

**Title:** Director

**Qualifications:** BA, Grad Dip Ed, MAICD

**Experience and expertise:** Company Director / Licensee

**Name:** Denis Hanley

**Title:** Director

**Qualifications:** AM, FAICD, FCPA, MBA

**Experience and expertise:** Company Director

**Name:** Andrew Paton-Smith

**Title:** Director

**Qualifications:** AFAIM, MBT, BA (Hons)

**Experience and expertise:** Company Director

**Name:** Mark Waugh

**Title:** Director

**Qualifications:** AM

**Experience and expertise:** Sports Commentator

**Name:** Darren Hooper

**Title:** Director

**Qualifications:** Adv Dip Mgmt; Dip Financial Services

**Experience and expertise:** Bank Manager

## Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
John Waghorn (Chairman)	12	12
Marion Langlar	10	12
Frank Arangio	12	12
Denis Hanley	12	12
Andrew Paton-Smith	12	12
Mark Waugh	11	12
Darren Hooper	6	8

Held: represents the number of meetings held during the time the director held office.



## Indemnifying officer or auditor

During the year, the company effected directors & officer's liability policy. The insurance policy provides cover for the directors named in this report, the company secretary, officers and former directors & officers of the company.

This policy prohibits the disclosure of the nature of the indemnification and the insurance cover, and the amount of the premium.

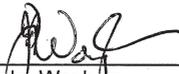
No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an auditor of the company.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

John Waghorn  
Director

29 September 2020



Unit 1, 1 Pioneer Avenue  
PO Box 3399  
Tuggerah NSW 2259

T: (02) 4353 2333  
F: (02) 4351 2477

e: mail@bishopcollins.com.au



## BISHOP COLLINS AUDIT PTY LTD

ABN: 98 159 109 305

w: www.bishopcollins.com.au

### INDEPENDENT AUDITOR'S DECLARATION TO THE MEMBERS OF WYONG RACE CLUB LIMITED

We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2020, 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.

**Name of Firm**

Bishop Collins Audit Pty Ltd  
Chartered Accountants

**Name of Registered Company Auditor**

  
\_\_\_\_\_  
Martin Le Marchant

**Auditor's Registration No.**

431227

**Address**

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated**

**29 September 2020**



CHARTERED ACCOUNTANTS  
AUSTRALIA - NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



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## BISHOP COLLINS

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYONG RACE CLUB LIMITED

#### Opinion

We have audited the accompanying financial report of Wyong Race Club Limited which comprises the statement of financial position as at 30 June 2020, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration of the company.

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

- (i) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia; and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Emphasis of Matter

We draw attention to note 19 in the financial report, which indicates the financial impact of the global pandemic. Since the declaration of the pandemic, COVID-19, management registered the Company for available stimulus and relief packages. At the date of this report and with reference to matters described in Note 3 to the financial report, the Board and management believe the Company has sufficient resources to continue as a going concern. Our opinion is not modified in respect of this matter.



CHARTERED ACCOUNTANTS  
AUSTRALIA - NEW ZEALAND

LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION





## **Directors' Responsibility for the Financial Report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements to the extent described in Note 2 to the financial report, the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors 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 objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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



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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Name of Firm**

Bishop Collins Audit Pty Ltd  
Chartered Accountants

**Name of Registered Company Auditor**

  
\_\_\_\_\_  
Martin Le Marchant

**Auditor's Registration No.**

431227

**Address**

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

**Dated**

**29 September 2020**

**Wyong Race Club Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>Revenue</b>	4	12,138,534	12,200,076
Racing NSW infrastructure revenue	5	3,225,000	-
Interest revenue		8,940	26,600
Total revenue		<u>15,372,474</u>	<u>12,226,676</u>
<b>Expenses</b>			
Cost of goods sold		(159,507)	(182,463)
Advertising expenses		(88,347)	(67,782)
Ambulance expenses		(95,377)	(100,048)
Barrier trial expenses		(166,242)	(163,532)
Cleaning and waste removal expenses		(131,179)	(122,746)
Consultancy fees		(87,156)	-
Depreciation of right-of-use asset	11	(15,012)	-
Depreciation and amortisation expenses		(912,682)	(924,009)
Employee benefit expenses		(1,922,765)	(1,998,492)
Entertainment expenses		(157,863)	(212,013)
Insurance expenses		(372,721)	(344,521)
Jockey riding fees		(313,667)	(302,715)
Loss on disposal of assets		-	(5,196)
Prize money		(5,912,770)	(6,202,739)
Promotional expenses		(61,038)	(75,803)
Repairs and maintenance expenses		(427,495)	(469,543)
Race day packages and function expenses		(145,338)	(163,633)
Race day production expenses		(69,108)	(82,597)
Race day sponsorship expenses		(77,396)	(151,236)
Security expenses		(113,642)	(59,907)
Telecasting expenses		(88,168)	(139,113)
Utilities expenses		(204,930)	(222,502)
Other expenses		(529,736)	(585,197)
Finance costs- interest- lease liability (AASB16)	11	(3,057)	-
Total expenses		<u>(12,055,196)</u>	<u>(12,575,787)</u>
<b>Surplus/(deficit) before income tax expense</b>		3,317,278	(349,111)
Income tax expense		-	-
<b>Surplus/(deficit) after income tax expense for the year</b>	15	3,317,278	(349,111)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive income for the year</b>		<u>3,317,278</u>	<u>(349,111)</u>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Wyong Race Club Limited**  
**Statement of financial position**  
**As at 30 June 2020**

	Note	2020 \$	2019 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	980,095	1,287,788
Trade and other receivables	7	2,770,062	2,748,358
Inventories	8	18,698	39,949
Total current assets		<u>3,768,855</u>	<u>4,076,095</u>
<b>Non-current assets</b>			
Financial assets	9	5,000	5,492
Property, plant and equipment	10	14,771,306	11,126,651
Right-of-use assets	11	63,032	-
Total non-current assets		<u>14,839,338</u>	<u>11,132,143</u>
<b>Total assets</b>		<u>18,608,193</u>	<u>15,208,238</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	1,244,710	1,206,798
Lease liabilities	11	17,344	-
Employee benefits	13	166,503	180,227
Total current liabilities		<u>1,428,557</u>	<u>1,387,025</u>
<b>Non-current liabilities</b>			
Lease liabilities	11	45,621	-
Employee benefits	14	43,691	48,167
Total non-current liabilities		<u>89,312</u>	<u>48,167</u>
<b>Total liabilities</b>		<u>1,517,869</u>	<u>1,435,192</u>
<b>Net assets</b>		<u>17,090,324</u>	<u>13,773,046</u>
<b>Equity</b>			
Retained surpluses	15	<u>17,090,324</u>	<u>13,773,046</u>
<b>Total equity</b>		<u>17,090,324</u>	<u>13,773,046</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Wyong Race Club Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2018	14,122,157	14,122,157
Deficit after income tax expense for the year	(349,111)	(349,111)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>(349,111)</u>	<u>(349,111)</u>
Balance at 30 June 2019	<u>13,773,046</u>	<u>13,773,046</u>
	<b>Retained surpluses \$</b>	<b>Total equity \$</b>
Balance at 1 July 2019	13,773,046	13,773,046
Surplus after income tax expense for the year	3,317,278	3,317,278
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>3,317,278</u>	<u>3,317,278</u>
Balance at 30 June 2020	<u>17,090,324</u>	<u>17,090,324</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Wyong Race Club Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2020**

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		13,660,444	13,321,502
Payments to suppliers and employees (inclusive of GST)		<u>(12,746,232)</u>	<u>(12,771,078)</u>
		914,212	550,424
Interest received		8,940	26,600
Receipts from Government Covid-19 stimulus measures		<u>101,000</u>	<u>-</u>
Net cash from operating activities		<u>1,024,152</u>	<u>577,024</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	10	(4,557,337)	(851,874)
Proceeds from disposal of financial assets		492	-
Proceeds from RNSW for infrastructure development		<u>3,225,000</u>	<u>-</u>
Net cash used in investing activities		<u>(1,331,845)</u>	<u>(851,874)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		(307,693)	(274,850)
Cash and cash equivalents at the beginning of the financial year		<u>1,287,788</u>	<u>1,562,638</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>980,095</u></u>	<u><u>1,287,788</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Note 1. General information**

The financial statements cover Wyong Race Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Wyong Race Club Limited's functional and presentation currency.

Wyong Race Club Limited is a not-for-profit unlisted public company limited by guarantee.

The Company's registered office and principal place of business is:

71 Howarth Street  
Wyong NSW 2259

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 September 2020. The directors have the power to amend and reissue the financial statements.

**Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

*AASB 16 Leases*

The company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

*AASB 2020-4 Covid-19 Related Rent Concessions*

The company has elected to early adopt AASB2020-4. The Standard amends AASB 16 to provide a practical expedient that permits lessees not to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and meet specified conditions are lease modifications and, instead, to account for those rent concessions as if they were not lease modifications.

The adoption of this Accounting Standard did not have any significant impact on the financial performance or position of the company.

**Note 2. Significant accounting policies (continued)**

*AASB 1058 Income of Not-for-Profit Entities*

The company has adopted AASB 1058 from 1 January 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

**Revenue recognition**

The company recognises revenue as follows:

*Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Sale of goods*

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

**Note 2. Significant accounting policies (continued)**

*Racing NSW distributions*

Distributions from Racing NSW are recognised on a proportional accrual basis taking into account the Scheme of Distribution requirements.

*Membership fees*

Membership revenue is recognised when it is received or when the right to receive payment is established.

*Commission revenue*

Commission revenue is recognised when it is received or when the right to receive payment is established.

*Interest revenue*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Rent*

Rent revenue from investment properties is recognised on a straight-line basis over the lease term.

*Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

**Income tax**

The company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

**Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Inventories**

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

**Note 2. Significant accounting policies (continued)**

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Investments and other financial assets**

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

*Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

*Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

*Impairment of financial assets*

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

**Property, plant and equipment**

Land and buildings are carried at cost.

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The carrying amount of plant and equipment is reviewed annually by directors and management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

**Note 2. Significant accounting policies (continued)**

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives. The depreciation rates used for each class of depreciable assets are:

Buildings improvements	5 - 40%
Grandstand	2.5%
Plant and equipment	10 - 40%
Motor vehicles	10 - 20%
Ground improvements	2.5 - 20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Lease liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

**Note 2. Significant accounting policies (continued)**

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for long service leave not expected to be settled within 12 months of the reporting date is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Superannuation*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

**Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**Note 3. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Continued viability of Wyong Race Club*

Racing NSW has ultimate control over the allocation of race meetings to be held at Wyong Race Club and this affects the performance of the Club. The Club is committed to conducting thoroughbred race meetings.

*Economic dependence*

The company is dependent upon the ongoing funding from Racing NSW to ensure continued operations.

*Racing NSW interminable loan*

Beginning from October 1974 to this year, Wyong Race Club Limited has received funds from the Race course development committee totalling \$6,500,620. These funds have been used to develop and improve thoroughbred, harness and greyhound racing at Wyong. These funds are not subject to recall whilst Wyong Race Club carries out its racing activities in such a manner as to not jeopardise its financial stability and/or does not dispose of the freehold property on which the improvements were located.

Wyong Race Club Limited is determined to continue thoroughbred racing at Wyong and to carry out its racing activities in such a manner as to ensure the financial stability of the Wyong Race Club. Please refer to Note 16 for further details.

*Estimation of useful lives of assets*

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

*Impairment of non-financial assets*

The company assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

*Employee benefits provision*

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

*Superannuation Guarantee Charges*

In December 2019, the Full Federal Court ruled that the Racing Queensland Board and the Scone Race Club were liable for superannuation guarantee charges relating to riding fees paid to jockeys during the period 1 July 2009 to 30 June 2014. Racing NSW takes the view that the decision in respect of Scone Race Club is limited to the facts in that case and is only binding on Scone Race Club, rather than being representative of the position in respect of the rest of the NSW Thoroughbred Race Clubs. Racing NSW proposes to further challenge to the ATO's position and is currently engaging with the ATO to expeditiously identify a test case or test cases which properly reflects the position in respect of the rest of the NSW Thoroughbred Race Clubs. This challenge will take time and potentially last several reporting periods. Wyong Race Club is of the firm view that there is no direct managerial involvement in the appointment of riders at race meetings, rider instructions nor a formalised employer/employee relationship. Accordingly a liability or contingent liability has not been recognised in the financial report.

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 3. Critical accounting judgements, estimates and assumptions (continued)**

*Government Stimulus Measures*

In response to the COVID-19 pandemic, the Company assessed its eligibility to access and receive Federal Government stimulus measures. These measures were received during and after the financial year. Where eligible, the Company continues to apply for eligible stimulus relief measures. In respect of future measures, as these are announced by the Australian Government the Board will assess the Company's eligibility and consideration will be given to the potential benefit from accessing these measures. These measures may have a material financial effect on the financial report should the assumptions underpinning the eligibility change or in the unlikely event of an independent review refuting the Company's entitlement to these measures. At the date the financial report is authorised for issue, the Board considers the company eligible for the stimulus measures and accordingly the assets of the Company recoverable in the ordinary course of business.

**Note 4. Revenue**

	2020 \$	2019 \$
<i>Revenue</i>		
Bar revenue	391,456	498,471
Racing income	11,007,623	11,120,603
Rental income - meetings, functions and stables	441,116	473,177
	<u>11,840,195</u>	<u>12,092,251</u>
<i>Other revenue</i>		
Government stimulus packages	230,600	-
Other revenue	67,739	107,825
	<u>298,339</u>	<u>107,825</u>
Revenue	<u><u>12,138,534</u></u>	<u><u>12,200,076</u></u>

**Note 5. Racing NSW infrastructure revenue**

	2020 \$	2019 \$
Racing NSW - infrastructure revenue	<u>3,225,000</u>	<u>-</u>

**Note 6. Current assets - cash and cash equivalents**

	2020 \$	2019 \$
Cash at bank and on hand	<u>980,095</u>	<u>1,287,788</u>

**Note 7. Current assets - trade and other receivables**

	2020 \$	2019 \$
Trade and other debtors	2,647,478	2,752,723
Less: Provision for doubtful debts	(7,016)	(4,365)
Government stimulus package receivable	129,600	-
	<u>2,770,062</u>	<u>2,748,358</u>

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 8. Current assets - inventories**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Stock on hand - at cost	<u>18,698</u>	<u>39,949</u>

**Note 9. Non-current assets - financial assets**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Wyong Town Financial Services shares	5,000	5,000
BT Portfolio Wrap	-	492
	<u>5,000</u>	<u>5,492</u>

**Note 10. Non-current assets - property, plant and equipment**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Freehold land - at cost	<u>298,804</u>	<u>298,804</u>
Building improvements - at cost	6,776,817	6,776,817
Less: Accumulated depreciation	<u>(3,422,099)</u>	<u>(3,073,724)</u>
	<u>3,354,718</u>	<u>3,703,093</u>
Land improvements - at cost	3,306,626	3,306,626
Less: Accumulated depreciation	<u>(604,172)</u>	<u>(555,761)</u>
	<u>2,702,454</u>	<u>2,750,865</u>
Plant and equipment - at cost	8,624,899	4,375,886
Less: Accumulated depreciation	<u>(3,711,608)</u>	<u>(3,550,035)</u>
	<u>4,913,291</u>	<u>825,851</u>
Motor vehicles - at cost	176,867	212,671
Less: Accumulated depreciation	<u>(153,068)</u>	<u>(166,169)</u>
	<u>23,799</u>	<u>46,502</u>
Grandstand - at cost	5,816,965	5,808,773
Less: Accumulated depreciation	<u>(3,885,363)</u>	<u>(3,785,423)</u>
	<u>1,931,602</u>	<u>2,023,350</u>
Ground Improvements - at cost	3,237,851	2,825,416
Less: Accumulated depreciation	<u>(1,691,213)</u>	<u>(1,470,042)</u>
	<u>1,546,638</u>	<u>1,355,374</u>
Assets in progress	<u>-</u>	<u>122,812</u>
	<u>14,771,306</u>	<u>11,126,651</u>

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 10. Non-current assets - property, plant and equipment (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Assets in Progress \$	Land and land improvements \$	Grandstand and building improvements \$	Plant, equipment and motor vehicles \$	Ground improvements \$	Total \$
Balance at 1 July 2019	122,812	3,049,669	5,726,444	872,352	1,355,374	11,126,651
Additions	(122,812)	-	8,192	4,259,522	412,435	4,557,337
Depreciation expense	-	(48,411)	(448,316)	(194,784)	(221,171)	(912,682)
Balance at 30 June 2020	-	<u>3,001,258</u>	<u>5,286,320</u>	<u>4,937,090</u>	<u>1,546,638</u>	<u>14,771,306</u>

In the Notice of Valuation dated 1 July 2019 the NSW Government Valuer General stated a freehold land value (excluding structural improvements) for Wyong Race Club Limited of \$2,690,000. The land has not been revalued in the financial report and is stated at its carrying value of \$298,804.

**Note 11. Leasing**

	2020 \$
<b>Amount recognised in balance sheet</b>	
Right-of-use assets	
Balance at 1 July 2019	-
Addition during the period	78,044
Depreciation for the period	<u>(15,012)</u>
Net carrying value at 30 June 2020	<u>63,032</u>
Lease liability	
Current	17,344
Non-current	<u>45,621</u>
Total lease liability	<u>62,965</u>
<b>Amount recognised in profit and loss</b>	
Depreciation charge of right-of-use assets	15,012
Interest expenses (AASB 16)	<u>3,057</u>
Total recognised in profit and loss	<u>18,069</u>
	2020 \$
<b>Impact of adoption of AASB 16</b>	
Rent incurred under the previous accounting standard	19,802
Interest incurred on unwind of lease liability	(3,057)
Depreciation of right-of-use asset	<u>(15,012)</u>
Impact of AASB 16 on profit or loss (before tax)	<u>1,733</u>
<b>Operating lease commitments as 30 June 2019 under AASB 117</b>	
Operating lease commitments	3,759
Less: commitments relating to leases of low-value assets	<u>(3,759)</u>
	-

**Wyong Race Club Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 11. Leasing (continued)**

The company has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

**Note 12. Current liabilities - trade and other payables**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Trade Creditors	1,082,227	1,004,337
BAS payable	68,798	69,525
Other Creditors	93,685	132,936
	<u>1,244,710</u>	<u>1,206,798</u>

**Note 13. Current liabilities - employee benefits**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Annual leave	83,607	102,999
Long service leave	82,896	77,228
	<u>166,503</u>	<u>180,227</u>

**Note 14. Non-current liabilities - employee benefits**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Long service leave	43,691	48,167

**Note 15. Equity - retained surpluses**

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Retained surpluses at the beginning of the financial year	13,773,046	14,122,157
Surplus/(deficit) after income tax expense for the year	3,317,278	(349,111)
Retained surpluses at the end of the financial year	<u>17,090,324</u>	<u>13,773,046</u>

**Note 16. Contingent liabilities**

Estimates of the potential financial effect of contingent liabilities that may become payable:

**Contingent liabilities**  
**Racing NSW loan**

Beginning from October 1974 to this year, Wyong Race Club Limited has received funds from the Race course development committee totalling \$6,500,620. These funds have been used to develop and improve thoroughbred, harness and greyhound racing at Wyong. These funds are not subject to recall whilst Wyong Race Club carries out its racing activities in such a manner as to not jeopardise its financial stability and/or does not dispose of the freehold property on which the improvements were located.

In prior years, Harness Racing NSW and Greyhound Racing Australia withdrew racing of their codes from Wyong. As the controlling bodies, their decision in the opinion of the Board, does not trigger a repayment of funds which total \$165,000 and therefore funds are not considered as a contingent or actual liability.

Thoroughbred racing continues at Wyong under the control of Racing NSW. Whilst this continues, the repayment of the remaining funds for thoroughbred racing totalling \$10,018,120 (which includes \$273,447 received to 30 June 2015, \$834,053 received to 30 June 2016, \$350,000 received to 30 June 2018 and \$3,225,000 received to 30 June 2020 ) are not deemed to be repayable. The difference between the funds received from the Racecourse Development Committee and the interminable loan represents repayments totalling \$1.0 million which occurred over 4 years at the beginning of the loan agreement for the grandstand development.

Wyong Race Club Limited is determined to continue thoroughbred racing at Wyong and to carry out its racing activities in such a manner as to ensure the financial stability of the Wyong Race Club.

2020	2019
\$	\$

Wyong Race Club Limited is determined to continue thoroughbred racing at Wyong and carry out its racing activities in such a manner as to ensure the financial stability of the Wyong Race Club.

<u>(10,018,120)</u>	<u>(6,793,120)</u>
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**Note 17. Key management personnel disclosures**

*Compensation*

The aggregate compensation made to members of key management personnel of the company is set out below:

2020	2019
\$	\$

Aggregate compensation

<u>395,833</u>	<u>441,950</u>
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Directors are not entitled to and do not receive compensation.

**Note 18. Related party transactions**

*Key management personnel*

Disclosures relating to key management personnel are set out in note 17.

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Sale of goods and services: WRC provides goods and services on commercial terms consistent with all trainers at WRC to a related party of Mr. M. Waugh (Director). The total transaction value during the year was	133,069	104,460

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Current receivables: A related party of Mr. M. Waugh (Director) receives goods and services from WRC on commercial terms consistent with all trainers of WRC. The value of the receivable as at year end is	7,156	9,988

*Loans to/from related parties*

There were no loans to or from related parties at the current and previous reporting date.

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Note 19. Events after the reporting period**

The announcement by the World Health Organization regarding to the global pandemic outbreak of COVID-19 and the response of the Australian Government may materially affect the operations of the company in future financial periods. Since the declaration of the pandemic, COVID-19, management registered the company for available stimulus and relief packages. Where eligible, the Company continues to apply for eligible stimulus relief measures. In respect of future measures, as these are announced by the Australian Government the Board will assess whether the Company's eligibility and consideration will be given to the potential benefit from accessing these measures with reference to the Company's strategic priorities and financial position. At the date of this report, the Board and management believe the company has sufficient resources to continue operations.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

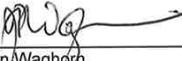
**Wyong Race Club Limited**  
**Directors' declaration**  
**30 June 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



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John Waghorn  
Director

29 September 2020



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