



2020 / 21

ANNUAL REPORT AND FINANCIAL STATEMENTS





Wyong Race Club Limited

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Website: www.wyongraceclub.com.au

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)

Denis Hanley (Vice Chair)

Mark Waugh

Darren Hooper

Darin Butcher

Matthew Hingerty

Mick Caddey

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)



Denis Hanley



Mark Waugh



Darren Hooper



Darin Butcher



Matthew Hingerty



Mick Caddey



Robin Taylor
(GM)

NOTICE OF 2021 ANNUAL GENERAL MEETING



NOTICE IS HEREBY GIVEN THAT:

The 2021 Annual General Meeting of Wyong Race Club Limited will be held on Tuesday 9 November 2021 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 2020 Annual General Meeting.

2. Receive & consider Annual Financial Report for year ended 30 June 2021

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

Robin Taylor
General Manager



NOTICE OF 2021 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:

The 2021 Annual Report will be posted to all financial Members on or before 14 October 2021 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 4 November 2021. The Constitution of the Wyong Race Club does not provide for postal voting.

The AGM will be held in accordance with any COVID-19 restrictions active at the time of the meeting. Members are asked to familiarise themselves with any active restrictions on the day of the AGM and to only attend the AGM if the restrictions permit them to do so.



2020 Magic Millions 2YO winner She's All Class



On behalf of the Board of Directors, I am proud to present the Wyong Race Club Annual Report along with the Audited Financial Statements for the year ended 30 June 2021.

Following the Board election in November 2020, Mark Waugh, Darren Hooper, Darin Butcher and myself were elected as the member representatives on the Board. Following a protracted selection process, Denis Hanley, Matthew Hingerty and Mick Caddey were selected as the Racing NSW appointees to the Board in May 2021. I would like to congratulate all the Board members on their selection. I would also like to thank Marion Langlar, Andrew Paton-Smith and Frank Arangio for their contributions to the Board over the previous term.

Due to lockdown restrictions, the Board has only had one face to face meeting with all other monthly Board meetings being held by Zoom. The Board has also scheduled a Strategic Planning Session for late October when we can finally meet again face to face. From initial indications, I am certain that the new Board will be very effective in representing the Club's interests over the next 3 years.

During the past year, the Board investigated the possibility of acquiring a parcel of land from Central Coast Council immediately north of the stables area for the purpose of constructing additional stabling. This would have allowed the Club to maximise utilisation of the training facilities and reduce the current level of subsidy of our training activities from the existing \$400k per annum. Unfortunately, after extensive public consultation, Council resolved not to sell the land.

Options for expansion of our stabling will be a major topic for the Board's upcoming strategic planning session as will investigation of opportunities to raise revenue from the non-racing areas of the Club's property.

The Club has reported a profit of \$201,169 for the financial year ended 30 June 2021, compared to a profit of \$3,317,278 in

2019/20. Last year's result included capital grants of \$3,225,000 from Racing NSW, so the notional operating profit for comparison purposes was \$92,278.

The profit for the year was achieved with substantial reductions in sponsorship and hospitality revenue due to COVID-19 limitations on attendances at our race meetings. Non race day hospitality was also minimal.

During the year, the Board made the decision to take the management of hospitality back into the Club's operations rather than having it managed by contract. Our catering contractor had been heavily impacted by the severe restrictions on hospitality under the public health orders and was unable to continue to supply services to the Club. Julia Barnes and Gary Burns, from the former catering contractor, have joined the Club on a part-time basis to set up appropriate catering systems and procedures. This should ensure that we continue to deliver a quality catering service to our members and patrons. Unfortunately, the decision to impose a lockdown on the Central Coast in late June 2021 has curtailed that activity in recent months.



Barry Bowditch Managing Director of Magic Millions presents winning trophy for 2YO race.

CHAIRMAN'S REPORT

I would like to acknowledge the ongoing support of our major sponsors Carlton and United Breweries (CUB). The 2020 Wyong Gold Cup Day was run with limited crowd numbers and the 2021 Cup Day had no public attendance allowed. In spite of this, CUB have maintained their financial support and hopefully the Club can repay that when restrictions are lifted.

Similarly, Magic Millions have continued their long-standing support for the Club despite restricted numbers being able to attend their signature race day at Wyong last December. Hopefully attendances will be back to normal by December this year.

To achieve the profit this year, the Board was very careful in managing the Club's expenditure and also held back on capital projects during the 2020/21 year given uncertainty about the level of the Racing NSW scheme of distribution end of year payments which are usually not received until September. Fortunately, at year end the Club's cash position was quite strong and the Board has recently approved a capital expenditure program of around \$1million for the 2021/22 year.

Racing and training continued throughout the year despite COVID-19. It is a tribute to Racing NSW, our trainers and their stable staff and the Club's track staff that the Club has continued our training activities during the year. On the other hand, racing at Wyong during the year was severely impacted by a number of factors, in particular our very popular Saturday meetings.

Our first meeting for the year on Saturday 11 July 2020, which was the first meeting to have patrons in attendance after lockdown, was called off about an hour before the first race due to wet patches in the back straight. Subsequently it was discovered that works undertaken several years ago in installing the sprinkler system had blocked many of our sub surface drains. This issue has been addressed during the year as has the removal

of vegetation and clearing of drains on the outside of the track along the back straight.

Due to COVID-19 restrictions, last year's Wyong Gold Cup Day attendance was under 500 compared to over 2200 the previous year. This year unfortunately there were no members of the public allowed to attend.



Our second Saturday race day on 7 November 2020 was impacted by a TAB outage which reduced our TAB turnover from an expected \$1.7 million to around \$109,000. After the recent easing of some COVID-19 restrictions, we had quite a reasonable crowd in attendance. With the TAB infrastructure down for most of the weekend, punting was only available with on-course bookmakers or by smart phone for those patrons who had access.

Our third Saturday meeting of the racing year held on 2 January 2021 was run with limited attendance numbers due to harsher restrictions following the COVID-19 outbreak on the Northern Beaches.



Our fourth and final Saturday for the year, the Provincial Championships race day, scheduled to be held on Saturday 27 March, 2021 had to be moved to Gosford due to the inundation of our track resulting from the storms during mid-March. I would like to thank the Board and management of Gosford Race Club for hosting our race day at such short notice. I would also like to thank all of our staff for working with Gosford to get the meeting held with minimal disruption.

During the year, the Board was again forced to deal with spurious accusations and threats of legal action from Albert Warner Pty Ltd regarding the Club's ownership of its property and claims that the Club had closed its gates to community groups and activities. The threatened legal action has not eventuated.

In fact, despite COVID-19 restrictions, the Club has continued to support the local community. Agreements have been reached with Coast Shelter to support their people in need programs and with RYDA for their road safety program for year 11 students. Our chef, Gary Burns has also prepared meals for distribution to local community groups and people in need during lockdown using donated food from our suppliers.

I would like to acknowledge the patience and support shown by the Club's Members who since late June 2021, with the Government imposed lockdowns have not been able to attend race meetings held at the Club. I hope that, with the impending lifting of restrictions, racing at Wyong will get back to normal relatively quickly and we can again enjoy the benefits of Membership and spend some quality time trackside with our friends and families.

Finally, I would like to thank our General Manager Robin Taylor for the way that he has dealt with COVID-19 and other issues that have arisen during the year. The Board has always received comprehensive reports on these issues which has facilitated discussion and effective decision making. The administration staff have continued to efficiently carry out their duties and cope with the challenges of COVID-19 while the track staff have maintained our tracks to a high standard for both training and racing.

John Waghorn

Chairman

4 October 2021.



Presentation of the 2020 Magic Millions 3YO and 4YO Stakes to winning connections of Eleven Eleven.

GENERAL MANAGER'S REPORT

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

2021, much like 2020, is another year that most people and organisations would rather forget. COVID-19's dramatic and ongoing impact from its first arrival in March 2020 has continued to disrupt much of the Club's agenda. The green shoots of recovery, seen in the latter part of 2020 and early 2021 were well and truly trampled by the Delta strain outbreak that started in June 2021.

The disappointing consequence of this latest and most damaging outbreak was the patron-free running of the Carlton Wyong Gold Cup in September 2021. Only essential personnel were present to witness some great racing on a picture-perfect day, arguably the best Wyong Gold Cup weather for at least two decades.



Carlton Wyong Gold Cup Winner Berdibek

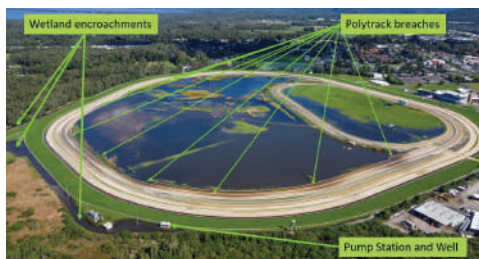
Despite the highly infectious nature of COVID-19 and in particular the latest Delta variant, the racing industry's essential personnel and participants have been outstanding in their shared objective of keeping racing going through the adoption and compliance with procedures designed to keep the industry safe.

Keeping the industry going is not only important for the Club, it is equally important for the Central Coast economy with the Club's connected activities being worth over \$40m per annum in value added contribution to the local economy in a normal trading environment. (Source: IER September 2020 – Economic and Social Impact of the Wyong Race Club). Much of this economic

activity is connected to the training operations that utilise Wyong Race Club on a daily basis. It is critical that this element of the Club's business model continues to operate as close to normal as possible. We are fortunate to have an active group of resident trainers, who through their teams' commitment, continue to enjoy plenty of success at Wyong and other tracks.

While COVID-19's impacts on the business are significant, and at times almost overwhelming, it would be all too easy to forget other issues which impacted the Club over the past 12 months which may have received more coverage under normal circumstances.

In March 2021 after 412mm fell over a period of 10 days, the Club's grounds and tracks succumbed to the resulting floodwaters. The Club's new \$4.3M Polytrack was inundated and was unusable for several days until the floodwaters had subsided, the track surface cleaned of debris, inspected and cleared for use. In all the floodwaters took over a week to subside, with the Club's Saturday Provincial Championships meeting transferred to Gosford due to the poor ground conditions at Wyong.



Aerial showing areas of floodwater penetration in March 2021.

The Club has identified a number of issues that contributed to the extent of water penetration of the Club's assets. One of the issues identified was the height of the pump station and well that were overrun by the floodwaters. Installed to pump water out of the dam when it approaches capacity, when the pumps and well were overrun by the rising floodwaters, the well only served to syphon more water into the central area of the track.



To prevent this from reoccurring in the future, the well and pump station are now being raised by a couple of metres to ensure they remain above all but the most extreme floodwaters. Another contributing factor is believed to be the extent of vegetation (weeds) that has taken hold in the wetlands to the north, east and south of the track over the past few decades, trapping sediment, debris and pollution in water channels. This “natural” impediment has the effect of reducing both the available water storage capacity of the wetlands and the speed of discharge of the floodwaters into the river and lake system during and immediately after significant rainfall events. It potentially lies behind why the floodwaters took so long to drain, even well after the Tuggerah Lake system had returned to normal levels. This matter has been raised with the Central Coast Council with the Council indicating they do not have the funds or resources to help remediate this problem. The Club has escalated this matter, engaging Wyong MP David Harris to assist in trying to resolve this impediment.



New Pump Station under construction with the top of the extended well sitting above the crown of the track.

On Saturday 7th November 2020 TABCORP experienced a nationwide outage due to a failure at one of its data centres. The operational impact was a loss of TAB services for most of the weekend, and a direct operational impact on the WRC meeting of 7th November, (the first meeting back after the October track renovations) and one of the first few meetings post COVID-19 restrictions easing.

With the Club trying to get back to some level of patron activity on course, the last thing it needed was for the patrons on course not to be able to enjoy a punt. The TAB turnover recorded for WRC

on the day was \$109k, a far cry from the average \$1.7M turnover for a normal WRC Saturday meeting. RNSW is understood to still be pursuing TABCORP for compensation for the outage and WRC has not been compensated for the loss in turnover/income resulting from the outage.

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 like many, they have been significantly hit by the consequences of COVID-19. Pleasingly the Wyong Leagues Club Group has reconnected with us as a major sponsor after a few years absence. We are also grateful to all our regular sponsors who have chosen to maintain their ongoing association with the Club. Understandably some of our regular sponsors have not continued their sponsorship this year, either because of their trading circumstances or because the COVID-19 limitations imposed prevent them taking full advantage of a sponsorship with hospitality provision.

During the COVID-19 downtime, the Club has taken the opportunity to make further improvements to the Club such as the new Parade Ring fencing.



New Parade Ring fencing has been installed during lockdown.

Financial

The Racing Industry's ability to keep racing through the first wave of COVID-19 in 2020, literally paid dividends in FY21 with TABCORP's wagering returns boosted by the combined impacts of:

- much of the COVID-19 impacted 2020

GENERAL MANAGER'S REPORT

sporting calendar being rescheduled into the second half of 2020,

- traditional travel and other discretionary expenditure options for the Australian population being severely restricted,
- and the NSW and Australian racing program continuing in a close to normal racing calendar.

Accordingly, TABCORP was well positioned to take advantage of people looking for some wagering based entertainment. The Federal Government's financial support packages, such as JobKeeper, would no doubt have been a factor in the rise in wagering activity during this period. The positive outcome for Provincial racing was a reversal in the recent trend of decline in TAB distributions, which first appeared in FY19. The aforementioned factors, combined to trigger a TAB distribution of \$28.1M, representing a 19.5% jump year on year and the biggest distribution payment on record.

The below table provides the Provincial Distribution shared between the five Provincial clubs over the past six years.

Off the back of this distribution payment and a prudent approach to expenditure the Club is in a relatively sound financial position, with its closing cash position being significantly higher than reported in recent annual statements. The Club has endeavoured to balance the needs of remaining operational yet COVID-19 safe by

rationalising discretionary spend to ensure the Club did not have to rely on a NAB contingency facility of \$500k originally put in place by the Board in January 2020 for the Polytrack project and before COVID-19 emerged as a material business risk.

The Club has reported a profit of \$201,169 for the financial year ended 30 June 2021, having posted an operating profit of \$3,317,278 this time last year, the Club's 2020 result was significantly bolstered by a Racing NSW capital grant of \$3.225M and \$659k worth of atypical funding from Racing NSW and Federal Government support programs respectively.

The 2020/21 result has been materially and positively impacted by the aforementioned record \$28.115M TABCORP year-end distribution and \$362.9k in Government COVID-19 stimulus measures in place at the start of the Financial Year.

With regard to FY21 the Club had budgeted for a loss of \$318,533, with the Club aiming to recover from the COVID-19 impacts of FY20 while incurring the first full year of depreciation associated with the RNSW co-funded Polytrack which opened in May 2020.

Members should note that the final result this year includes an allowance for \$1,189,756 of depreciation. Excluding the depreciation (which is a non cash item) the Club has achieved a cash

Summary: Distributions paid to the Provincial Clubs

	Provincial Distribution	Variation
2020/21	\$28.115m	19.50%
2019/20	\$23.527m	(6.00%)
2018/19	\$25.029m	(6.35%)
2017/18	\$26.564m	2.90%
2016/17	\$25.974m	0.85%
2015/16	\$25.754m	0.25%

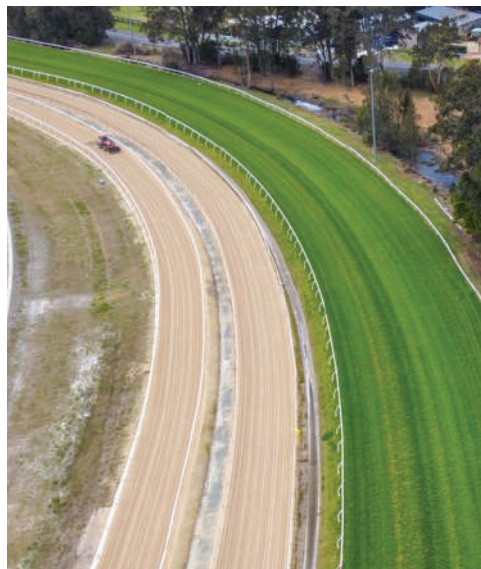


operating surplus of \$1,309,925 improving its year end cash and cash equivalents to \$1,912,081 representing a net increase of \$931,986.

This year's positive result can largely be attributed to the record TABCORP distribution \$28.115M pool made available to the five Provincial Racing Association (PRA) Racing Clubs via the Racing NSW administered PRA Scheme of Distribution.

Several of the following year on year expenditure comparatives are skewed because of Racing NSW's subsidy of some of the Club's FY20 racing expenditures incurred during the COVID-19 impacted period of March to June 2020. This one-off subsidy was documented in last year's report at a total value of \$356.6k.

Our depreciation allowance of \$1.190M increased \$262k (28.2%) reflecting the number of capital projects the Club undertook in FY20, most notably the \$4.3M Polytrack. Employee costs of \$2.012M increased \$88k (4.6%). Consulting fees of \$122k reflects a number of initiatives pursued over the year involving the engagement of professional services in the areas of land use planning,



Noxious weeds have been cleared from the Club's Southern boundary.

COVID-19 financial planning, and the ongoing outsourcing of our marketing function in lieu of filling a full-time vacancy. Security expenses of \$61.7k decreased by \$52.0k (45.7%) primarily due the low patron levels at race meetings over the past year. Insurance costs (sourced through Racing NSW) of \$361k were down \$11k (6.4%) and R&M costs of \$599k were up \$171k (40.2%).

Prizemoney paid for the year increased by \$378k (6.4%) totalling \$6.292M. 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 again in early FY22 by COVID-19 related restrictions (direct and indirect).

The Club's balance sheet is relatively strong. The Club has no debt and its cash position is better than it has been for some years. But with FY22 shaping up to be another tough year, the Club cannot take its current position for granted.

Wyong's Board remains of the view that Racing NSW's club funding model and the PRA Scheme of Distribution need to be updated to reflect underlying industry trends, such as the recent and ongoing growth of training operations at all PRA clubs. It is paramount that clubs are sufficiently profitable to allow them to proactively invest in the improvement of the on-course race day experience for members and patrons while continuing to provide high quality and safe training and racing infrastructure for all stakeholders.

2021/22 Outlook

With the hospitality side of the business effectively shut down for at least a third of the 2021/22 year, the Club's financial performance will again be heavily dependent on TAB wagering as a key source of income. Wagering performance in the early months of 2021/22 suggests that TABCORP's returns will be down for the year unless there is a strong and sustained turnaround

GENERAL MANAGER'S REPORT

when pubs, clubs and TAB outlets reopen. Experience from 2020 suggests any rebound from the reopening of these channels may only last a few months before wagering returns to more stable levels.

Despite NSW and Australian racing maintaining operations through this latest outbreak, the other factors that help drive the FY21 TABCORP returns are not going to be repeated in FY22. The extended period of the closure of pubs and clubs and retail TAB outlets are going to impact TABCORP based returns to the industry and in turn the Club. While the Club has qualified for the 2021 State Government's JobSaver support package, with the hospitality industry unlikely to recover quickly, the Club is anticipating a trading loss for the year unless RNSW provides material financial support to racing clubs as it did in 2020.

With the 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 until COVID-19 were 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 in 2021 is the significant unknown at this stage.

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 Board for their support. We are all facing new challenges created by the evolving COVID-19 situation and I appreciate their candour and open-mindedness to the questions that I pose to 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 the Club and my team receives from 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



2020-2021 RACING REPORT



Wyong conducted 22 race meetings last season and it was pleasing to see an uplift in starter numbers again in 2020-21, to 9.04 across the 971 races.

This figure is up from last year's 8.89, continuing a trend of increasing starters over the past five seasons, which we hope will continue in 2021-22.

The season finished on a high with race meetings getting back to some normality, and then COVID-19 struck again, and we had to deal with another lockdown. While this did impact the Club significantly, it was pleasing to see the high quality of racing continue, especially over our two day Cup Carnival.

The Club spends a significant sum on annual and regular maintenance programmes 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, with continuing praise from trainers and jockeys a testament to their efforts.

Wyong distributed \$6.3 million prizemoney in 2020/21 season.

TAB wagering on Wyong was \$30m, up nearly \$3m on the previous year. TAB turnover per race of \$179,640 was also up compared to \$168,255 from the previous year.



Kim Waugh leading Wyong based trainer.

2020-2021 RACING REPORT

FEATURE RACE RESULTS:

2021 \$200,000 Carlton Wyong Gold Cup (Listed)

BERDIBEK 8yo g.g. trained by John O'Shea and ridden by Hugh Bowman

2021 \$140,000 Wyong Leagues Group Mona Lisa Stakes (Listed)

MORE PROPHETS 5yo b.m. trained by John Thompson and ridden by James McDonald

2020 \$200,000 Magic Millions Two Year Old Classic (Listed)

SHE'S ALL CLASS 2yo b.f. trained by Chris Waller and ridden by James McDonald

2020 \$100,000 Magic Millions Three & Four Year Old Stakes

ELEVEN ELEVEN 4yo b.g. trained by Gregory Hickman and ridden by Keagan Latham

2021 \$150,000 Wyong Polytrack Provincial Championships

PRINCE AURELIUS 4yo b.g. trained by Tyrone Coyle and ridden by Robbie Brewer



Jason Collett Leading jockey at Wyong.

2020-21 Wyong Race Meeting Premierships

Congratulations to the following Premiership recipients –

Leading Trainer at Wyong – James Cummings
10 wins

Leading Jockey at Wyong – Jason Collett 13 wins

Leading Apprentice – Reece Jones 6 wins

Wyong trainers delivered yet another outstanding year of results on the track saddling up 230 winners for more than \$7.6 million in prizemoney, which is up on the previous year.

Kim Waugh was the leading Wyong based trainer once again, with an impressive 48 winners and prizemoney of \$1.81 million her best season to date. Damien Lane had a stand-out season with 38 winners and \$1.46 million in prizemoney to claim second place on the local trainers table, ahead of Allan Denham and Kristen Buchanan with 32 winners and Tracey Bartley on 29. 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 2021.

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) (Resigned 10 Nov 2020)
Frank Arangio	(Resigned 5 May 2021)
Denis Hanley	(Deputy Chairman)
Andrew Paton-Smith	(Resigned 5 May 2021)
Mark Waugh	
Darren Hooper	
Darin Butcher	(Appointed 10 Nov 2020)
Matthew Hingerty	(Appointed 5 May 2021)
Mick Caddey	(Appointed 5 May 2021)

Objectives

The objectives of the company are:

- to carry on the business of thoroughbred horseracing 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 as a Racing and Training Centre of Excellence;
- Detailed budgeting process to ensure financial viability in future periods;
- Participation with the local community.

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

- Coast Shelter; Itty Bitty Fundraiser; Bobby Jo Dillion Fundraiser, Wyong Roos Foundation;
- Provision of venue usage support for RYDA, Wyong Regional Chamber of Commerce and Markets 2259;
- Donation of race day packages to organisations including: ASX Refinitiv Charity Foundation, NSW Police Force,
- Northlakes Toukley Rotary Club, Caves Beach SLSC, Clubs NSW.

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 \$201,169 (2020: a surplus of \$3,317,278. After discounting a one-off capital grant of \$3,225,000, the Club made a notional operating profit of \$92,278 in 2020).

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

COVID-19 significantly impacted race day and non-race day activities for most of the year. Although the Club was able to have members and patrons attend, restrictions limited attendees and restricted the nature and extent of on-course activities.

Events after balance date

The announcement by the World Health Organization regarding 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 2021 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.



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 (Resigned 10 Nov 2020)

Title: Director

Experience and expertise: Retired (Company Director)

Name: Frank Arangio (Resigned 5 May 2021)

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
(Resigned 5 May 2021)

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 Management; Dip Financial Services

Experience and expertise: Bank Manager

Name: Darin Butcher
(Appointed 10 November 2020)

Title: Director

Qualifications: Associate Diploma in Real Estate Business

Experience and expertise: Real Estate Principal and Property Development

Name: Matthew Hingerty
(Appointed 5 May 2021)

Title: Director

Qualifications: MBA, BA

Experience and expertise: Company Director

Name: Mick Caddey (Appointed 5 May 2021)

Title: Director

Qualifications: BE (Civil)

Experience and expertise: Senior Executive Property Development/Construction

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
John Waghorn (Chairman)	11	11
Marion Langlar (Resigned 10 Nov 2020)	2	4
Frank Arangio (Resigned 5 May 2021)	7	9
Denis Hanley	10	11
Andrew Paton-Smith (Resigned 5 May 2021)	8	9
Mark Waugh	9	11
Darren Hooper	10	11
Darin Butcher (Appointed 10 Nov 2020)	7	7
Matthew Hingerty (Appointed 5 May 2021)	2	2
Mick Caddey (Appointed 5 May 2021)	2	2
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 insurance. 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

28 September 2021



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

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F: (02) 4351 2477

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

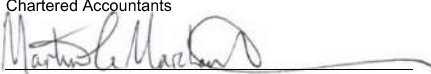
We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2021, there have been:

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

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

28 September 2021



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Directors: Glenn A Harris CA, Martin Le Marchant CA

Associate Directors: Cecile Capucac CA, Johan Van Der Westhuizen CA

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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 ("the Company") which comprises the statement of financial position as at 30 June 2021, 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 2021 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 for our opinion.

Emphasis of Matter

We draw attention to notes 3 and 19 to the financial report, which indicates the known and potential effects of the global pandemic on the Company. Our opinion is not modified in respect of this matter.



LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION



Directors: Glenn A Harris CA, Martin Le Marchant CA

Associate Directors: Cecille Capucio CA, Johan Van Der Westhuizen CA



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

28 September 2021

Wyong Race Club Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
	4	12,792,720	12,138,534
Racing NSW infrastructure revenue	5	-	3,225,000
Interest revenue		690	8,940
Total revenue		<u>12,793,410</u>	<u>15,372,474</u>
Expenses			
Cost of goods sold		(100,954)	(159,507)
Advertising expenses		(19,566)	(88,347)
Ambulance expenses		(99,890)	(95,377)
Barrier trial expenses		(140,587)	(166,242)
Cleaning and waste removal expenses		(116,924)	(131,179)
Consultancy fees		(122,180)	(87,156)
Depreciation and amortisation expenses		(1,189,756)	(927,694)
Employee benefit expenses		(2,011,608)	(1,922,765)
Entertainment expenses		(38,969)	(157,863)
Insurance expenses		(361,673)	(372,721)
Jockey riding fees		(341,511)	(313,667)
Loss on disposal of assets		(31,998)	-
Prize money		(6,292,490)	(5,912,770)
Promotional expenses		(4,388)	(61,038)
Repairs and maintenance expenses		(599,473)	(427,495)
Race day packages and function expenses		(36,141)	(145,338)
Race day production expenses		(132,817)	(69,108)
Race day sponsorship expenses		(58,426)	(77,396)
Security expenses		(61,675)	(113,642)
Telecasting expenses		(148,759)	(88,168)
Utilities expenses		(195,337)	(204,930)
Other expenses		(482,670)	(529,736)
Finance costs (lease liability)	11	(4,449)	(3,057)
Total expenses		<u>(12,592,241)</u>	<u>(12,055,196)</u>
Surplus before income tax expense		201,169	3,317,278
Income tax expense		-	-
Surplus after income tax expense for the year	15	201,169	3,317,278
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>201,169</u>	<u>3,317,278</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 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	6	1,912,081	980,095
Trade and other receivables	7	2,932,838	2,770,062
Inventories	8	44,405	18,698
Total current assets		<u>4,889,324</u>	<u>3,768,855</u>
Non-current assets			
Financial assets	9	5,000	5,000
Property, plant and equipment	10	13,695,321	14,771,306
Right-of-use assets	11	106,315	63,032
Total non-current assets		<u>13,806,636</u>	<u>14,839,338</u>
Total assets		<u>18,695,960</u>	<u>18,608,193</u>
Liabilities			
Current liabilities			
Trade and other payables	12	1,047,254	1,244,710
Lease liabilities	11	24,142	17,344
Employee benefits	13	191,904	166,503
Total current liabilities		<u>1,263,300</u>	<u>1,428,557</u>
Non-current liabilities			
Lease liabilities	11	84,533	45,621
Employee benefits	14	56,634	43,691
Total non-current liabilities		<u>141,167</u>	<u>89,312</u>
Total liabilities		<u>1,404,467</u>	<u>1,517,869</u>
Net assets		<u>17,291,493</u>	<u>17,090,324</u>
Equity			
Retained surpluses	15	17,291,493	17,090,324
Total equity		<u>17,291,493</u>	<u>17,090,324</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 2021

	Retained surpluses \$	Total equity \$
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>
	Retained surpluses \$	Total equity \$
Balance at 1 July 2020	17,090,324	17,090,324
Surplus after income tax expense for the year	201,169	201,169
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	<u>201,169</u>	<u>201,169</u>
Balance at 30 June 2021	<u>17,291,493</u>	<u>17,291,493</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 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		13,410,950	13,660,444
Payments to suppliers and employees (inclusive of GST)		<u>(12,850,928)</u>	<u>(12,746,232)</u>
		560,022	914,212
Interest received		690	8,940
Receipts from Government Covid-19 stimulus measures		<u>492,500</u>	<u>101,000</u>
Net cash from operating activities		<u>1,053,212</u>	<u>1,024,152</u>
Cash flows from investing activities			
Payments for property, plant and equipment	10	(145,454)	(4,557,337)
Proceeds from disposal of financial assets		-	492
Proceeds from disposal of property, plant and equipment		24,228	-
Proceeds from RNSW for infrastructure development		<u>-</u>	<u>3,225,000</u>
Net cash used in investing activities		<u>(121,226)</u>	<u>(1,331,845)</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		931,986	(307,693)
Cash and cash equivalents at the beginning of the financial year		<u>980,095</u>	<u>1,287,788</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>1,912,081</u></u>	<u><u>980,095</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 28 September 2021. 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.

Standards issued not yet effective

There are a number of new accounting standards and amendments issued, but not yet effective, none of which have been early adopted by the company in this Financial Report. The company has reviewed the impact of these changes and has determined that the adoption of these standards will not have a material effect on the financial position or performance of the company, other than as set out below.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The standard is effective for annual reporting periods beginning on or after 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments. As permitted by AASB 1053 for early adoption of AASB 1060, comparative information has not been provided for these new disclosures. The company has not early adopted the accounting standard.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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, it's 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.

Note 2. Significant accounting policies (continued)

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.

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.

Capital work-in-progress

Research and feasibility costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources and intent to complete the development; and its costs can be measured reliably

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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

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 (SGC)

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. In July 2021, the Company received correspondence from a RNSW delegate confirming RNSW has provisioned for the jockey SGC liability. Accordingly, a liability or contingent liability has not been recognised in the financial report.

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

	2021 \$	2020 \$
<i>Revenue</i>		
Bar revenue	202,011	391,456
Racing income	11,822,618	11,007,623
Rental income - meetings, functions and stables	324,326	441,116
RNSW on course turnover incentive	20,930	-
	<u>12,369,885</u>	<u>11,840,195</u>
<i>Other revenue</i>		
Government stimulus packages	362,900	230,600
Other revenue	59,935	67,739
	<u>422,835</u>	<u>298,339</u>
Revenue	<u>12,792,720</u>	<u>12,138,534</u>

Note 5. Racing NSW infrastructure revenue

	2021 \$	2020 \$
Racing NSW - infrastructure revenue	-	3,225,000

Note 6. Current assets - cash and cash equivalents

	2021 \$	2020 \$
Cash at bank and on hand	1,912,081	980,095

Note 7. Current assets - trade and other receivables

	2021 \$	2020 \$
Trade and other debtors	2,932,838	2,647,478
Less: Provision for doubtful debts	-	(7,016)
Government stimulus package receivable	-	129,600
	<u>2,932,838</u>	<u>2,770,062</u>

Note 8. Current assets - inventories

	2021 \$	2020 \$
Stock on hand - at cost	<u>44,405</u>	<u>18,698</u>

Note 9. Non-current assets - financial assets

	2021 \$	2020 \$
Wyong Town Financial Services shares	<u>5,000</u>	<u>5,000</u>

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

	2021 \$	2020 \$
Freehold land - at cost	298,804	298,804
Building improvements - at cost	5,822,865	6,776,817
Less: Accumulated depreciation	(3,141,963)	(3,422,099)
	<u>2,680,902</u>	<u>3,354,718</u>
Land improvements - at cost	3,703,706	3,306,626
Less: Accumulated depreciation	(725,112)	(604,172)
	<u>2,978,594</u>	<u>2,702,454</u>
Plant and equipment - at cost	6,755,487	8,624,899
Less: Accumulated depreciation	(2,300,192)	(3,711,608)
	<u>4,455,295</u>	<u>4,913,291</u>
Motor vehicles - at cost	112,254	176,867
Less: Accumulated depreciation	(107,820)	(153,068)
	<u>4,434</u>	<u>23,799</u>
Grandstand - at cost	5,798,214	5,816,965
Less: Accumulated depreciation	(3,981,085)	(3,885,363)
	<u>1,817,129</u>	<u>1,931,602</u>
Ground Improvements - at cost	3,220,547	3,237,851
Less: Accumulated depreciation	(1,871,690)	(1,691,213)
	<u>1,348,857</u>	<u>1,546,638</u>
Assets in progress	<u>111,306</u>	<u>-</u>
	<u><u>13,695,321</u></u>	<u><u>14,771,306</u></u>

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 2020	-	3,001,258	5,286,320	4,937,090	1,546,638	14,771,306
Additions	111,306	-	-	34,147	-	145,453
Disposals	-	-	-	(28,472)	(26,959)	(55,431)
Transfers in/(out)	-	381,907	(400,897)	-	18,990	-
Depreciation expense	-	(105,767)	(387,392)	(483,036)	(189,812)	(1,166,007)
Balance at 30 June 2021	<u>111,306</u>	<u>3,277,398</u>	<u>4,498,031</u>	<u>4,459,729</u>	<u>1,348,857</u>	<u>13,695,321</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

	2021 \$	2020 \$
Amount recognised in balance sheet		
Right-of-use assets		
Balance at 1 July	63,032	-
Addition during the year	83,943	78,044
Disposal during the year	(16,911)	(15,012)
Depreciation for the period	(23,749)	-
Net carrying value at 30 June	<u>106,315</u>	<u>63,032</u>
Lease liability		
Current	24,142	17,344
Non-current	84,533	45,621
Total lease liability	<u>108,675</u>	<u>62,965</u>
Amount recognised in profit and loss		
Depreciation charge of right- of- use assets	23,749	15,012
Interest expenses (AASB 16)	4,449	3,057
Loss on disposal right- of- use assets (AASB 16)	794	-
Total recognised in profit and loss	<u>28,992</u>	<u>18,069</u>

Note 12. Current liabilities - trade and other payables

	2021 \$	2020 \$
Trade Creditors	847,786	1,082,227
BAS payable	63,794	68,798
Other Creditors	135,674	93,685
	<u>1,047,254</u>	<u>1,244,710</u>

Note 13. Current liabilities - employee benefits

	2021 \$	2020 \$
Annual leave	106,301	83,607
Long service leave	85,603	82,896
	<u>191,904</u>	<u>166,503</u>

Note 14. Non-current liabilities - employee benefits

	2021 \$	2020 \$
Long service leave	56,634	43,691

Note 15. Equity - retained surpluses

	2021 \$	2020 \$
Retained surpluses at the beginning of the financial year	17,090,324	13,773,046
Surplus after income tax expense for the year	<u>201,169</u>	<u>3,317,278</u>
Retained surpluses at the end of the financial year	<u><u>17,291,493</u></u>	<u><u>17,090,324</u></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.

	2021 \$	2020 \$
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>(10,018,120)</u>

Note 17. Key management personnel disclosures

Compensation

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

	2021 \$	2020 \$
Aggregate compensation	<u>300,037</u>	<u>357,366</u>

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.

Note 18. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	2021 \$	2020 \$
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	130,650	133,069

Receivable from and payable to related parties

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

	2021 \$	2020 \$
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	10,462	7,156

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 2021 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 2021

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 2021 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



John Waghoorn
Director

28 September 2021





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