# 17/18 WYONG RACE CLUB AND FINANCIAL STATEMENTS



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Wyong Race Club Limited 71-75 Howarth Street, Wyong, NSW 2259 PO Box 28 Wyong, NSW 2259 Phone: (02) 4352 1083 Email: info@wyongraceclub.com.au 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:

Garry Whitaker (Chairman) Marion Langlar (Vice Chair) Frank Arangio Denis Hanley Andrew Paton-Smith John Waghorn Mark Waugh

CHIEF EXECUTIVE: David Jewell Racing & Operations Manager: Dean Grogan Track Manager: Phillip Robinson Finance Manager: Emma Fitzgerald Membership Administration: Kylie McAlister Sales & Marketing: Bronwyn Nichols



Garry Whitaker (Chairman)



## Denis Hanley



Andrew Paton-Smith



Frank Arangio



Marion Langlar (Vice Chair)



John Waghorn



Mark Waugh



David Jewell (CEO)

# NOTICE OF 2018 ANNUAL GENERAL MEETING

NOTICE IS HERBY GIVEN THAT: The 2018 Annual General Meeting of Wyong Race Club Limited will be held on Monday 12 November 2018 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 2017 Annual General Meeting.

# 2. Receive & consider Annual Financial Report for year ended 30 June 2018 including -

- Directors' Report
- Statement of Profit or Loss and other 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 Board members - no election required as all directors continue in office

# 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.

David Jewell Chief Executive



# NOTICE OF 2018 ANNUAL GENERAL MEETING cont

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 Chief Executive. This will allow sufficient time for proper research and preparation of the replies for the benefit of all Members.

## Please note:

The 2018 Annual Report will be posted to all financial Members on or before 18 October 2018 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 8 November 2018.

# CHAIRMAN'S REPORT TO MEMBERS

On behalf of the Board of Directors I am delighted once again to present our Annual Report together with the Audited Financial statements for the year ended 30 June 2018.

# **Financial position**

The Club and the New South Wales Racing industry have had another successful year. We have reported an operating profit of \$127,997 for the 12 months to 30 June, 2018. This result excludes the \$350,000 Racing NSW infrastructure grant funding received which was applied to the constructions of the new slow sand concrete plinths.

The Board is very focussed on our expenditure throughout the year to ensure that we are operating within our agreed budgets. As previously highlighted, the Club has limited oversight across much of our major revenue stream, which is distributed by Racing NSW after being generated from TAB and other wagering sources. Effectively, we never quite know what our final payout from the TAB and Racing NSW is going to be which means it is critical that we keep a very close eye on our costs.

Our goal each year is to make a modest operating profit in the knowledge that if we have successfully covered our depreciation costs then we will have that that capital available to invest back into the business.

Fortunately Racing NSW has been very successful in recent years, boosting total funding for our industry initially through the tax parity legislation in 2015. This tax reduction is being phased in over five years and is believed to be worth over \$66 million a year for thoroughbred racing once it is fully implemented. We are also seeing significant growth in race field's revenues, which are being returned to the industry from the corporate bookmakers. From early next year the industry will further benefit from the Government's new Point of Consumption tax, which is being levied on on-line wagering operators.

Collectively these major gains have made for very positive news for all industry participants, providing sustainable funding that has underwritten the most recent \$26m increase in prizemoney implemented by Racing NSW in September.

With Racing NSW funding record prizemoney levels across the industry, your Board has been able to invest more of our own capital into much needed upgrades for both our training and venue facilities. This has only been possible as a result of the Club's positive trading position in recent years.

In the past 12 months we have spent another \$1.156m on a number of significant capital projects, while still maintaining a healthy cash balance.

The major project completed in the last financial year was the improvements to the slow sand training track, where a concrete kerb was installed at a cost of \$380,000. The concrete kerb and new safety rails have improved both the consistency of the slow sand surface as well as safety for horses and riders.



# CHAIRMAN'S REPORT TO MEMBERS cont

This was the third of the three major infrastructure projects approved for funding by Racing NSW a few years back. The Club is very appreciative of the \$1.4 million financial support we have received from RNSW towards the cost of our new horse pool, irrigation system and now the slow sand track upgrade.

We have also completed the fitout of our Parade Marquee in the past year, with the installation of a powerful air conditioning system powered by its own generator unit, as well as providing a new relocatable toilet block. The Club has also purchased a new tractor and a horse walker, new picnic tables for the public area, upgraded the Bistro bar, and installed solar powered warning lights around the training track as a safety measure for track work.

In recent months we have also built the impressive new public and members' entryways at both the Rose Street and Howarth Street gates, which also feature new electronic turnstiles, and we recently purchased new Steriline Starting Gates. The Board elected to donate our old gates to Country Racing NSW and these have been allocated to the Coonabarabran Jockey Club.

### Governance

Your Board meets monthly and we have also had held a number of additional meetings during the year around Strategic Planning, Audit and Risk Management.

In the past year the Board has developed a Risk Matrix, which monitors some 18 significant elements of our business. We have reviewed and allocated a rating to the major inherent risks to the business, considered the controls in place to mitigate those risks, and developed our risk management planning process.

The Directors have also undertaken a detailed internal Board governance review, which looked at a number of issues including succession planning, the Board's skillset and structures, roles and responsibilities, Board meeting procedures and the question of risk management.

The Board confirmed that its vision for Wyong Race Club to be a *"Racing and Training Centre of Excellence Incorporating High Quality Member and Community facilities"* was still appropriate for the Club.

During the year the Board engaged an outside facilitator to meet with us to review and update our Strategic Plan. As a result, he Board has developed its new Two Year 2020 Strategy, built around our values and supporting goals.

The new Plan, which we will share in more detail with Members at the Annual General Meeting, has key result areas, appropriate targets and measures that will assist the Board and management to continue to drive the business over the next two years.

# **Board and Management Changes**

During the past year Frank Arangio was appointed to the Board by Racing NSW to replace Craig Ellis. As well as being the owner and popular host of the Royal Hotel, Wyong, Frank has made a valuable contribution to the Board in the time he has been with us.

Frank has extensive knowledge and experience in Strategic and Business planning, Financial Management, Leadership and Sales. Prior to taking over the Royal Hotel just over 12 months ago, Frank did some short term contract work for the Australian Turf Club around their amalgamation with the Rosehill Bowling Club. Prior to that he held the position of National Field Sales director of Lion Breweries, where he was responsible for 450 staff and sales of \$1.6 billion a year.

With a keen interest in racing, including now having a share in a local galloper, together with his previous involvement in the Toohey's sponsorship of the Golden Slipper, we have indeed been fortunate to have someone of Frank's business acumen and passion for racing join us on the Board.

As Chairman I am required to attend regular Provincial Racing Association meetings with Racing NSW and the other four Provincial Clubs in Sydney. I have also represented the Club at a number of race meetings in both Sydney and around the region. As well as my attendance at most race days here, as Chairman I work closely with our Chief Executive David Jewell. As Members can probably appreciate, having oversight of a business that has a \$10 million plus annual turnover is a considerable responsibility. One that I am honoured to undertake on your behalf.

I would like to take this opportunity to thank all of my fellow directors for their significant contribution to your Club. I believe we have a very talented, focussed and committed group of directors, who give very generously of their time and expertise. This is best reflected in the very positive results and the progress this Club has made in the relatively short period of time we have been together.

I would also like to again acknowledge the important contribution David Jewell and his team have made to the Club.

Members may be aware that the Club has recently advertised a new General Manager role here. We would hope to be able to confirm this appointment in the coming weeks.

This person will report directly to David as CEO and will over time assume much of the responsibility for the day to day management of the Club. The appointment of this person will allow David to reduce his workload, so that he can focus more on managing the major capital projects and the commercial opportunities we have in the pipeline.

David will have been with the Club five years next March. He brought with him considerable experience and expertise across all facets of our business. At the end of this year David will stand down after serving three years as the Chairman of the Provincial Racing Association. He has worked hard on that Board on not just our behalf, but all of the five Provincial Clubs. David has also represented the Provincial Clubs on RICG, which is the Government appointed Racing Industry Consultative Group.

In terms of succession planning the Board was keen to bring in someone now who can work closely with David over the next 12 months or more to ensure that if and when David retires, that we have someone in place who has a detailed knowledge of the business.



# CHAIRMAN'S REPORT TO MEMBERS cont

# 2018 Cup Carnival

We have just enjoyed another successful Wyong Gold Cup carnival. My thanks again to our two major commercial partners Carlton Breweries and Magic Millions for your continued support. I am pleased to advise that Magic Millions has just extended their annual contract with the Club for a further five years.

I would also thank all of our raceday sponsors throughout the year who collectively contribute a great deal to the promotion and success of our race days. I would again encourage all Members to support those sponsors that support the Club.

This year we celebrated an important milestone with the Gold Cup carnival being the 120th anniversary of the first recorded two day racing carnival held in the district. While there has been racing in the area as far back as 1875, our research confirmed that the first two day racing carnival, as such, was held by the then Wyong Jockey Club on land behind the Tuggerah Railway Station in 1898. That event was the forerunner to what is now our very popular two day Gold Cup meeting. I believe that it is important for the Club that we continue to recognise our proud heritage and the longstanding support for racing in the Wyong district.

It would be remiss of me not to acknowledge here the very positive outcomes that have been achieved over the past year by Racing NSW Chairman Russell Balding, his fellow directors, Racing NSW CEO Peter V'landys and the RNSW management team.

It is remarkable to think that in the coming year that RNSW through the Clubs will distribute more than \$260 million of prizemoney, with returns to owners having more than doubled in the past seven years. NSW Racing conducts not only Australia's richest race, the \$13m TAB Everest, but boasts the highest minimum prizemoney levels of any state in Australia. Racing NSW is also investing in horse welfare, with a percentage of all prizemoney being set aside to help rehome and care for thoroughbred horses when they have finished racing.

In conclusion I look forward to seeing everyone at our upcoming Annual General meeting and at one of our busy schedule of race meetings over the summer months.

## Garry Whitaker

Chairman





# CHIEF EXECUTIVE'S REPORT

It's terrific to be able to report on another very positive year for the Wyong Race Club.

In terms of sustainable progress, the investment of more than \$4m by the Club into major facility improvements in the past four years has been delivered without incurring any borrowings. In fact, our \$1.5m closing cash position this financial year compares favourably with the \$319,375 we had in the Bank at the end of 2014 financial year before we started out on this journey.

Since the 30 June Balance date reported here Racing NSW has paid the Club the outstanding balance of our 2017-18 funding and our cash position in September, at the time of writing this report, is currently around \$2.6 million.

It is worth reflecting for a moment on the impressive list of major capital projects we have completed –

- Horse Pool
- Infield 84sqm big screen
- New pumps and course proper irrigation system
- Major refurbishment of the middle floor Members Lounge
- New Mawsafe running rails & Track Warning lights system
- Two new horse walkers
- Upgrade of the female jockeys room
- Parade Marquee
- Air-conditioning and demountable toilet for the marquee
- Upgrade of the Public Bistro
- Slow sand concrete kerb and new safety rails
- New Rose Street and Howarth Street gate entries
- Electronic turnstiles at both new gates
- New Steriline Starting gates
- Replacement of the Members Stand Lift Motor and drive systems
- New equipment and machinery including new vehicles, mowers & tractor
- New Financial and Customer Relationship Management (CRM) data systems

However, what excites me right now is what we can look to achieve in the next 6-18 months.

The Club recently unveiled its Track and Training Master Plan. We are busy finalising the details so that we can go back to Racing NSW and secure the necessary funding to implement the next stage of Wyong Race Club's exciting development strategy.

The Club presented its \$6m Master Plan to Racing NSW in June and we can report that this was well received.

Racing NSW has previously contributed \$1.4 million in infrastructure project funding towards the horse pool, irrigation system and slow sand track upgrade which was very much appreciated.

Racing NSW has also made significant capital grants to other Provincial Clubs including over \$11 million to the Newcastle Jockey Club towards their \$14m investment in the new course proper and Kensington track rebuilds and they have supported Hawkesbury with their new Poly Track and stabling project there.

The Club presented a strong business case forward to Racing NSW to support of our Master Plan proposal including a commitment to fund a number of the planned developments ourselves.

The Master Plan is seeking RNSW financial support to build a new 1600m synthetic all-weather training track inside the two existing sand tracks to accommodate more horses in the future. A Poly or Pro-Ride type track, costing around \$3.6 million, will provide a superior, consistent galloping surface which is urgently required here as we do not have an alternative grass training track available.

Wyong has maintained its position as the second largest Provincial training venue in NSW, behind only Newcastle, producing 2280 trained starters for the 2017/18 season.

Our Wyong based trainers year on year have enjoyed great success achieving a record 243 winners in the season just past. While the likes of Kris Lees and Paul Perry dominate the Provincial Trainers' list given their significant number of runners, there were nine Wyong based trainers on the Top 20 Provincial list in terms of NSW winners, compared with just the five Newcastle, four Kembla and three Hawkesbury trainers, which reflects highly on our local trainers.

To support an investment in the new all-weather training track Wyong is looking to build up its capacity from around 220 horses in training to at least 300 in the future. Stage One of the Master Plan will see the Club relocate its workshop away from the stabling area to the Rose Street end of the racecourse. The existing Workshop will be converted for temporary stabling, with the Club looking to invest in new stables replacing some of the old stable blocks by relocating those trainers while the new stables are built. Relocating the workshop will also remove some of vehicle traffic from the stabling area.

The Club has already had approval for funding support from Racing NSW to relocate all of the overhead power lines and poles that run down from the main office to workshop and has gone to tender to have the power supply laid underground. The Club will also take the opportunity when this work is being done to upgrade the power supply and wiring to each stable to reduce the risk of losing power to the whole complex.

Longer term the Club is also planning to relocate the raceday tie-up stalls to the other end of the racecourse in the area where the old Poultry shed is currently situated. The Club will look to retain around 60 of the existing tie-up stalls for track work which will create sufficient free space to either expand the float parking area and/or create more stabling in this area.

The Club has already signed off plans to build a new trainers viewing and track work supervisors hut at the gap and the Master Plan provides for upgrades to fencing and walkways to ensure the safe movement of horses throughout the venue.

When (not if) this is all completed Wyong will boast a modern, safe training facility that we are confident will be amongst the best in the State.



# CHIEF EXECUTIVE'S REPORT TO MEMBERS cont

# **Financials**

The Wyong Race Club has reported a profit of \$477,997 for the financial year to 30 June, 2018. This result includes a grant of \$350,000 from Racing NSW towards the capital cost of the slow sand project. Excluding the grant, the Club's operating profit for the year was \$127,997 (\$239,764 for the previous year).

The operating profit includes \$872,728 of depreciation (\$836,352). Total revenue for the year, excluding the RNSW grant was \$11,756,468 (\$10,998,647).

After providing for \$1,151,227 for capital expenditure (\$1,111,951) there was a net increase in the Club's closing cash position at the end of the financial year of \$118,011 to \$1,562,638.

Total operating expenditure for the year was \$11,271,255 with prizemoney paid of \$5,613,246 (\$5,086,190) being the major expense.

The Club's Balance sheet shows total assets of \$15.9 million. The Directors have included a note to the accounts this year to show where the latest Government valuation for the racecourse land is \$2.346m, which is considerably higher than the \$298,804 which the land is recorded at in the accounts.

The Club had budgeted for a modest \$32,340 operating profit for the year. Expenditure was generally in line with previous year and budget expectations taking into account that the Club conducted 24 race days in 2017-18 compared with 22 the previous year. There were associated costs and extra revenue generated from both the ATC (November) and Scone (January) race meetings which the Club was asked by Racing NSW to accommodate.

Raceday packages and function costs of \$178,675 compared with \$119,914 the previous year, however raceday hospitality sales were higher at \$199,736 generating a reasonable profit for the Club. Increased hospitality sales exclude \$451,690, of bar sales which have increased by \$58,418 (14.8%) over the previous year. The Club has also been growing its non raceday income from functions and rentals with the new marquee helping to increase our venue hire revenues.

## **Sponsorship and Promotions**

The Club is fortunate to have two major commercial partners in Carlton United Breweries and Magic Millions. We have just completed a very successful 2018 Wyong Gold Cup carnival where we again enjoyed wonderful support from both Carlton and our carnival supporting sponsors.

Magic Millions, which sponsor the \$200,000 Wyong Magic Millions 2YO Classic as well as the \$100,000 3YO & 4YO Stakes race at Christmas, have just signed a five year extension to their partnership with the Club. Magic Millions also picked up the naming rights sponsorship for our new Steriline barriers in addition to their investment in their raceday here.

Throughout the year we have numerous individual race and raceday sponsors, some of whom have been with the Club for more than a decade. From time to time sponsorship opportunities arise so please speak to us if your business or someone you know may be interested. Sponsorships including hospitality on the day starts from \$1000 + GST.

During the year the Board looked at how we could continue to grow our racing calendar of events. Rather than increase prizemoney at this time for (say) the Cup, the Board is developing a few key supporting races during the year with a view to creating some additional new event days. The Wyong Town Plate in December was a new event that was run for \$50,000 last year, which has been sponsored by Hudson Homes.

In the coming season the Club will also run the \$50,000 Sky Provincial Spring Challenge for the first time, which is part of joint initiative of the five Provincial Clubs offering \$400,000 in total prizemoney across a five race series restricted to Provincial trained horses with a \$150,000 final to be run at Kembla in early December. In future years the final will rotate amongst the Provincial Clubs.

The new series is based on the very successful Provincial Championships in March, where Racing NSW runs five \$150,000 qualifying races and a \$400,000 final at Randwick restricted to Provincial trained starters.

In the 2018-19 racing season Wyong will host three Saturday Provincial meetings for the first time, having already held a successful Saturday in July where sponsorship, hospitality and bar sales were collectively more than 300% higher than the equivalent mid-week raceday in the past.

We also now have a Saturday licence in the first week of January and a Saturday for our Provincial Championship day in the autumn. We will continue to lobby Racing NSW for a couple more Saturday raceday opportunities in the future.

Wyong has a number of Sunday meetings including our successful Star 104.5 Ladies Day in August and the annual 2GO Family Day in January. While Sundays are not as financially beneficial to the Club as Saturdays, given the higher wage costs and lower wagering returns, they do provide us with an opportunity to increase our oncourse attendance.

The Club has been very active growing its social media presence primarily through our Facebook page and the website to promote our events. While I appreciate not everyone uses Facebook, as such, we have doubled our "followers" to almost 4,000 people in the past 18 months, while some of our event promotions through Facebook can reach 8,000+ people on the Central Coast in a couple of days at minimal cost.

In the past year we have also been developing our new Salesforce CRM (Customer Relationship Management) data base system, which is helping us communicate better with our Members and customers through our regular EDM (Electronic Direct Mail) system and at the same time looking to drive online bookings through our website.

The Club is focussed on growing its business and raceday revenues through increased hospitality sales throughout the year. The two Christmas at the Races December meetings last year saw us fully booked both days with over 1000 hospitality packages presold on Magic Millions Day. I would like to take this opportunity to thank Kerry Harman and the team from H&H Catering on the terrific job they do for us here throughout the year.

It has also been pleasing to see the growth in our Club Membership numbers and member's attendance, particularly on key event days. From a low point of less than 300 a couple of years ago we had 503 Members at the end of the 2017-18 season, which represents a 68% increase.



# CHIEF EXECUTIVE'S REPORT TO MEMBERS cont

We are on target to grow our Membership to around 550+ this year, with 110 new Members having joined the Club since July.

The Club has also upgraded its computer systems, installed NBN to improve Wi-Fi connectivity on race days and upgraded data systems to accommodate our new turnstiles and electronic tills.

Maintenance of the training tracks and course proper continues to be a major priority for the team. It has been pleasing to get consistently positive feedback from jockeys and trainers around the presentation of the course proper for our busy racing programme. A very dry summer and an extremely dry winter, with numerous frosts, does not encourage good grass growth. Phill Robinson and the track staff deserve all the credit for the great job they do all year around regardless of what mother-nature can throw at them.

In January when the infield dam was at its lowest point for some time the Club took the opportunity to clear out the waterways and remove built up sand/silt from around the edges of the dam that had accumulated over the years. The Club spend almost \$40,000 on this work but it has significantly cleaned up the infield area and has increased the capacity and efficiency of our water catchment areas.

There has been some remarkable progress achieved by Racing NSW in the past couple of years to lift the profile of our industry. The success of The Championships in the autumn at Royal Randwick and arrival of the \$13 million TAB Everest in the Spring, have generated widespread media interest and raised the awareness of racing everywhere.

Thanks to Racing NSW's efforts owners are now racing for \$125,000 minimum prizemoney for every metropolitan race on a Saturday in Sydney and prizemoney for many of the major races throughout the year has been boosted significantly. The prizemoney explosion has not all been targeted at the top, with stakes across metro midweek, Provincial and Country race days having increased more than 60% in the past four years. Racing NSW has also directed significant funding into the area of horse welfare and integrity programmes, making NSW Racing one of the most vibrant and successful in the world.

Racing NSW's most recent announcement of the \$26 million boost to prizemoney from September has seen the majority of that money targeted at horses placed 4th to 10th in all races. While this strategy might not have pleased everyone, sending your horse around at Rosehill on a Saturday and being paid \$3,500 to start will encourage most owners, who will now be getting a significant cheque, rather than a big bill every time they race.

Of course having a champion like Winx running around and grabbing the headlines is also great for racing. Trainer Chris Waller and the connections of Winx, along with regular jockey Hugh Bowman, deserve nothing but the highest praise for the way they have made themselves and their horse so available to the media and her fans. We have been blessed to have Winx light up our race tracks over these past three years – long may it continue.

Wyong and Racing NSW's future is very positive indeed. My thanks are extended to the Chairman and the Board for their continued support. I would like to acknowledge the efforts of all of the staff that work for the Club, from the casuals on raceday, to the bar and catering staff and my hard working management team and the track staff. Organising successful major raceday events like our recent Cup Carnival does not happen without a great deal of planning and effort from everyone here.

I am also very grateful for the continued support we receive from the trainers, stable staff, owners, contractors, jockeys, track riders, Stewards, Tabcorp, Sky Channel, Racing NSW, my fellow Provincial Racing Club CEO's and their Boards, our business partners, the media and everyone else involved who help the Club conduct high quality racing events here at Wyong throughout the year.

# David Jewell

**Chief Executive** 





# 2017-18 RACING REPORT

The Club conducted 22 race meetings last season, plus we held two other race days hosting an Australian Turf Club midweek metro licence in November and at short notice we were able to accommodate a meeting for the Scone Race Club in January, which was transferred by Racing NSW to avoid the forecast 44 degree temperatures in the Hunter at that time.

Despite a very busy racing and trials schedule the Wyong course proper has consistently performed to a high standard and is a credit to Track Manager Phill Robinson and his hard working track staff. The Club spends a considerable sum on annual and regular maintenance programmes to ensure the course proper meets the rigorous demands of our racing and training schedule. With no "B" grass for training and limited rail shifts the course proper gets punished at certain times of the year. Prolonged wet periods and the recent drought like conditions make the job of maintaining the track even harder. Fortunately the investment we have made in our irrigation system and turf management practices has served the club well.

A major concern for your Club has been the continued decline in starter numbers across all Provincial Clubs. It has been very disappointing to programme races here with good prizemoney only to have small field's line-up. Average Provincial starter numbers have fallen from 9.73 per race in 2013-14 to 8.13 in the season just finished – Wyong had 1,330 horses start in 171 races for an average of 7.78 in the 2017-18 season which is simply not good enough.

There are a number of reasons for the drop in Provincial starter numbers, which is primarily driven by a drop in the total number of horses racing. However there has been other contributing factors, including the prizemoney in the country being boosted and the benchmark handicapping and programming changes that has encouraged local and metro trainers to race at the likes of Scone, Taree and Muswellbrook rather than risk being handicapped much higher for an equivalent win at the Provincials.

The latest changes to the Provincial prizemoney distribution has been introduced to support an increase in Provincial runners and together with a recent review of handicapping and benchmark ratings for Provincial/Country starters, which was rolled out on 1 September, we will hopefully reverse the serious decline in Provincial starter numbers this year.

Wyong distributed a record \$5.61 million in prizemoney in 2017/18 and increase \$1.374m (32%) over the previous racing season, albeit we did run 13 more races which accounts for around \$390,000 of that increase. TAB wagering on Wyong was \$31m up \$3.2m (11%) on the previous year, while TAB turnover per race of \$184,103 was up 3% despite field sizes being down.



# FEATURE RACE RESULTS:

2018 \$160,000 Carlton Draught Wyong Gold Cup (Listed) CARZOFF 6yo b.g. trained by Chris Waller and ridden by Kerrin McEvoy

2018 \$125,000 Winning Commercial Mona Lisa Stakes (Listed) SAVATIANO 4yo b.m. trained by James Cummings and ridden by Kerrin McEvoy

2017 \$200,000 Magic Millions Two Year Old Classic (Listed) JONKER 2yo b.c. trained by David Atkins and ridden by Aaron Bullock

2017 \$100,000 Magic Millions Three & Four Year Old Stakes WILD HEART 3yo b.g. trained by Team Hawkes and ridden by Brenton Avdulla

**2018 \$150,000 Wyong Polytrack Provincial Championships** JUST DREAMING 4yo b.m. trained by Kris Lees and ridden by Aaron Bullock

## 2017-18 WYONG RACE MEETING PREMIERSHIPS

Congratulations to the following Premiership recipients – Leading Trainer at Wyong – James Cummings 20 wins Leading Jockey at Wyong – Brenton Avdulla 20 wins Leading Apprentice – Jean Van Overmeire 5 wins

Our local trainers delivered yet another record year of results producing 243 winners for the past season an increase of 9 on the previous year. Kim Waugh was the leading Wyong based trainer for the first time with an impressive 46 winners and prizemoney of \$1.72 million for the season. Kim finished in the top 20 on the NSW Trainers Premiership, which was a wonderful achievement for the stable. Allan Denham finished 2nd on the local premiership with 32 winners for the season, ahead of Damien Lane (26), Tracey Bartley (22), Allan Kehoe (19), Jeff Englebrecht (18) and Kristen Buchanan (17). The Club extends its congratulations to all of our local trainers on another very successful season.

# Dean Grogan

Racing & Operations Manager



# Wyong Race Club Limited

ABN 54 943 635 817

Annual Report - 30 June 2018

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Wyong Race Club Limited Directors' report 30 June 2018

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2018.

#### 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:

Garry Whitaker (Chairman) Marion Langlar (Deputy Chairman) Frank Arangio (appointed 25/9/2017 to replace Craig Ellis) Denis Hanley Andrew Paton-Smith John Waghorn Mark Waudh

#### Objectives

The objectives of the company are:

- to assist in and promote the carrying on of thoroughbred horse racing and all forms of sport, gaming, amusement, entertainment and recreation;
- 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;
- 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:

- Give Me 5 for Kids;
- Samaritans Christmas Function; Morisset Lake Macquarie Agricultural Shows Öff The Track' qualifying class; Wyong High School – Presentation day WRC Community Spirit Award.
- Volunteer Rescue Association fand usage, Land & Building Central Coast Poultry Association, Central Coast Pigeon Club, - Provision of venue usage support for RYDA and the Wyong Lions Club, Wyong Chamber of Commerce, Motor Neurone Disease Association of Australia,
- Donation of race day packages to organisations including: Wyong Neighbourhood Centre, Westpac Rescue Helicopter, Toowoon Bay SLSC Charity golf day, Tuggerah Shores Lions Club, Northlakes Toukley Rotary Club, Gwandalan Lioness Club, Wyong Neighbourhood Centre, Caves Beach SLSC, Smith Family hamper distribution, Wyong Shire Council – Water Aid Australia, Wadalba Community College, B J Howes Metaland Team Relay, Spectrum, Wyong Family Practice, Billiards and Snooker Central Coast, Wyong VRA.

#### **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 \$477,997 (2017: \$239,764).

#### Wyong Race Club Limited Directors' report 30 June 2018

#### 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 CEO including compliance, implementation of Board strategies and to ensure that the
  Policies and Procedures within the Club are being followed.

#### Significant changes

In May 2017 Craig Ellis resigned as a director of the Club. Racing NSW was advised and a replacement independent director, Frank Arangio was appointed by RNSW in September 2017.

There were no other significant changes that have occurred during the year.

#### Events after balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

#### Future developments

The Club has presented its Track and Training Master Plan to Racing NSW. The plan provides for the construction of a new all-weather training track, relocation of the Club's workshop and construction of new stabling and other facilities in the future. Racing NSW has indicated its support in principle for the project. The Club is currently working through design plans and preparing a DA application to present to Central Coast Council. Work is not likely to commence until 2019. At this time final costings have not been determined. The project will be subject to Racing NSW infrastructure funding support.

#### **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.

#### Shares in companies

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

#### Information on directors

Name:	
Title:	
Qualifications:	
Experience and expertise	0

Name: Title: Experience and expertise:

Name: Title: Qualifications: Experience and expertise:

Name: Title: Qualifications: Experience and expertise: Garry Whitaker Director GAICD JP Consultant

Marion Langlar Director Retired (Company Director)

Frank Arangio Director BA, Grad Dip Ed, MAICD Company Director / Licensee

Denis Hanley Director AM, FAICD, FCPA, MBA Company Director



Wyong Race Club Limited Directors' report 30 June 2018

Name:
Title:
Qualifications:
Experience and expertise:

Name: Title: Qualifications: Experience and expertise: Andrew Paton-Smith Director AFAIM, MBT, BA (Hons) Company Director

John Waghorn Director B.Ec. Grad Dip Mgmt Management Consultant

 Name:
 Mark Waugh

 Title:
 Director

 Qualifications:
 AM

 Experience and expertise:
 Sports Commentator

#### Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018, and the number of meetings attended by each director were:

×	Full Board	
	Attended	Held
	10	12
Garry Whitaker (re-elected Nov 2017)	12	
Marion Langlar (re-elected Nov 2017)	11	12
Frank Aragio (appointed 25 Sept 2017)	9	10
Denis Hanley (appointed Dec 2017)	11	12
Andrew Paton-Smith (appointed Dec 2017)	9	12
John Waghorn (re-elected Nov 2017	12	12
Mark Waugh (re-elected Nov 2017)	10	12

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

Garly Whitaker Director

25 September 2018

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

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

e: mail@bishopcollins.com.au



Suite 1, Level 11 49-51 York Street Sydney NSW 2000

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

**BISHOP COLLINS** 

AUDIT PTY LTD

ABN: 98 159 109 305

We hereby declare that to the best of our knowledge and belief during the year ended 30 June 2018, there have been:

- 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

Maturel Mart

Name of Registered Company Auditor

Martin Le Marchant

Auditor's Registration No.

Address

Dated 25 September 2018

431227

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259





LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION

Registered Company Auditors:

Martin Le Marchant CA



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** 

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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 2018, 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:

- giving a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the year ended on that date; and
- 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.





LIABILITY LIMITED BY A SCHEME APPROVED UNDER THE PROFESSIONAL STANDARDS LEGISLATION

Registered Company Auditors;

Glenn A Harris CA

Martin Le Marchant 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

431227

Auditor's Registration No.

Address

Unit 1, 1 Pioneer Avenue, Tuggerah NSW 2259

Dated 25 September 2018

Wyong Race Club Limited Statement of profit or loss and other comprehensive income For the year ended 30 June 2018

,	Note	2018 \$	2017 \$
Revenue	5	11,756,468	10,998,647
Racing NSW infrastructure revenue	6	350,000	
Expenses			
Cost of goods sold		(171,366)	(144,292)
Advertising expenses		(80,208)	(80,615)
Ambulance expenses		(99,284)	(106,570)
Barrier trial expenses		(168,823)	(164,596)
Cleaning and waste removal expenses		(119, 446)	(117, 542)
Depreciation and amortisation expenses		(872,728)	(836,352)
Employee benefit expenses		(1,862,939)	(1,741,429)
Entertainment expenses		(122,767)	(100,623)
Fair value change on shares			(984)
Insurance expenses		(296,503)	(296,450)
Jockey riding fees		(278,775)	(275, 940)
Prize money		(5,613,246)	(5,086,190)
Promotional expenses		(68,324)	(54,212)
Repairs and maintenance expenses		(413,656)	(407,144)
Race day packages and function expenses		(178,675)	(119,914)
Race day production expenses		(87,291)	(92,032)
Race day sponsorship expenses		(160,358)	(173,164)
Security expenses		(58,413)	(49,229)
Telecasting expenses		(141,528)	(125,091)
Utilities expenses		(247,363)	(225,364)
Other expenses		(586,778)	(561,150)
Surplus before income tax expense		477,997	239,764
Income tax expense		-	-
Surplus after income tax expense for the year	15	477,997	239,764
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		477,997	239,764



Wyong Race Club Limited Statement of financial position As at 30 June 2018

	Note	2018 \$	2017 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,562,638	1,444,627
Trade and other receivables	8	3,094,552	2,931,932
Inventories	9	40,585	29,641
Total current assets		4,697,775	4,406,200
Non-current assets			
Financial assets	10	5,492	5,492
Property, plant and equipment	11	11,203,982	10,953,020
Total non-current assets		11,209,474	10,958,512
Total assets		15,907,249	15,364,712
Liabilities			
Current liabilities			
Trade and other payables	12	1,589,809	1,543,306
Employee benefits	13	160,003	149,841
Total current liabilities		1,749,812	1,693,147
Non-current liabilities			
Employee benefits	14	35,280	27,405
Total non-current liabilities		35,280	27,405
Total liabilities		1,785,092	1,720,552
		14,122,157	13,644,160
Net assets			
· · · · ·			
Net assets Equity Retained surpluses	15	14,122,157	13,644,160

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 2018

	Retained surpluses \$	Total equity \$
Balance at 1 July 2016	13,404,396	13,404,396
Surplus after income tax expense for the year Other comprehensive income for the year, net of tax	239,764	239,764
Total comprehensive income for the year	239,764	239,764
Balance at 30 June 2017	13,644,160	13,644,160
	Retained surpluses \$	Total equity \$
Balance at 1 July 2017	13,644,160	13,644,160
Surplus after income tax expense for the year Other comprehensive income for the year, net of tax	477,997	477,997
Total comprehensive income for the year	477,997	477,997
Balance at 30 June 2018	14,122,157	14,122,157

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 2018

	Note	2018 \$	2017 \$
Cash flows from operating activities Receipts from customers (inclusive of GST)		13,112,579	11,572,280
Payments to suppliers and employees (inclusive of GST)		(11,907,419)	(10,913,434)
Interest received		1,205,160 35,896	658,846 32,086
Net cash from operating activities		1,241,056	690,932
Cash flows from investing activities Payments for property, plant and equipment Proceeds from disposal of property, plant and equipment	11	(1,151,227) 28,182	(1,111,951)
Net cash used in investing activities		(1,123,045)	(1,111,951)
Cash flows from financing activities			
Net cash from financing activities		<u> </u>	
Net increase/(decrease) in cash and cash equivalents Cash and cash equivalents at the beginning of the financial year		118,011 1,444,627	(421,019) 1,865,646
Cash and cash equivalents at the end of the financial year	7	1,562,638	1,444,627

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 financial statements were authorised for issue, in accordance with a resolution of directors, on 25 September 2018. 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.

#### **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 available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, 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

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### Sale of goods

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns and trade discounts.

#### 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.



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

#### 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 provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

#### 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.

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

#### 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. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

#### Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

#### Impairment of financial assets

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor, a breach of contract such as default or delinguency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the availablefor-sale reserve.

#### Property, plant and equipment

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. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.



Note 2. Significant accounting policies (continued)

#### 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.

#### **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 ismeasured 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 receivable 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.

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 \$5,793,120 (which includes \$273,447 received to 30 June 2015, \$834,053 received to 30 June 2016 and \$350,000 received to 30 June 2018) 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.

#### Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

#### 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.



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

#### 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.

#### Note 4. Restatement of comparatives

#### Reclassification

Certain comparative figures have been reclassified to conform to the current year's presentation.

#### Note 5. Revenue

	2018 \$	2017 \$
Revenue	151 500	000 404
Bar revenue	451,599	393,181 10,052,890
Racing income	10,682,522	
Rental income - meetings, functions and stables	502,026 11,636,147	432,161 10,878,232
Other revenue		
Interest revenue	35,896	32,086
Insurance claim recoveries		14,020
Gain on disposal of assets	645	
Other revenue	83,780	74,309
	120,321	120,415
Revenue	11,756,468	10,998,647
Note 6. Racing NSW infrastructure revenue		
	2018 \$	2017 \$
Racing NSW - infrastructure revenue	350,000	
Note 7. Current assets - cash and cash equivalents		
	2018 \$	2017 \$
Cash at bank and on hand	1,562,638	1,444,627
Note 8. Current assets - trade and other receivables		
	2018 \$	2017 \$
Trade debtors Other debtors	1,164,680 1,929,872	1,168,300 1,763,632
	3,094,552	2,931,932

Note 9. Current assets - inventories

	2018 \$	2017 \$
Stock on hand - at cost	40,585	29,641
Note 10. Non-current assets - financial assets		
	2018 \$	2017 \$
Wyong Town Financial Services shares held at cost BT Portfolio Wrap held at fair value through profit and loss	5,000 492	5,000 492
	5,492	5,492
Note 11. Non-current assets - property, plant and equipment		
	2018 \$	2017 \$
Freehold land - at cost	298,804	298,803
Building improvements - at cost Less: Accumulated depreciation	6,241,223 (2,739,416)	5,939,865 (2,409,255)
5 - 992	3,501,807	3,530,610
Land improvements - at cost Less: Accumulated depreciation	3,306,626 (507,349) 2,799,277	3,306,626 (458,938) 2,847,688
Plant and equipment - at cost Less: Accumulated depreciation	3,970,429 (3,383,923) 586,506	3,626,864 (3,138,822) 488,042
Motor vehicles - at cost	198,126	190,379
Less: Accumulated depreciation	(133,176) 64,950	(137,006) 53,373
Grandstand - at cost Less: Accumulated depreciation	5,808,773 (3,671,930)	5,800,787 (3,559,226)
	2,136,843	2,241,561
Ground Improvements - at cost Less: Accumulated depreciation	2,736,344 (1,254,700) 1,481,644	2,314,230 (1,067,005) 1,247,225
Assets in progress	334,151	245,718
	11,203,982	10,953,020



#### Note 11. 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 2017	245,718	3,146,491	5,772,171	541,415	1,247,225	10,953,020
Additions	88,433	-	302,580	321,844	438,370	1,151,227
Disposals		-	-	(27,537)	-	(27,537)
Depreciation expense		(48,411)	(436,100)	(184,266)	(203,951)	(872,728)
Balance at 30 June 2018	334,151	3,098,080	5,638,651	651,456	1,481,644	11,203,982

In the Notice of Valuation dated 1 July 2016 the NSW Government Valuer General stated a freehold land value (excluding structural improvements) for Wyong Race Club Limited of \$2,436,000. The land has not been revalued in the financial report and is stated at its carrying value of \$298,804

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

	2018 \$	2017 \$
Trade Creditors BAS payable Other Creditors	1,352,145 51,287 186,377	1,429,473 25,047 88,786
	1,589,809	1,543,306
Note 13. Current liabilities - employee benefits		
	2018 \$	2017 \$
Annual leave Long service leave	96,585 63,418	98,476 51,365
	160,003	149,841
Note 14. Non-current liabilities - employee benefits		
	2018 \$	2017 \$
Long service leave	35,280	27,405

#### Note 15. Equity - retained surpluses

	2018 \$	2017 \$
Retained surpluses at the beginning of the financial year Surplus after income tax expense for the year	13,644,160 477,997	13,404,396 239,764
Retained surpluses at the end of the financial year	14,122,157	13,644,160

### Note 16. Key management personnel disclosures

#### Compensation

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

	2018 \$	2017 \$
Aggregate compensation	252,750	345,015
	2018 \$	2017 \$
Directors compensation		
Garry Whitaker		
John Waghorn	*	
Frank Arangio		-
Denis Hanley		
Andrew Paton-Smith	:	
Mark Waugh		-
Marion Langlar		-
		~

#### Note 17. Contingent liabilities

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



Note 17. Contingent liabilities (continued)

#### **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.

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Thoroughbred racing continues at Wyong under the control of Racing NSW. Whilst this continues the repayment of the remaining funds for thoroughbred racing totalling \$6,793,120 (which includes \$273,447 received to 30 June 2015, \$834,053 received to 30 June 2016 and \$350,000 received to 30 June 2018) 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.

	2018 \$	2017 \$
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.	(6,793,120)	(6,443,120)

#### Note 18. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

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

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

No matter or circumstance has arisen since 30 June 2018 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 2018

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 2018 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

Garry Whitaker Director

25 September 2018









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