



Hawkesbury Race Club

ANNUAL REPORT 2024

Photo credit : Ash Brennan

Richmond Club Hawkesbury Gold Cup Winner 2024

Horse : Just Folk, Jockey : Nash Rawiller

Hawkesbury Race Club thanks the following major sponsors for their contribution and support throughout the year.



Remembering our ex-servicemen & women



I am pleased to present the Annual Report for Hawkesbury Race Club (HRC) for the 2023/2024 financial year (FY24).

It was a year of continued rebuilding and progress for HRC. Although the Club remains under Administration pursuant section 14(g) of the Thoroughbred Racing Act 1996 (NSW), we have continued to take significant steps to move forward. These steps will assist HRC to regain the confidence of Racing NSW that the Club can manage its own affairs and to bring the administration to a close in the future.

I was appointed as HRC's Administrator by Racing NSW effective 16 August 2023 to replace the previous Administrator, Mr David Jewell, who stepped down for personal reasons. In the ten and a half months of FY24 for which I was Administrator, we have continued to build on the governance improvements, both strategic and operational, that were commenced during Mr Jewell's administration.

I am pleased to report that HRC has recorded a solid financial result for FY24, continuing to stabilise the Club financially. During the year, we have completed a number of key milestones in our legacy capital and maintenance programs and set a new three year Strategy for FY25-FY27. Continuous improvement across a number of key governance areas and the introduction during the year of some new and innovative race days and events, all contributed to rebuilding the Club and setting us up for the future.

FY24 Result

HRC recorded a solid financial result for FY24 with total revenue up 8.5% to \$19.4 million. Operating profit was \$162,851 after depreciation and amortisation, down from \$322,633 in FY23. This is largely due to our increased investment in legacy capital and maintenance works, as well as increased insurance costs (up 53% to \$195,433) and the impact of one less race meeting being held in FY24.

We have also continued to strengthen our cash position to \$3.9 million as at 30 June 2024, an increase of \$1.3 million on the prior year (although noting that our total cash holding includes a Crown Lands grant of \$1.2 million).

Management continues to focus on growing revenues by increasing sales and gross margins around HRC's motel operation, as well as the beverage, catering and events businesses. However, obtaining increased revenue from racing and training operations will remain a challenge until we can increase the number of horses trained at the racecourse. Accordingly, Racing NSW's plans to build a further 200 stables on land that it owns adjacent to Hawkesbury racecourse are significant for HRC going forward. We are hopeful that the necessary council approvals will be obtained in FY25 for this important project to proceed.

It is also important to note that approximately 63% (\$12.15m) of HRC's income is delivered by Racing NSW via general distributions (\$5.01m) and prizemoney contributions (\$7.14m). Racing NSW's recent move in the later part of FY24 to provide these distributions on a monthly basis has greatly assisted HRC's cash flow management.

The HRC Motel continued to make a strong revenue contribution to the Club with increases in both average room rates to \$180.21 (FY23:\$164.65) and overall occupancy to 83.33% (FY23:78.21%)

Strategy FY25-FY27

The Club's new 3 year Strategy for FY25-FY27 focuses our priorities and initiatives around three strategic pillars of Rebuild, Grow and Innovate. A copy of our summary Strategy-on-a-page is included after this report at page [vii] of the Annual Report.

During FY24 we made progress against a number of the "Rebuild" initiatives, including investment in governance and legacy capital works. We also recently commissioned research for our customers, member and partners to develop HRC's value proposition for each and to develop a new marketing plan. We have also recently commenced scoping for flood mitigation works and a site Master Plan.

Essential Capital Works and Maintenance

During FY24 we completed a number of important capital works and maintenance which were deferred in FY23 due to cash flow restraints caused by the Leggett case.

We purchased new Starting Barriers (16 Stall Steriline Platinum Starting Barriers, \$265,691) and installed a new Course Proper Running Rail (Mawsafe, \$141,449). Both of these items were at end of life and are a critical part of our core racing and training facilities.

The total asset spend in FY24 was \$717,422 compared to \$474,400 in FY23, an over 50% increase. To do this we have had to be targeted in our spending and manage our limited funds and cashflow very carefully.

We also spent around \$200,000 on other necessary capital and maintenance works. This included a new catching pen at the main entry/exit to the training tracks to increase equine safety (\$41,619), and a full replacement of the air conditioning system for the Ted McCabe Function Centre (\$102,740) which was also at end of life.

Organisational Structure and Values

We have continued to refine the organisational structure and staff resourcing in FY24 with a focus on further efficiencies in the business and clarity of roles and reporting lines. We are building a new organisational culture at HRC and have recently launched our new Values: One Team; Accountable; Do the Right Thing; Professional and Pride. These Values underpin our new FY25-FY27 Strategy and are being embedded into our ways of working at HRC.

Governance

We have also continued progress in FY24 in a number of key governance areas. HRC's FY23 Annual General Meeting was held on 10 July 2024, and we will return to a regular AGM schedule with the FY24 AGM to be held in November this year.

The FY23 AGM also saw the election by members of new directors Nicole Ryan, Dean Halliwell and Chris Lawlor. While directors' powers continue to be supplanted by my powers as Administrator, their appointment is a step forward for HRC towards returning to self-governance. During the year we have also continued to refine Board reporting templates and processes as part of my monthly Administrator meeting with Management, which will ensure that a new Board post administration has all of the relevant information before it to make better decisions.

During FY24 we also revised the Board Code of Conduct and HRC's Privacy Policy. We have recently commenced a full review of all of HRC's Policies and Procedures, which will be completed shortly.

Racing and event innovations

HRC Management, and in particular CEO James Heddo, are to be commended for innovation in the number of new race days and non-race day events in FY24. These include:

- The new "Rock the Racecourse" concert held in October 2023.
- The new "Groovin' on the Grass Raceday" held in March 2024 on Provincial Championships heat Raceday.
- Significant investment in new events to promote HRC's stand alone Saturday Hawkesbury Cup Raceday in May, including the successful "Hawkesbury Cup Sports Luncheon and Calcutta" with Penrith Panthers, attracting over 400 guests.
- Continued investment in the "Country Music Raceday" held for the first time in September 2022, yielding increasing results each year.

Continuing to innovate with new events and promotions is important not only to create new revenue for HRC, but also to bring new patrons and members to the Club.

Appreciation

I pay tribute to all our racing participants at HRC – the trainers, jockeys, strappers, stable staff, farriers, float drivers, vets and other contributors to the industry – for the show they put on and for their care and ongoing welfare for the magnificent thoroughbreds that are the heart of our sport.

I also recognise and thank our wonderful team at HRC. They do a fantastic job all year round at our race meetings, non-race day events and motel. Their dedication and professionalism are key to our future success.

In particular, I would like to sincerely acknowledge and thank HRC CEO James Heddo and COO Lea Porteous for their support in moving HRC forward in FY24 and for their continuing enthusiasm and commitment to the success of the Club.

Thank you also to all of our HRC members for their continued loyalty and support this year.

In conclusion, I would say that although there is more work to do, HRC has made substantial progress in FY24, particularly on governance, capital works and financial stability. The Club has a bright future with many opportunities ahead.



Jo Moore
Administrator

HAWKESBURY RACE CLUB - STRATEGY ON A PAGE FY25-27

PURPOSE	To serve as a racing & training centre that contributes to the enduring legacy of thoroughbred racing in NSW		
VISION	To become a vibrant integrated racing, training, equine & community destination		
MISSION	To sustainably enhance & grow our racing, training, entertainment & accommodation businesses		
<i>Through 3 strategic pillars</i>			
REBUILD	<ul style="list-style-type: none"> Invest in Governance & HRC Values Rebuild trust - community, partners & people Deeper understanding of customers, members & partners and HRC's value proposition for each Invest in critical legacy capital works Mitigate against flood risk Maintain operation margins for racing/training, race day & non-race day functions and Motel 	GROW	<ul style="list-style-type: none"> Grow number of race day customers, spend per head & number/quality of feature days Grow non-race day with increased ROI Grow number of horses in work with Racing NSW support Align future capital works to customer & risk priorities Develop master plan of integrated racing & entertainment precinct and additional accommodation Improved motel room rate by improving customer experience
INNOVATE	<ul style="list-style-type: none"> Innovate how we work (technology, AI) Improve punter experience (vision) Invest in one major new event/activity to attract new audiences & profit Position as preferred industry solution for additional training and/or additional metro racing Work with Provincial Association to improve funding from Racing NSW from wagering revenue 	ACCOUNTABLE	PROFESSIONAL
VALUES	ONE TEAM	DO THE RIGHT THING	PRIDE



Chief Executive Officer's Report

2023/24

I am pleased to present my third Annual Report as Chief Executive Officer, relating to the 2023/24 financial year.

The Club has achieved a successful result and continues to rebuild and consolidate its financial standing.

Finance

The Club has recorded a profit of \$162,831 after depreciation and amortisation as outlined in the financial report.

Our cash position is strong, and the Club is now able to invest in critical legacy capital works with a current focus on our core racing and training business.

It is important to our on-going financial strength that we continue to be seen as a multi-faceted community-based business, and we will continue to invest in a wide range of event opportunities.

The results for 2023/24 indicate that we continue to head in the right direction.

Racing

Racing during the 2023/24 season was exciting with some great results achieved.

The weather forecasts didn't look promising leading into our Cup Day on Saturday 4 May 2024, but we were fortunate to get through a tremendous day of racing and entertainment before the rain arrived in the late afternoon.

Our local racing contribution remains strong, and in 2023/24 Hawkesbury trainers achieved almost 200 winners across the State, which is a great indication of the skill and talent of our local trainers. I also recognise the Hawkesbury Tracks team, led by Racecourse Manager Kyle Cassim, who do a fantastic job in maintaining our training and racing facilities.

Hawkesbury Race Club continues to produce a very high standard of surfaces for both racing and training at our venue, with over 250 horses using the venue daily. We remain focused on investing into our racing and training facilities to ensure we continue to offer our local industry the highest quality of infrastructure.

A total of \$10,288,051 in prizemoney was distributed throughout the season, and I recognise the continued support of Peter V'landys AM and the Racing NSW Board to deliver these great returns to Owners who race their horses at Hawkesbury.

Hawkesbury Race Club hosts six feature Black Type races each year, and the following tables shows the results of these events in 2023/2024.

Race	Winner	Trainer	Jockey
\$200,000 Listed Pioneer Services Rowley Mile - 1600m	Bold Mac	Chris Waller	Kerrin McEvoy
\$200,000 Listed Lander Toyota Ladies Day Cup - 1600m	New Mandate (IRE)	Chris Waller	Joshua Parr
\$200,000 Listed Hawkesbury XXXX Gold Rush - 1100m	Parisal	James Cummings	Zac Lloyd
\$250,000 Group 3 Blacktown Workers Club Group Hawkesbury Guineas - 1400m	Schwarz	John O'Shea	James McDonald
\$250,000 Group 3 Pioneer Services Hawkesbury Crown - 1300m	Coco Jamboo	Peter & Paul Snowden	Tom Sherry
\$250,000 Group 3 Richmond Club Hawkesbury Gold Cup - 1600m	Just Folk	Gavin Bedggood	Nash Rawiller

PREMIERSHIPS

Congratulations to the winners of the Hawkesbury Race Club premierships.

LEADING TRAINER

Chris Waller (13)

LEADING LOCAL TRAINER

Brad Widdup (9)

LEADING JOCKEY

Zac Lloyd (a) (14.5)

LEADING APPRENTICE

Zac Lloyd (a) (14.5)

Sponsors

An integral part of Hawkesbury Race Club's revenue comes in the form of sponsorship. The Club has many long term and loyal sponsors, and I would like to acknowledge the outstanding contribution they make to the success of the Club.

I would like to recognise the Richmond Club and thank them for their continued support of the Richmond Club Hawkesbury Cup as well as their support of our annual Ladies Day.

Staff

I would like to take this opportunity to congratulate the entire HRC team for their continued efforts, with our Administration, Tracks & Grounds, Food & Beverage and Motel teams all working towards a common goal to deliver tremendous outcomes.

In particular, I would like to recognise Lea Porteous for her assistance and support. We are both passionate believers in the future of racing, training and events here at Hawkesbury and are committed to leading the team to delivering on our vision.

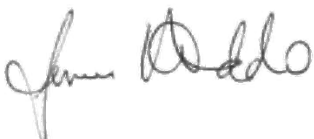
Appreciation

In closing I would like to pay particular thanks to the Racing NSW appointed Administrator, Ms Jo Moore, who commenced in the HRC Administrator role on 16 August 2023.

Jo followed on from David Jewell, and she has continued the strong progress made under David's watch, as well as challenging both myself and the HRC team to strive for excellence in all aspects of the business.

During the last 12 months, with Jo's guidance, we have been able to appoint Member elected Directors, the first step in moving out of Administration. We have also completed a Strategic Plan which will guide the Clubs direction over the next 3 years.

Jo's legal background and love of the Racing Industry has seen the Club continue to achieve outstanding results and I look forward to continuing the progress that we have made into the future.



James Heddo

Chief Executive Officer

HAWKESBURY RACE CLUB LIMITED
ABN 18 088 383 466

Financial Report

for the Year Ended 30 June 2024

HAWKESBURY RACE CLUB LIMITED

A.B.N. 18 088 383 466

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HAWKESBURY RACE CLUB LIMITED

A.B.N. 18 088 383 466

Directors' Report For the Year ended 30 June 2024

The Director presents the report on Hawkesbury Race Club Limited for the financial year ended 30 June 2024.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Name, Qualifications	Experience	Special Responsibility
David Maxwell Jewell Administrator Graduate Australian Institute of Company Directors	Former CEO Wyong Race Club Former Chairman RNSW Provincial Racing Association of Clubs Former Racing & Operations Manager New Zealand Thoroughbred Racing Former CEO of RACE Group of Clubs (NZ) Chairman Central Coast Tourism Association	Appointed as Administrator on 23 December 2021 Resigned on 16 August 2023
Joanne Louise Moore Administrator Bachelor of Laws (Honours) QUT 1993 Graduate Member of Australian Institute of Company Directors Certificate in Governance Practice, Governance Institute of Australia Connect member of Chief Executive Women	Jo Moore is an executive and lawyer with extensive experience in legal and regulatory compliance, strategy, risk and compliance, and stakeholder engagement across retail and digital businesses. She has a proven track record and deep knowledge and understanding of wagering, racing, sports and negotiating media rights agreements. Ms Moore has previously held a number of senior roles at Tabcorp Holdings Limited including General Manager, Strategic Advisory, General Manager, Industry Development and General Counsel, Wagering and Media. She has also served as a member of the Racing NSW Appeal Panel and is a current member of the Harness Racing NSW Appeal Panel. Jo is currently principal of her own legal and general business consulting practise, Moore Legal & Advisory Pty Ltd, primarily providing advice in the gaming/wagering, sports, racing and media sectors.	Appointed as Administrator on 16 August 2023
Dean John Halliwell Director	Former business Owner of two hire companies over 20 years Former board Member of Elevating Work Platform Association of Australia 2016 - 2020	Appointed as Director on 10 July 2024
Christopher John Lawlor Director	CEO of International Animal Health since 1987 Certified CEO and member of the CEO Institute since 2008 Former Director and Board Member of Veterinary Manufacturers Distributors Association – Innovation in Product Development (2019) Founding member of the Australian Thoroughbred Breeders Club (1983) Breeder of the 'Ausbred' Thoroughbreds for 40+ years	Appointed as Director on 10 July 2024

HAWKESBURY RACE CLUB LIMITED

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Directors' Report For the Year ended 30 June 2024

Information on directors (continued)

Nicole Francis Ryan Director Bachelor of Communications (Public Relations & Marketing) University of Canberra 2001	General Manager Community, Stakeholder and Government of Transgrid Former Head of Business Government, Stakeholder and Community of Sydney Water Former General Manager Stakeholder and Community of Western Sydney Airport Former Principle Manager Stakeholder Engagement of Sydney Motorway Corporation (now Transurban) Westconnex Former General Manager Customer and Communications of Transdev Light Rail, Ferries and Bus	Appointed as Director on 10 July 2024
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Directors' Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Company during the financial year are:

Name, Qualifications	Number of meetings eligible to attend	Number of meetings attended
David Maxwell Jewell Administrator	1	1
Jo Moore Administrator	12	12
Dean John Halliwell Director	0	0
Christopher John Lawlor Director	0	0
Nicole Francis Ryan Director	0	0

Company Secretary

Mr James Heddo has been the Company Secretary since 11 April 2022.

HAWKESBURY RACE CLUB LIMITED

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Directors' Report For the Year ended 30 June 2024

Review of operations

The operating surplus of the Company for the year ended 30 June 2024 was \$162,831 (2023 surplus: \$322,622). Racing NSW appointed Ms Joanne Moore to replace Mr David Jewell as the Company's Administrator on 16 August 2023, in accordance with section 14(2)(g) of the Thoroughbred Racing Board Act NSW (1996). This was in response to the Company's previous directors resigning from the Company. The Administrator was granted powers including but not limited to the following:

- i. to carry on the business of the Club;
- ii. to establish and maintain financial and other controls;
- iii. to manage the racecourse and training facilities;
- iv. to maintain the racecourse and facilities;
- v. to establish regulations for the use of the racecourse and facilities;
- vi. to conduct race meetings and functions;
- vii. to operate bank accounts and associated transactions;
- viii. to complete improvements to the racecourse and facilities;
- ix. to appoint staff; and
- x. to enter into contracts

Principal activities

The principal activity of the Company is the conduct of provincial horse racing at Clarendon NSW. The Company also provides tracks and facilities for training, operates a motel and provides facilities for social functions, exhibitions and displays.

There was no significant change in the nature of this activity during the year.

Short & Long Term Objectives

The Company's short-term objectives are as follows:

- Invest in governance and Company Values;
- Deepen understanding of the Company's customers, members and partners and develop a value proposition for each customer segment;
- Invest in critical legacy capital works;
- Mitigate against flood risk;
- Maintain the Company's operating margins for racing & training, raceday and non-raceday functions and Motel business.

The Company's long-term objectives are as follows:

- To sustainably enhance & grow the Company's racing, training, entertainment and accommodation businesses;
- Grow number of horses in work with Racing NSW support;
- Align future capital works to customer & risk priorities;
- Develop master plan of integrated racing & entertainment precinct and additional accommodation.

The Company's principal activities are the core business operations that provide a sustainable revenue source and asset base to assist the Company to achieve its objectives.

HAWKESBURY RACE CLUB LIMITED

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Directors' Report For the Year ended 30 June 2024

Strategies

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

- Rebuild:
 - Invest in governance and Hawkesbury Race Club values;
 - Rebuild trust – community, partners, and people;
 - Deeper understanding of customers, members and partners, and Hawkesbury Race Club's value proposition for each;
 - Invest in critical legacy capital works;
 - Mitigate against flood risk; and
 - Maintain operation margins for racing/training, race day and non-race day functions and the Motel

- Grow:
 - Grow number of race day customers, spend per head and number/quality of feature days;
 - Grow non-race day with increased return on investment;
 - Grow number of horses in work with Racing NSW support;
 - Align future capital works to customer and risk priorities;
 - Develop master plan of integrated racing and entertainment precinct and additional accommodation; and
 - Improved motel room rate by improving customer experience

- Innovate:
 - Innovate how we work (technology, AI);
 - Improve punter experience (vision);
 - Invest in one major new event/activity to attract new audiences and profit;
 - Position as preferred industry solution for additional training and/or additional metro racing; and
 - Work with Provincial Association to improve funding from Racing NSW from wagering revenue

Performance Measures

The strategies listed assist in achieving the Company's objectives by providing:

- Shared understanding and goals;
- Roadmap to success;
- Prioritise tasks and allocated resources effectively; and
- Framework for making decisions

The Company measures its performance based on financial & non-financial indicators. The financial indicators extracted from financial information of the Company are a combination of internal performance data and comparison of other provincial & other race clubs of similar operation in total and on a per meeting basis. Key performance indicators include:

- Total TAB, Corporate Bookmaker and on-course Bookmakers turnover;
- Average number of starters per race;
- Tangible growth in raceday, non-raceday and motel businesses;
- Operating margins for raceday, non-raceday and motel businesses;
- Motel occupancy % and average room rate price;
- Customer net promoter score;

HAWKESBURY RACE CLUB LIMITED

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Directors' Report For the Year ended 30 June 2024

Performance Measures (continued)

- Staff engagement & retention;
- Customer numbers at raceday and non-raceday events.

Subsequent events

No matter or circumstance has arisen since 30 June 2024 that has significantly affected or may significantly affect:

- The Company's operations in future years; or
- The results of those operations in future years; or
- The Company's state of affairs in future financial years.

Company Incorporation and Member's Guarantee

The Company was incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. The Company has ordinary members and life members. At 30 June 2024, the total number of members of the Company including life members was 414 (2023: 461). The total amount that members are liable to contribute if the Company wound up is \$4,140 (2023: \$4,610).

Auditor's independence Declaration

The auditor's independence declaration for the year ended 30 June 2024 has been received and can be found on the next page.

This Directors' Report is signed by the Administrator exercising the powers of the Directors pursuant to an appointment under section 14(2)(g) of the Thoroughbred Racing Act 1996 (NSW).



Jo Moore
Administrator

Date: 4 October 2024

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF HAWKESBURY RACE CLUB LIMITED
ABN 18 088 383 466**

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2024 there have been:

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

Bradfield Partners

Bradfield Partners



Benjamin Schulz
Partner

Date: 4 October 2024
Sydney, Australia

HAWKESBURY RACE CLUB LIMITED

A.B.N. 18 088 383 466

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2024

	<u>Note</u>	<u>2024</u> \$	<u>2023</u> \$
Revenue			
Revenue from Operations	3	19,345,781	17,810,906
Other Income	3	92,028	204,620
Total Revenue		<u>19,437,809</u>	<u>18,015,526</u>
Expenses			
Racing		13,642,533	12,334,911
Beverage Trading		450,650	355,836
Catering and Functions		551,834	607,728
Depreciation and Impairment	4	1,253,420	1,372,059
Finance Costs		19,540	22,591
General Operating Expenses		1,890,378	1,767,839
Motel Operations		877,984	829,724
Occupancy Costs		588,639	402,216
Total Expenses		<u>19,274,978</u>	<u>17,692,904</u>
Surplus/(Deficit) Before Income Tax Expense		162,831	322,622
Income Tax Expense	2(c)	-	-
Surplus/(Deficit) After Income Tax Expense for the year		<u>162,831</u>	<u>322,622</u>
Items that will not be reclassified subsequently to profit or loss:			
Gain on revaluation of land		4,471,202	-
Total Other Comprehensive Income for the year		<u>4,471,202</u>	<u>-</u>
Total Comprehensive Income for the year		<u>4,643,057</u>	<u>322,622</u>

The accompanying Notes form part of these Financial Statements

HAWKESBURY RACE CLUB LIMITED

A.B.N. 18 088 383 466

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Current Assets			
Cash and Cash Equivalents	5	3,966,163	2,661,779
Receivables	6	1,833,169	2,815,363
Inventories	7	79,316	107,954
Financial Assets	9	300,000	300,000
Other Assets	8	5,106	11,697
Total Current Assets		<u>6,183,754</u>	<u>5,896,793</u>
Non-Current Assets			
Property, Plant and Equipment	10	31,269,268	27,325,898
Total Non-Current Assets		<u>31,269,268</u>	<u>27,325,898</u>
Total Assets		<u>37,453,022</u>	<u>33,222,691</u>
Current Liabilities			
Payables	11	2,346,227	2,729,751
Employee Benefits	12	306,800	303,047
Financial Liabilities	13	24,477	36,263
Total Current Liabilities		<u>2,677,504</u>	<u>3,069,061</u>
Non-Current Liabilities			
Employee Benefits	12	18,388	6,628
Financial Liabilities	13	14,454	38,359
Total Non-Current Liabilities		<u>32,842</u>	<u>44,987</u>
Total Liabilities		<u>2,710,346</u>	<u>3,114,048</u>
Net Assets		<u>34,742,676</u>	<u>30,108,643</u>
Equity			
Accumulated Funds		29,231,373	29,068,542
Reserves		5,511,303	1,040,101
Total Equity		<u>34,742,676</u>	<u>30,108,643</u>

The accompanying Notes form part of these Financial Statements

HAWKESBURY RACE CLUB LIMITED

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STATEMENT OF CASH FLOWS

As at 30 June 2024

	<u>Note</u>	<u>2024</u> \$	<u>2023</u> \$
<u>Cash Flows from Operating Activities</u>			
Receipts from operations		20,390,440	17,644,654
Payments to Suppliers and Employees		(18,359,219)	(16,426,098)
Interest Received		53,983	39,301
Finance costs		(19,540)	(22,590)
<i>Net Cash provided by/(used in) Operating Activities</i>	18	<u>2,065,663</u>	<u>1,235,267</u>
<u>Cash Flows from Financing Activities</u>			
Proceeds from issuance of asset finance		-	-
Principal repayments of asset finance		(35,690)	(61,543)
<i>Net Cash provided by/(used in) Financing Activities</i>		<u>(35,690)</u>	<u>(61,543)</u>
<u>Cash Flows from Investing Activities</u>			
Payments for Property, Plant and Equipment	10	(725,588)	(547,251)
Proceeds from Disposal of Property, Plant and Equipment		-	42,273
<i>Net Cash used in Investing Activities</i>		<u>(725,588)</u>	<u>(504,978)</u>
Net Cash Movement		1,304,385	668,745
Cash at the Beginning of the Year		2,961,779	2,293,034
Cash at the End of the Year	5	<u>4,266,163</u>	<u>2,961,779</u>

The accompanying Notes form part of these Financial Statements

HAWKESBURY RACE CLUB LIMITED

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STATEMENT OF CHANGES OF EQUITY

As at 30 June 2024

	<u>Accumulated</u> <u>Funds</u> \$	<u>Revaluation</u> <u>Surplus</u> \$	<u>Total</u> \$
Balance as at 1 July 2022	28,745,920	1,040,101	29,786,021
Surplus for the Year	322,622	-	322,622
Total Other Comprehensive Income	-	-	-
Balance as at 30 June 2023	29,068,542	1,040,101	30,108,643
Surplus for the Year	162,831	-	162,831
Total other Comprehensive Income	-	4,471,202	4,471,202
Balance as at 30 June 2024	29,231,373	5,511,303	34,742,676

The accompanying Notes form part of these Financial Statements

HAWKESBURY RACE CLUB LIMITED

A.B.N. 18 088 383 466

NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 1: General Information

The financial report covers Hawkesbury Race Club Limited as an individual entity. The financial statements are presented in Australian dollars, which is Hawkesbury Race Club Limited's functional currency.

Hawkesbury Race Club Limited is a not-for-profit unlisted public Company limited by guarantee and domiciled in Australia.

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

1 Racecourse Road
Clarendon NSW 2756

The financial report was authorised for issue, in accordance with a resolution of the Director, on 4 October 2024.

Note 2: Material Accounting Policy Information

The material accounting policies adopted in the preparation of the financial report is 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.

a. Basis of preparation

The financial report is a Tier 2 general-purpose financial report that has been prepared in accordance with Australian Accounting Standards – Simplified Disclosures, the Registered Clubs Act 1976 (NSW), and the Corporations Act 2001, as appropriate for not-for-profit entities.

Going concern

The financial report has been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

Historical cost convention

The financial report has been prepared under the historical cost convention, except for, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates

The preparation of the financial report 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 2(p).

HAWKESBURY RACE CLUB LIMITED

A.B.N. 18 088 383 466

NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 2: Material Accounting Policy Information (continued)

b. 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 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.

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 in the relevant financial year to which it relates taking into account the Scheme of Distribution requirements.

Grant revenue

Grants received on the condition that specified services are delivered, or conditions are fulfilled, are initially recognised as a liability and revenue is recognised as services are performed or conditions fulfilled.

Membership fees

Membership revenue is recognised when it is received or when the right to receive payment is established. The membership year is July to June, which is in line with the Company's financial year. Income received before year end for the subsequent year is reflected as revenue in advance.

Sponsorship monies

Sponsorship monies received in advance and deposits for functions and motel accommodation held after the end of the financial year will be brought to account in the financial year in which it relates to.

Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Other revenue

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

c. Income tax

The Company is exempt from income tax under section 50-45 Item 9.1(a) of the Income Tax Assessment Act 1997.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 2: Material Accounting Policy Information (continued)

d. 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.

e. Investments and other financial assets

Financial assets at amortised cost

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

The Company's financial assets includes term deposits with maturities that expire more than 12 months after year end.

f. Impairment of financial assets

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

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

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 2: Material Accounting Policy Information (continued)

g. Property, Plant and Equipment

Each class of Property, Plant and Equipment, other than Land, is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

i. Land

Land and Crown land is measured at fair value in accordance with AASB 116 Property, Plant and Equipment. Fair value is based on periodic valuations by independent valuers. The fair value of the land is assessed on a highest and best use basis (consistent with zoning).

The last independent valuation of land was performed on 30 June 2023. In the years where land is not subject to independent valuation, the Director reviews the key assumptions of the most recent valuation to ensure the carrying amount of land reflects the fair value.

ii. Buildings, Racetrack and Improvements

Buildings, Racetrack and Improvements are measured on a cost basis less depreciation and any impairment losses. The carrying amount of buildings, racetrack and improvements is reviewed annually by the Director to ensure it is not in excess of the recoverable amount from those assets.

Buildings in Progress are recorded at the total cost of the project incurred up to year end.

iii. Equipment and Motor Vehicles

Equipment and Motor Vehicles are measured on a cost basis less depreciation and any impairment losses. The carrying amount of Equipment and Motor Vehicles is reviewed annually by the Director to ensure it is not in excess of the recoverable amount from those assets.

Depreciation and Amortisation

Depreciation is calculated on a straight-line basis over their estimated useful life commencing from the time the property, plant and equipment asset (excluding land) is held ready for use. The depreciation rates used for each class of assets are

<u>Class of Asset</u>	<u>Depreciation & Amortisation Rate</u>
Buildings, Racetrack and Improvements	2% - 10%
Plant and Equipment	5% - 40%
Motor Vehicles	10% - 20%
Motel Equipment and Furniture	5% - 40%

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

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

Right-of-use assets

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.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 2: Material Accounting Policy Information (continued)

h. 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.

i. Payables

Payables represent the 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.

j. 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 payment to be made in respect of services provided by employees up to the reporting date. 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.

k. Financial Liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise payables and asset finance loans.

l. 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.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 2: Material Accounting Policy Information (continued)

m. Reserves

Revaluation Surplus

The reserve represents movement in the fair value of the class of assets, being land, as a result of revaluation. Net revaluation increases of land are recognised in other comprehensive income and accumulated in equity under the heading of Revaluation Surplus.

Any decrease in the fair value of land is first recognised in other comprehensive income to the extent of any credit balance existing in the Revaluation Surplus. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under the heading of Revaluation Surplus. Where there is no Revaluation Surplus reserve credit balance, the decrease as a result of the revaluation is recognised in profit or loss.

n. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Tax office.

o. Comparative Figures

When required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

p. Critical accounting judgements, estimates and assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial report. 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.

Economic dependence

The Company is dependent upon the ongoing funding of Racing NSW to ensure continued operations. Racing NSW has final control over the conduct and timing of race meetings. This can have a material impact on the operating performance and financial position of the Company. At the date of this report, the Director has no reason to believe Racing NSW will not continue to support the Company.

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.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 2: Material Accounting Policy Information (continued)

p. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision

As discussed in Note 2(j), 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.

Impairment of assets

The Company assesses impairment at each reporting date evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

The Director has determined there is no impairment as at balance date other than as disclosed elsewhere within this report.

Valuation of land

As discussed at Note 2 (g)(i), Land and Crown land is measured at fair value. In determining this fair value of land, the valuer and director have utilised current land zoning and comparative sales data to determine the fair value of what they have determined to be the highest and best use of the land.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Note 3: Revenue and Other Income			
Revenue			
Racing		16,069,177	14,892,365
Beverage Trading		748,762	681,623
Catering and Functions		974,385	898,895
Motel Operations		1,525,826	1,309,132
Members' Subscriptions		27,630	28,891
		<u>19,345,780</u>	<u>17,810,906</u>
Other Income			
Other Grants and Subsidies		-	100,000
Insurance Recovery		3,027	3,902
Interest received		53,983	39,301
Other Income		35,019	61,417
		<u>92,028</u>	<u>204,620</u>
Note 4: Expenses and Significant Items			
Depreciation			
- Buildings, tracks and freehold improvements		1,002,316	991,952
- Plant and Equipment		178,348	190,014
- Motor Vehicles		27,986	21,381
- Motel Equipment and Furniture		44,770	41,281
		<u>1,253,420</u>	<u>1,244,628</u>
Impairment			
- Buildings, tracks and freehold improvements		-	127,431
		<u>1,253,420</u>	<u>1,372,059</u>
Cost of Sales:			
- Beverage Trading		264,711	233,840
- Catering and Functions		226,625	229,495
		<u>491,336</u>	<u>463,335</u>
Significant Revenues and Expenses:			
Revenues			
- Racing NSW Distributions		5,011,501	4,965,143
- Racing NSW Prizemoney Contributions		7,140,425	6,173,991
Expenses			
- Prizemoney paid		10,288,051	9,251,401
- Employee Remuneration and Benefits		2,813,049	2,570,734
- Legal Costs	17	48,331	5,552

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

	<u>Note</u>	<u>2024</u> \$	<u>2023</u> \$
<u>Note 5: Cash and Cash Equivalents</u>			
Cash at Bank		3,964,873	2,658,949
Cash on Hand		1,290	2,830
		3,966,163	2,661,779
Cash at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement of the financial position as follows:			
- Cash and Cash Equivalents		3,966,163	2,661,779
- Financial assets	9	300,000	300,000
Cash in the statement of cash flows		4,266,163	2,961,779
<u>Note 6: Receivables</u>			
Trade Receivables		138,441	135,316
Less Provision for Impairment Loss		(1,340)	(1,340)
		137,101	133,976
Debtors – Racing NSW		1,094,849	2,178,116
Other Receivables		601,219	503,271
		1,833,169	2,815,363
Provision for Impairment – opening balance		1,340	1,340
Charge/(reduction) for the year		-	-
Written off		-	-
Provision for impairment – closing balance		1,340	1,340
<u>Note 7: Inventories</u>			
Stock on hand at cost		79,316	107,954
		79,316	107,954
<u>Note 8: Other Assets</u>			
Prepayments		5,106	11,697
		5,106	11,697
<u>Note 9: Financial Assets</u>			
Current			
Financial asset at amortised cost			
- Term Deposit		300,000	300,000
		300,000	300,000

The term deposit expires on 11 June 2025.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
Note 10: Property, Plant and Equipment		
Land		
Land at fair value	1,571,009	1,178,257
Crown land at fair value	16,313,800	12,235,350
	<u>17,884,809</u>	<u>13,413,607</u>
Buildings, Racetrack and Improvements		
Buildings, Racetrack and Improvements at cost	21,827,393	21,431,169
Accumulated Depreciation	(9,759,912)	(8,757,597)
	<u>12,067,481</u>	<u>12,673,572</u>
Plant and Equipment		
Plant and Equipment at cost	3,053,723	2,742,686
Accumulated Depreciation	(1,996,037)	(1,817,689)
	<u>1,057,686</u>	<u>924,997</u>
Motor Vehicles		
Motor Vehicles at cost	183,461	183,461
Accumulated depreciation	(124,692)	(96,706)
	<u>58,769</u>	<u>86,755</u>
Motel Equipment and Furniture		
Motel Equipment and Furniture at cost	1,108,251	1,089,923
Accumulated depreciation	(907,727)	(862,956)
	<u>200,524</u>	<u>226,967</u>
Total Property, Plant and Equipment	<u>31,269,268</u>	<u>27,325,898</u>

Core and Non-Core Property

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

Core property

The Company has determined the following premises to comprise the core property as at 30 June 2024:

- 15 Racecourse Road Clarendon
- 15A Racecourse Road Clarendon
- 71 Racecourse Road Clarendon

Non-core property

The Company has determined there is no non-core property as at 30 June 2024.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 10: Property, Plant and Equipment (continued)

Reconciliations of the carrying amounts of property, plant and equipment are as follows:

	<u>Land and Crown Land</u>	<u>Buildings, Racetrack and Improvements</u>	<u>Plant and Equipment</u>	<u>Motor Vehicles</u>	<u>Motel Equipment and Furniture</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<u>2024</u>						
Balance at Beginning of the Year	13,413,607	12,673,573	924,997	86,755	226,966	27,325,898
Additions	-	396,223	311,037	-	18,328	725,558
Disposals	-	-	-	-	-	-
Depreciation Expense	-	(1,002,316)	(178,348)	(27,986)	(44,770)	(1,253,420)
Impairment Write-down	-	-	-	-	-	-
Revaluation	4,471,202	-	-	-	-	4,471,202
Balance at End of the Year	17,884,809	12,067,480	1,057,686	58,769	200,524	31,269,268

At 30 June 2024, the Directors reviewed the key assumptions adopted by independent valuer, Titan Advisory Group, in their valuation performed on the 29 November 2023, and do not believe there has been a significant change in the assumptions or market value of the land.

Accordingly, the Directors believe the carrying value of the land and crown land at 30 June 2024 correctly reflects the fair value.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

	<u>2024</u>	<u>2023</u>
	\$	\$
Note 11: Payables		
Current		
Trade payables	726,016	1,305,952
Other Payables and Accrued Charges	438,654	266,661
Revenue in advance	90,648	66,228
Unexpended NSW Government Crown Land Grant	1,090,909	1,090,909
	<u>2,346,227</u>	<u>2,729,751</u>
Note 12: Employee Benefits		
Current		
Annual Leave	131,070	122,926
Long Service Leave	175,730	180,121
	<u>306,800</u>	<u>303,047</u>
Non-current		
Long Service Leave	18,388	6,628
	<u>18,388</u>	<u>6,628</u>
	<u>325,188</u>	<u>309,675</u>
Note 13: Financial Liabilities		
Current		
Asset finance	24,477	36,263
	<u>24,477</u>	<u>36,263</u>
Non-Current		
Asset finance	14,454	38,359
	<u>14,454</u>	<u>38,359</u>
	<u>38,932</u>	<u>74,622</u>

Assets pledged as security

A fixed and floating charge is held as security in addition to a mortgage over the motel for the Bank Overdraft.

Asset finance is secured by the underlying asset financed assets.

Available Facility

The available banking facility which represents the overdraft facility, is summarised below:

		<u>2024</u>	<u>2023</u>
		\$	\$
Total Facility utilised at year end	13	38,932	74,622
Total Facility unused at year end		900,000	900,000
Total Facility available at year end		<u>938,932</u>	<u>974,622</u>

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 14: Key Management Personnel Disclosures

The total compensation for key management personnel of the Company during the financial year is set out as follows:

	<u>2024</u>	<u>2023</u>
	\$	\$
Compensation	630,945	596,470
	<u>630,945</u>	<u>596,470</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Note 15: Related Party Transactions

The directors may be reimbursed for expenditure incurred in the conduct of their official duties.

During the year, payments were made by the Company to David Jewell Consulting Pty Ltd, an entity associated with David Jewell, who was appointed as the Company's administrator by Racing NSW on 23 December 2021 and resigned on 16 August 2023.

During the year, payments were made by the Company to Moore Legal & Advisory Pty Ltd, an entity associated with Jo Moore, who was appointed as the Company's administrator by Racing NSW on 16 August 2023.

The total of the related party transactions were \$67,260 (2023: \$25,854).

All of these transactions were on normal commercial terms and conditions.

Note 16: Capital and Lease Commitments

Capital Commitments

At 30 June 2024, the Company has not contractually entered into any capital commitments.

Lease Commitments

The Company has lease arrangements for plant and equipment. Upon adoption of AASB 16 - Leases, plant and equipment leases with an asset value greater than \$10,000 are now recognised on the statement of financial position. The Company does not currently have leases with an asset value greater than this threshold.

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 17: Contingent liabilities and Contingent Assets

There are no Contingent Liabilities and Contingent Assets other than:

Racecourse Development Project

In the previous reporting periods, funding was provided to the Company by way of an unsecured, interest free, interminable loan from Racing NSW for the purposes of the racecourse development project.

This loan is only repayable if one of the following conditions is triggered:

- The Company conducts business activities in such a manner It becomes financially unstable or insolvent;
- The Company ceases to operate as a horse racing club;
- The Company disposes of loan or other freehold property without the agreement of Racing NSW;
- The Company merges, amalgamates or other associates with any other race club;
- The Company amends its governance structure; or
- The Company is in a material breach of any of its obligations, duties and functions under the funding agreement.

The Directors are of the opinion that the circumstances outlined above are unlikely to occur in the ordinary course of business, therefore no liability has been recorded at balance date. The maximum contingent liability at balance date in respect of this loan is \$7,145,220 (2023: \$7,145,220).

Legal Proceedings

At the date of this report, the Company is currently involved in legal proceedings with a former employee. These matters are ongoing and are at a stage where the outcome cannot be reasonably determined.

Note 18: Reconciliation of Surplus After Income Tax to the Net Cash from Operation Activities

	<u>2024</u>	<u>2023</u>
	\$	\$
Surplus after income tax expense for the year	162,831	322,623
Adjustments for non-cash flows:		
- Depreciation	1,253,420	1,244,628
- Impairment reversal on land	-	127,431
- Net (profit)/loss on disposal of plant and equipment	-	(13,197)
Change in operating assets and liabilities		
- Decrease/(increase) in trade and other receivables	982,193	(270,176)
- Decrease/(increase) in inventories	28,638	(38,524)
- Decrease/(increase) in other current assets	6,591	(7,786)
- Increase/(decrease) in trade and other payables	(383,523)	(157,653)
- Increase/(decrease) in employee benefits	15,513	27,921
Net cash provided by Operating Activities	2,065,663	1,235,267

HAWKESBURY RACE CLUB LIMITED

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NOTES TO FINANCIAL REPORT

As at 30 June 2024

Note 19: Auditor Remuneration

	<u>2024</u>	<u>2023</u>
	\$	\$
Remuneration of the auditor of the Company, Bradfield Partners for:		
- Auditing and assisting with the financial report.	26,200	27,116
	<u>26,200</u>	<u>27,116</u>

Note 20: Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable, payable and finance facilities.

The carrying amounts for each category of financial instruments, measured in accordance with the accounting policies to these financial statements, are as follows:

	<u>Note</u>	<u>2024</u>	<u>2023</u>
		\$	\$
Financial Assets			
Financial assets at amortised cost:			
- Cash and cash equivalents	5	3,966,163	2,661,779
- Receivables	6	1,833,169	2,815,363
- Financial assets	9	300,000	300,000
Total Financial Assets		<u>6,099,332</u>	<u>5,777,142</u>
Financial Liabilities			
Financial liabilities at amortised cost:			
- Payables	11	2,346,224	2,729,751
- Financial facilities	13	38,932	74,622
Total Financial Liabilities		<u>2,385,156</u>	<u>2,804,343</u>

Note 21: Net Fair Values

For other assets and other liabilities, the net fair value approximates their carrying value.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to the financial report.

Note 22: Subsequent Events

No matter or circumstance has arisen since 30 June 2024 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.

HAWKESBURY RACE CLUB LIMITED

A.B.N. 18 088 383 466

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As at 30 June 2024

Hawkesbury Race Club Limited has no controlled entities and, therefore, is not required by the Australian Accounting Standards to prepare consolidated financial statements. As a result, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

HAWKESBURY RACE CLUB LIMITED

A.B.N. 18 088 383 466

DIRECTOR'S DECLARATION

The Director of the Company declares that:

- 1 The Financial Statements and Notes, set out on pages 8 to 26, are in accordance with the Corporations Act 2001 and:
 - a give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance and cash flows for the year ended on that date; and
 - b comply with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001;
- 2 The Consolidated Entity Disclosure Statement set out on page 27 is true and correct in accordance with the Corporations Act 2001.
- 3 In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed by the Administrator exercising the powers of the Directors pursuant to an appointment under section 14(2)(g) of the Thoroughbred Racing Act 1996 (NSW).



Joanne Moore
Administrator

Date: 4 October 2024

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HAWKESBURY RACE CLUB LIMITED
ABN 18 088 383 466**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Hawkesbury Race Club Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information and other explanatory notes, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the financial report of the Company 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 2024 and of its financial performance and cash flows for the year ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures 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 auditor independence requirements of *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. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the Company on the same date as this auditor's report.

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

Other Information

The Directors are responsible for the other information, being the information in the Company's annual report for the year ended 30 June 2024 and Directors' report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*;
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the Directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of 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 responsibility 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 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 the 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 and, 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 related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. 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.

Bradfield Partners

Bradfield Partners



Benjamin Schulz
Partner

Date: 4 October 2024
Sydney, Australia