

**Kembla Grange**  
*Racecourse*  
Illawarra Turf Club Ltd

47th Annual Report &  
Statement of Accounts

**2023**

For the year ended 30th June 2023  
For presentation to Members at the Annual General Meeting  
Saturday 18th November 2023 at 11.15am

## CHAIRMAN'S REPORT

On behalf of the Board of Directors, Management and Staff of the Illawarra Turf Club Ltd I have pleasure to present to Members my Chairman's Report for the 2022-2023 Financial Year together with a Financial Report by Darren Sparks (Finance Manager), a Racing Report by Michael Craig (Racing Manager) and the Financial Statements audited by BLG Audit Services Pty Ltd.

The year was full of challenges that affected most businesses throughout the country and we are pleased to report our results compared favourably with the overall horse racing industry. The fact that the Australian Racing Industry was able to continue activities throughout the Covid years of closures has significantly helped racing produce positive results.

Racing in our State leads the country thanks to the foresight and courage of the management within RacingNSW to foster and support the industry with innovative actions.

Competition against the horse racing industry continues to increase year-by-year, and we must all strive to improve our standards, continue to attract our patrons and provide appealing facilities for industry participants - owners, trainers and their staff, the magnificent thoroughbred racehorses.

To support my preceding comments the Club can advise that the work on the Track Reconstruction Programme has recommenced and that extensive work is progressing at a positive rate. This important programme is only possible due to the support of RacingNSW that will result in Kembla Grange Racecourse becoming one of the most successful racing and training racecourses in New South Wales

Please refer to Darren Sparks' Report and Michael Craig's Report for fully detailed information on our Financial and Racing results in the Financial Year. Our recorded financial result was a loss of \$349,078 but after allowing for non-cash items (provisions for Long Service Leave and Depreciation, etc.) our trading profit was \$135,569 for the year.

Following the preceding Financial Year, when annual membership fees were significantly reduced, our Club's membership is increasing and we are continuing our efforts to attract and retain Club Members.

Whilst our ancillary Club income from varied forms of functions has increased we still have a lot of capacity to further develop these opportunities. Members and the community can be assured of experiencing enjoyable and successful functions at Kembla Grange Racecourse and we seek your support in this area of our activities.

Early in this calendar year, the Club's CEO Peter DeVries, advised the Board of Directors that he would not be seeking an extension to his contract due to expire in August, 2023. Over the past 24 years Peter has fulfilled the roles of Director, Executive Chairman/CEO then CEO. The changes to Peter's titles over the years was the result of RacingNSW rules significantly changing over time.

Whilst we were disappointed in Peter's pending departure, we sincerely understood his retirement objectives. To thank Peter for his outstanding contribution to the Illawarra Turf Club an enjoyable luncheon was held at the Club in July where some 80 attendees paid tribute to Peter for his achievements over the past 24 years. We wish Peter and Elaine a long, healthy and happy retirement.

Following Peter's pending retirement, the Board of Directors were faced with securing a replacement CEO. After a lengthy selection process, we are pleased to introduce Steven Keene as our new CEO.

Steven has racecourse management experience with three previous race clubs – Wodonga, Murrumbidgee Turf Club in Wagga Wagga and Scone – the latter two positions as CEO.

We welcome Steven to The Illawarra Turf Club and his family to the Illawarra. Steven and Claire and their four children have quickly adapted to the lifestyle and opportunities in the Illawarra.

Saturday, November 25, 2023 will be the fifth running of the \$1,000,000 The Gong Race and we look forward to seeing our 2023 raceday attendance exceed last year's excellent result of 4,957 happy racegoers.

I wish to record our appreciation to two people for their contribution to the Club - Course Curator David Anderson and Board Director Lindsay Murphy. Both have been important contributors to the Track Reconstruction Programme. David is recognised in the industry as an outstanding Curator. Lindsay is a retired Curator with over 40 years experience and is acknowledged as one of Australia's best ever Curators. Gentlemen, we are indebted to both of you.

Sadly, during the past year, we lost a number of members, friends and associates and we respectfully pass our sincere condolences to their families.

In closing, I take this opportunity of sincerely thanking my fellow Directors, our Management and Staff, Owners, Trainers and Sponsors for their continuing support and contribution to our Club over the past twelve months. Together, we look forward to an exciting and successful future for the Club.

Thank you,  
Barry Vandenberg  
Chairman, The Illawarra Turf Club Ltd

## FINANCIAL REPORT

The club recorded a loss of \$349,078 for this financial year (last year \$729,803 profit). After allowing for non-cash items the club was able to produce a Trading Profit of \$135,569. A tough year for the club that saw TAB Distribution only increase marginally despite a substantial increase in our prizemoney expense (\$3.6 million). This year thirty-five (35) race meetings were scheduled; however, 3 meetings were abandoned due to inclement weather and one meeting moved to Goulburn resulting in us conducting 31 meetings (18 Sat/Sun meetings and 13 mid-week meetings). Last year there were 16 meetings conducted.

Our crowds are beginning to return to pre covid levels with average crowds increasing (Saturdays 1,438) however, they are still not back to the levels we require. Total crowd figure for the year was 39,320. Gong day continues to grow each year with our largest crowd of 4,957 in attendance, the largest since its inception. There were 10 races held with good sized fields with weather fine and the track a good 3. Despite this Off Course TAB turnover was a slightly disappointing \$8.63 million (last year \$10.53million). The crowd on Melbourne Cup Day was 3,327 a substantial increase on the previous year's crowd of 2,128. The day was well received by all in attendance and the club expects to attract a larger audience this year weather permitting. Bar & Catering levels were excellent whilst Off Course TAB turnover fell slightly to \$2.34 million (last year \$2.63 million). The downturn in TAB turnover has been reflective throughout the industry and turnover has been consistently down at all our meetings. Our Classic Day held in March continues to struggle to attract an audience with only 1,218 people in attendance. Despite good fields TAB turnover was only \$1.407 million well down on previous years turnovers. We encourage all members to support the day as we try and make this day an important day on the racing calendar. Function profits this year increased substantially on last year recording a profit of \$80,781 (Last year \$22,428). We were able to attract quite a few more functions this year as companies realise that we have excellent facilities to hold Trade shows, Xmas parties etc. As I have said in previous years, we are still not achieving the number of functions we would like and ask all our members to consider a function at Kembla Grange which offers superb quality, variety, and value for money.

There was an increase in expenditure this year of \$ 4,922,085, however, this year we conducted fifteen (15) extra Race meetings. The resultant effect was that all Race Day expenses rose and contributed to much of the increase. We have also increased our spending during the year upgrading our facilities to give our patrons a better experience when they attend.

All our financial requirements have been met during the year and we have budgeted to ensure all our financial commitments are met in ensuing years.

Darren Sparks  
Finance Manager

RACING	2022/23			2021/22		
	SATURDAY/ SUNDAY & PUBLIC HOL'S	MIDWEEK	TOTAL	SATURDAY/ SUNDAY & PUBLIC HOL'S	MIDWEEK	TOTAL
No of Meetings	18	13	31	9	7	16
No of Races	145	100	245	70	52	122
No of Nominations	2960	2073	5033	1358	1086	2444
No of Acceptances	1880	1373	3253	854	665	1519
No of Starters	1425	955	2380	595	498	1093
<b>FINANCIAL</b>						
	\$	\$	\$	\$	\$	\$
Farrier Fees & Jockeys Insurance	188198	135921	324119	95169	74261	169430
Jockey & Apprentice Rides	257723	175344	433067	119649	97715	217364
Prizemoney	7900300	4351600	12251900	4227320	1501000	5728320
<b>OFFCOURSE TAB</b>						
Paramutual	15132191	7247933	22380124	10391863	4059979	14451842
Fixed Odds	20792431	8623591	29416022	10604770	4970302	15575072
TOTAL	35924622	15871524	51796146	20996633	9030281	30026914
<b>TURNOVER</b>						
OnCourse Tote	1336950	362124	1699074	639190	123906	763096
Offcourse TAB	35924622	15871524	51796146	20996633	9030281	30026914
Bookmakers Oncourse	987983	210745	1198728	327543	47109	374652
TOTAL	38249555	16444393	54693948	21963366	9201296	31164662
<b>AVERAGES PER MEETING</b>						
OnCourse Tote	74275	27856	54809	71021	17701	47694
Offcourse TAB	1995812	1220886	1670843	2332959	1290040	1876682
Bookmakers	54888	16211	38669	36394	6730	23416
TOTAL	2124975	1264953	1764321	2440374	1314471	1947791

## **BETTING**

Note : turnovers only include meetings conducted at Kembla Grange . During the 2023 year due to inclement weather there were 3 meetings abandoned and 1 meeting held at Goulburn Racecourse.

	2022/23	2021/22	2020/21	2019/20	2018/19
<b>No of Meetings</b>	31	16	29	31	30
	\$,000	\$,000	\$,000	\$,000	\$,000
<b>Turnovers</b>					
Oncourse	1,699	763	1,112	1,924	1,241
Bookmakers	1,199	375	412	1,064	1,212
T.A.B.	51,796	30,027	49,957	45,302	42,874
<b>Averages</b>					
Oncourse	55	48	38	62	41
Bookmakers	39	23	14	34	40
T.A.B.	1,671	1,877	1,723	1,461	1,429

## **RACING**

In stark contrast to the previous year that was severely hampered by wet conditions, the Illawarra turf Club successfully conducted thirty-one race meetings on its home track during the 2022/23 financial year. Early into the new season one meeting was also transferred to Goulburn and a further three were abandoned, however there no further weather interruptions for the last nine months of the year.

2380 runners contested 245 races for the year at a healthy average of 9.71 per race. Total prizemoney of \$12,251,900 was distributed throughout the season. Betting turnover figures, both on and off course, were naturally well up due to the additional race meetings conducted and the average on course holds per meeting were also very pleasing.

The Gong Raceday on Saturday 19<sup>th</sup> November 2022 was staged in front of our biggest audience in the post Covid era and local trainers were well represented. Kerry Parker finished 2<sup>nd</sup> in The Gong with his mighty mare Hope In Your Heart, whilst Robert & Luke Price and Ross McConville all finished in the money throughout the day. The club's other feature race for the season was the Peroni Kembla Grange Classic, won by the Richard & Will Freedman trained Pavitra.

There were many fine performances from local horses during the season. Hope In Your Heart, trained by Kerry Parker, added to her 2<sup>nd</sup> placing in The Gong with a runner-up finish in the Group 1 Queen of the Turf Stakes and victories in the Guy Walter Stakes, Angst Stakes and Tibbie Stakes. Brett Lazzarini was successful in the Group 3 Cameron Handicap and Robert & Luke Price recorded black type results with Cuban Royale and Jamea during the season.

This season's Kembla Grange Premierships were won as follows: Champion Trainer and Leading Local Trainer – Robert & Luke Price, Leading Jockey – Keagan Latham, Leading Apprentice – Tyler Schiller and Kembla Grange Horse of the Year – Satness (trained by Robert & Luke Price).

On a sad note, the club lost trainer Gwenda Markwell during the year. Gwenda was a truly remarkable person who was adored and respected by the entire racing industry. She left us in October last year after dominating the local training ranks for over 20 years.

Michael Craig  
Racing Manager

**THE ILLAWARRA TURF CLUB LTD**  
**(LIMITED BY GUARANTEE)**  
**ACN 001 458 555**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**CONTENTS**

	<b>Page No.</b>
Directors Report	2
Auditors Independence Declaration	5
Statement of Profit or Loss	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors Declaration	26
Independent Auditors Report	27

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**DIRECTORS REPORT**

Your Directors present their report on The Illawarra Turf Club Ltd ("The Company") for the Financial Year ended 30 June, 2023.

**Directors**

The names of the Directors in office at anytime during or since the end of the year are -

<b>Name</b>	<b>Qualification</b>	<b>Experience</b>	<b>Special Responsibilities</b>
B Vandenberg	Managing Director	Director since 2001	Chairman
M Howlin	Lawyer	Director since 2007	Vice-Chairman
R Farrell	Technical Manager	Director since 2013	Treasurer
I Millward	Recruitment Officer	Director since 2018	Non Executive Director
L Murphy	Retired	Director since 2019	Non Executive Director
M Sleigh	General Manager	Director since 2021	Non Executive Director
T Dawson	Marketing	Director since 2021	Non Executive Director

Directors have been in office since the start of the financial year to the date of this report.

**Company Secretary**

P De Vries held the position of the Company Secretary at the end of the Financial Year and was appointed Company Secretary on 31 January 2001. P De Vries attended 12/13 board meetings.

P De Vries resigned from his position as Company Secretary and Chief Executive Officer ('CEO') on 31 July 2023. S Keene was appointed Company Secretary and CEO on 31 July 2023.

**Board Meetings**

<b>Director</b>	<b>Meetings Attended</b>
B Vandenberg	12/13
M Howlin	11/13
R Farrell	12/13
I Millward	12/13
L Murphy	12/13
M Sleigh	9/13
T Dawson	9/13

**Principal Activities**

The principal activity of the company during the financial year was that of a horse racing club. There was no significant change in the nature of these activities that occurred during the year.

**Review and Results of Operations**

The loss of the Company for the Financial Year was \$349,078 (2022 \$729,803 profit). Refer to Statement of Profit or Loss, page 6.

There were thirty-five (35) race meetings scheduled to be held for the year ended 30<sup>th</sup> June 2023, however three (3) meetings were abandoned and one (1) meeting was held at Goulburn. Of the thirty-one (31) meetings conducted, eighteen (18) were held on Saturdays and thirteen (13) were held midweek.

**THE ILLAWARRA TURF CLUB LTD  
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The Club does not pay income tax in accordance with the provisions of the Income Tax Assessment Act.

**Significant Changes in the State of Affairs**

No significant changes in the Company's state of affairs occurred during the Financial Year.

**Significant Events after the 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 Likely Developments**

Likely developments in the operations of the Company and the expected results of those operations in future Financial Years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

**Directors and Senior Executives Emoluments**

<b>Chief Executive</b>	<b>Salary</b>	<b>Non-Cash Benefits</b>	<b>Total</b>
P De Vries	\$ 289,149	\$ -	\$ 289,149

**Indemnification and Insurance of Officers and Auditors**

Indemnification

The Company has agreed to indemnify the following current Directors of the Company: B Vandenberg, M Howlin, R Farrell, I Millward, L Murphy, M Sleight and T Dawson against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the current Directors of its controlled entities for all liabilities to another person (other than the company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities including costs and expenses.

**THE ILLAWARRA TURF CLUB LTD  
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**DIRECTORS REPORT**

Insurance Premiums

Since the end of the previous Financial Year, the Company has paid insurance premiums in respect of Directors and Officers liability and legal expenses and insurance contracts for current and former Directors and Officers, including Executive Officers of the Company. The insurance premiums relate to;

- Costs and expenses incurred by Directors in defending any legal proceedings, whether civil or criminal and whatever their outcome and
- Other liabilities that may arise from the Directors position, with the exception of conduct involving a wilful breach of duty of improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of premiums paid in respect of individual Directors of the Company:

**Legal Proceedings**

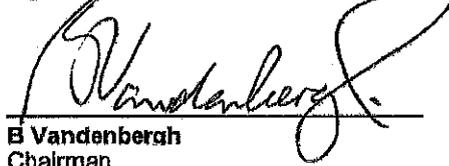
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

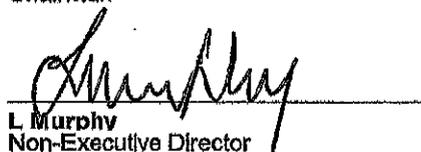
The Company was not a party to any such proceedings during the year.

**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 on page 5.

Signed in accordance with a resolution of the Board of Directors -

  
B Vandenberg  
Chairman

  
L Murphy  
Non-Executive Director

26 October 2023

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
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**AUDITORS INDEPENDENCE DECLARATION UNDER  
SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF  
THE ILLAWARRA TURF CLUB LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been no contraventions of -

- I. the Auditor Independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- II. any applicable code of professional conduct in relation to the audit.

**BLG Audit Services Pty Ltd**

**301 Keira Street  
WOLLONGONG NSW 2500**



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**Director: Clayton Childs**

**Dated: 26/10/2023**

**THE ILLAWARRA TURF CLUB LTD  
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**STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
Revenue	2	21,312,165	16,581,870
Changes in inventories	3	(1,668)	9,620
Consumables used	3	(920,634)	(430,232)
Employee benefits expense		(3,537,204)	(2,825,353)
Depreciation and amortisation expenses		(479,040)	(447,445)
Finance costs	3	(17,047)	(15,759)
Prize money and trophies		(12,574,781)	(8,972,971)
Other Expenses		<u>(4,130,869)</u>	<u>(3,169,927)</u>
<b>(Loss)/Profit for the year</b>		<u><u>(349,078)</u></u>	<u><u>729,803</u></u>
<b>(Loss)/Profit attributable to members of the company</b>		<u><u>(349,078)</u></u>	<u><u>729,803</u></u>

The accompanying notes form part of these financial statements.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	321,303	719,805
Trade and other receivables	7	3,628,912	3,015,272
Inventories	8	158,604	160,272
<b>TOTAL CURRENT ASSETS</b>		<u>4,108,819</u>	<u>3,895,349</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	6,524,559	6,504,297
<b>TOTAL NON-CURRENT ASSETS</b>		<u>6,524,559</u>	<u>6,504,297</u>
<b>TOTAL ASSETS</b>		<u>10,633,378</u>	<u>10,399,646</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,097,304	739,521
Borrowings	11	125,604	51,512
Provisions	12	287,527	264,857
Other	13	17,750	16,300
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,528,185</u>	<u>1,072,190</u>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	11	81,318	24,838
Provisions	12	500,501	430,165
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>581,819</u>	<u>455,003</u>
<b>TOTAL LIABILITIES</b>		<u>2,110,004</u>	<u>1,527,193</u>
<b>NET ASSETS</b>		<u>8,523,374</u>	<u>8,872,453</u>
<b>EQUITY</b>			
Retained earnings		8,523,374	8,872,453
<b>TOTAL EQUITY</b>		<u>8,523,374</u>	<u>8,872,453</u>

The accompanying notes form part of these financial statements.

**THE ILLAWARRA TURF CLUB LTD  
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ACN 001 458 555**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2021</b>	8,142,650	8,142,650
<b>Comprehensive Income</b>		
Profit for the year	729,803	729,803
<b>Total comprehensive income for the year attributable to the member of the company</b>	<u>729,803</u>	<u>729,803</u>
<b>Balance at 30 June 2022</b>	<u>8,872,453</u>	<u>8,872,453</u>
<b>Balance at 1 July 2022</b>	8,872,453	8,872,453
<b>Comprehensive Income</b>		
Loss for the year	(349,078)	(349,078)
<b>Total comprehensive income for the year attributable to the member of the company</b>	<u>(349,078)</u>	<u>(349,078)</u>
<b>Balance at 30 June 2023</b>	<u>8,523,374</u>	<u>8,523,374</u>

The accompanying notes form part of these financial statements.

**THE ILLAWARRA TURF CLUB LTD  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		20,638,345	15,481,852
Payments to suppliers and employees		(20,712,700)	(15,246,038)
Interest received		8,630	-
Finance costs		(17,047)	(15,759)
<b>Net cash (used in)/provided by operating activities</b>	<b>20</b>	<b>(82,772)</b>	<b>220,055</b>
<b>Cash flows from investing activities</b>			
Receipts from investing activities		53,000	373,875
Purchase of property, plant and equipment		(499,302)	242,006
<b>Net cash (used in)/provided by investing activities</b>		<b>(446,302)</b>	<b>615,881</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		202,883	-
Repayment of borrowings		(72,311)	(331,335)
<b>Net cash provided by/(used in) financing activities</b>		<b>130,572</b>	<b>(331,335)</b>
Net (decrease)/increase in cash held		(398,502)	504,601
Cash and cash equivalents at beginning of financial year		719,805	215,204
<b>Cash and cash equivalents at end of financial year</b>	<b>20</b>	<b>321,303</b>	<b>719,805</b>

The accompanying notes form part of these financial statements.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

The Financial Statements cover The Illawarra Turf Club Ltd as an Individual entity. The Illawarra Turf Club Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The Financial Statements were authorised for issue on 26th October 2023 by the Directors of the Company.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

The Financial Statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in Financial Statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the Financial Statements and Notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of these Financial Statements are presented below and have been consistently applied unless otherwise stated.

The Financial Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair value of consideration given in exchange for assets.

The Financial Statements were authorised for issue on the 26th October 2023 by the Directors of the Company.

**a) Income Tax**

The Club being a non-profit organisation established for the promotion of thoroughbred racing is exempt from Income Tax pursuant to the provision of Section 50-45 of the Income Tax Assessment Act (1997), as amended.

**b) Inventories**

Inventories are measured at the lower of cost and net realisable value.

**c) 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.

**Property**

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by independent valuers.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**Property (Continued)**

In the periods when the freehold land and buildings are not subject to an independent valuation, the Directors conduct Directors valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount related to the revalued amount of the asset.

**Plant and Equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the statement of profit or loss in the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets, including buildings and capitalised lease assets but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Racetrack and Buildings	2.5 - 20%
Plant and Equipment	10 - 20%
Motor Vehicles	20 - 25%
Bar Glasses and Kitchen Utensils	20%

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**d) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transactions costs are recognised as expenses in profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

**i) Financial assets at fair value through profit or loss**

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

*ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

*iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

**e) Impairment of Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116).

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**f) Employee Benefits**

The provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

**g) Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**i) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue recognition relating to the provision of a service is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

All revenue is stated net of the amount of goods and services tax (GST).

**j) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

**k) 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 Taxation Office (ATO).

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

**l) Comparative Figures**

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

An item in Trade and other receivables at Note 7 (Sky Channel Receivable) was previously disclosed at Note 10 Trade and other payables as a contra liability. Comparative balances have been adjusted accordingly.

**m) Critical Accounting Estimates and Adjustments**

The Directors evaluate estimates and judgements incorporated into the Financial Statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

**Racecourse Redevelopment Funding**

During previous years, funding was provided to the Company by way of an interest free, interminable loan from Racing NSW for the purposes of funding the racecourse redevelopment project. The Directors believe that the economic substance of the funding resembles grant income rather than the legal form of a loan. This is primarily due to the absence of a future repayment schedule and the funding being provided for a specific purpose on an interest free basis.

Accordingly, the funding has been recognised in accordance with the recognition criteria in Note 1 (m). Further detail on the funding arrangements has been included in Note 23.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
<b>2. REVENUE AND OTHER INCOME</b>		
Revenue		
Sales Revenue		
Sale of Goods	2,056,736	870,823
Other Revenue		
Interest received	8,630	34
TAB Distribution	16,169,042	12,978,109
Government subsidies	-	317,339
Racing Income	2,486,187	1,680,544
Membership Subscriptions	30,986	30,350
Other Income	377,734	330,796
Profit on Sale - Non Current Asset	53,000	373,875
Racing NSW Grant Funding	129,850	-
Total Revenue	<u>21,312,165</u>	<u>16,581,870</u>
<b>3. PROFIT FOR THE YEAR</b>		
Profit from continuing operations includes the following specific expenses -		
<b>Expenses</b>		
Interest expense on financial liabilities	<u>17,047</u>	<u>15,759</u>
Total finance costs	<u>17,047</u>	<u>15,759</u>
Cost of sales	<u>922,302</u>	<u>420,612</u>
<b>4. KEY MANAGEMENT PERSONNEL COMPENSATION</b>		
Short term benefits	<u>289,149</u>	<u>275,380</u>
Total compensation	<u>289,149</u>	<u>275,380</u>
<b>5. AUDITOR REMUNERATION</b>		
Remuneration of the Auditor		
Auditing or reviewing the Financial Statements	46,135	38,160
<b>6. CASH AND CASH EQUIVALENTS</b>		
Petty Cash	500	500
Cash on hand	170,803	124,281
Investment account	150,000	-
Cash at bank	-	595,024
	<u>321,303</u>	<u>719,805</u>

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
<b>7. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	68,840	78,427
Uncalled Racecourse Redevelopment Funding	682,890	682,690
Sky channel receivable	558,772	151,881
TAB distribution receivable	2,318,010	2,102,274
	<u>3,628,912</u>	<u>3,015,272</u>
<p>The proceeds from the sale of land to Racing NSW in 2022 are labelled 'Uncalled Racecourse Redevelopment Funding'. In accordance with special condition 2 "Payment Timing", Racing NSW was not obliged to pay the contract price on settlement because those funds were to be retained and applied towards the cost of completing racecourse track and other fixed asset facilities as necessary.</p>		
<b>8. INVENTORIES</b>		
<b>CURRENT</b>		
<b>At cost</b>		
Bar stock on hand	142,338	149,030
Catering stock on hand	16,266	11,242
	<u>158,604</u>	<u>160,272</u>
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
Racetrack and buildings	9,243,434	9,185,805
Less accumulated depreciation	<u>(3,479,835)</u>	<u>(3,201,827)</u>
Total Land and buildings	<u>5,763,599</u>	<u>5,983,978</u>
Plant and equipment	2,453,011	2,143,018
Less accumulated depreciation	<u>(1,848,496)</u>	<u>(1,692,478)</u>
	<u>604,515</u>	<u>450,540</u>
Motor vehicles	263,871	242,149
Less accumulated depreciation	<u>(107,426)</u>	<u>(172,370)</u>
	<u>156,445</u>	<u>69,779</u>
Bar glasses and kitchen utensils	16,297	16,297
Less accumulated depreciation	<u>(16,297)</u>	<u>(16,297)</u>
	<u>-</u>	<u>-</u>
<b>Total property, plant and equipment</b>	<u>6,524,559</u>	<u>6,504,297</u>

**a) Movements in carrying amounts**

For disclosure on movement in carrying amounts please refer to Note 22 at the end of this financial report.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
<b>10. TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Trade creditors	<u>1,097,304</u>	<u>739,521</u>
<b>11. BORROWINGS</b>		
<b>CURRENT</b>		
Bank overdraft	80,312	-
Hire purchase liability	45,292	26,512
Bank bills - secured	-	25,000
Total current borrowings	<u>125,604</u>	<u>51,512</u>
<b>NON-CURRENT</b>		
Hire purchase liability	94,147	27,078
Less unexpired hire purchase liability	<u>(12,829)</u>	<u>(2,240)</u>
	<u>81,318</u>	<u>24,838</u>
Bank bills - secured	-	-
Total non-current borrowings	<u>81,318</u>	<u>24,838</u>
<b>Total borrowings</b>	<u>206,922</u>	<u>76,350</u>
<b>a) Total current and non-current secured liabilities</b>		
Bank overdrafts	80,312	-
Bank bills	-	25,000
Hire purchase loans	<u>126,610</u>	<u>51,350</u>
	<u>206,922</u>	<u>76,350</u>
<b>b) The carrying amounts of assets pledged as security are -</b>		
Registered Mortgage Debenture - Property, Plant and Equipment	6,524,559	6,504,297
Floating Charge - TAB Distribution	<u>2,318,610</u>	<u>2,102,274</u>
	<u>8,843,169</u>	<u>8,606,571</u>
<b>12. PROVISIONS</b>		
Provision for holiday pay	287,527	264,857
Provision for long service leave	<u>500,501</u>	<u>430,165</u>
	<u>788,028</u>	<u>695,022</u>
<b>Provision for holiday pay</b>		
Opening balance at 1 July 2022	264,857	232,381
Additional provisions raised	234,904	32,476
Amounts used	<u>(212,235)</u>	<u>-</u>
Balance at 30 June 2023	<u>287,527</u>	<u>264,857</u>

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023	2022
	\$	\$
<b>Provision for long service leave</b>		
Opening balance at 1 July 2022	430,165	437,657
Additional provisions raised	78,918	40,193
Amounts used	(8,581)	(47,686)
Balance at 30 June 2023	500,501	430,165
<b>Total provisions</b>		
Opening balance at 1 July 2022	695,022	670,038
Additional provisions raised	313,822	72,670
Amounts used	(220,816)	(47,686)
Balance at 30 June 2023	788,028	695,022
<b>13. OTHER LIABILITIES</b>		
<b>CURRENT</b>		
Income in advance	17,750	16,300
	17,750	16,300

**14. EVENTS AFTER THE REPORTING PERIOD**

The Financial Report was authorised for issue of 26th October 2023 by the Board of Directors.

**15. RELATED PARTY TRANSACTIONS**

**Related Parties**

The Company's main related parties are as follows:

**a) Key management personnel**

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity, is considered key management personnel.

**b) Entities subject to significant influence by the Company**

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

**c) Other related parties**

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

**d) Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	<b>2023</b>	<b>2022</b>
	\$	\$
The following transactions occurred with related parties:		
I. Lease payments for the use of racecourse to Kembla Grange Recreation Trust	<u>(5,000.00)</u>	<u>(5,000.00)</u>
ii. Capital grant income towards capital works from Kembla Grange Recreation Trust	<u>22,500.00</u>	<u>-</u>

**16. ECONOMIC DEPENDENCE**

The continuing operation of the Club is dependent upon the lease of the land which is crown land held in trust by the Kembla Grange Recreation Trust.

In addition, the Club receives 88.14% (2022: 90.23%) of its income from NSW Racing Pty Ltd, representing the distribution of wagering receipts governed by the NSW Racing Distribution Agreement with TAB Limited. Consequently, the Club is economically dependent on TAB Limited.

**17. OPERATING SEGMENTS**

The Company operates predominantly in one business and geographical segment being the horse racing industry at Kembla Grange, New South Wales, Australia.

**18. FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Policies**

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases, preference shares and derivatives.

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	321,303	719,806
Accounts receivable	<u>3,628,912</u>	<u>3,015,272</u>
<b>Total Financial Assets</b>	<u><u>3,950,215</u></u>	<u><u>3,735,077</u></u>

**Financial Risk Management Policies**

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for Company operations. The Company does not have any derivative instruments at year end.

The Finance Committee, consisting of senior executives of the Company, meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Finance Committee's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

The Finance Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

**Specific Financial Risk Exposures and Management**

The main risks the Company is exposed to through its financial instruments are credit rate risk, liquidity risk and market risk relating to interest rate risk.

**a) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Finance Committee has otherwise cleared as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

*Credit risk exposures*

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to third parties in relation to obligations under its bank bill facility.

The Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**b) Liquidity Risk**

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms -

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities
- using derivatives that are only traded in highly liquid markets
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk, related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

	2023 \$	2022 \$
<i>Financial liability and financial asset maturity analysis</i>		
	Within 1 Year	
<b>Financial liabilities due for payment</b>		
Bank loans secured	-	25,000
Hire Purchase Liabilities	45,292	26,512
Total contractual outflows	45,292	51,512
Total expected outflows	45,292	51,512
<b>Financial assets - cash flow realisable</b>		
Receivables	3,628,912	3,015,272
Total expected inflows	3,628,912	3,015,272
Net inflow on financial instruments	3,628,912	3,015,272

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
		1 to 5 Years
<b>Financial liabilities due for payment</b>		
Bank loans secured	-	-
Hire Purchase Liabilities	81,318	24,838
Net outflow on financial instruments	81,318	24,838
<b>Financial Liabilities</b>		
Bank loans secured	-	25,000
Hire Purchase Liabilities	126,610	51,360
Total contractual outflows	126,610	76,360
Total expected outflows	126,610	76,350
<b>Financial Assets</b>		
Receivables	3,628,912	3,015,272
Total expected inflows	3,628,912	3,015,272
Net inflow on instruments	3,502,302	2,938,922

*Financial assets pledged as collateral*

The following financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

Registered Mortgage Debenture - Property Plant & Equipment	6,524,559	6,504,297
Floating Charge - TAB Distribution	2,318,610	2,102,274
	8,843,169	8,606,571

**c) Market risk**

*Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt.

The net effective variable interest rate borrowings (i.e. unhedged debt) exposes the Company to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities -

Flexible Bank Loan Facility (Limit \$345,000)	-	
Overdraft Facility (Limit: \$600,000)	80,312	
	80,312	

**19. COMPANY DETAILS**

The Registered Office and principal place of business of the Company is - The Illawarra Turf Club Ltd  
Princes Highway, Kembla Grange NSW  
Kembla Grange Racecourse, KEMBLA GRANGE NSW 2526

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

	2023 \$	2022 \$
<b>20. CASH FLOW INFORMATION</b>		
<b>a) Reconciliation of cash</b>		
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash	<u>321,303</u>	<u>719,805</u>
	<u>321,303</u>	<u>719,805</u>
<b>b) Reconciliation of cash flow from operations with profit</b>		
(Loss)/Profit after income tax	(349,078)	729,803
Non-cash flows in profit		
Depreciation	479,040	447,445
Profit on sale of property, plant and equipment	(53,000)	(373,875)
Changes in Assets & Liabilities		
Decrease/(increase) in trade and term debtors	(613,640)	(572,763)
(Increase)/decrease in other assets	-	-
Decrease/(increase) in inventories	1,668	(9,820)
Increase/(decrease) in payables	357,783	(24,420)
Increase/(decrease) in other liabilities	1,450	(1,500)
Increase in provisions	93,006	24,985
<b>Net cash (used in)/provided by operating activities</b>	<u>(82,772)</u>	<u>220,055</u>

The Company has a bank overdraft facility limit of \$600,000 and has a Flexible Bank Loan limit of \$345,000 (2022: \$465,000). This may be terminated at any time at the option of the bank. Interest rates are variable.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

**22. MOVEMENT IN CARRYING AMOUNTS**

Movements in the carrying amounts for each class of property, plant and equipment.

	Race track and Buildings \$	Plant and equipment \$	Motor vehicles \$	Bar glasses and kitchen utensils \$	Total \$
Balance at 1 July 2021	6,610,663	557,272	25,814	-	7,193,748
Additions	2,775	33,970	67,337	-	104,082
Depreciation expense	(283,372)	(140,701)	(23,371)	-	(447,444)
Disposals	(346,088)	-	-	-	(346,088)
<b>Carrying amount at 30 June 2022</b>	<b>5,983,978</b>	<b>450,541</b>	<b>69,780</b>	<b>-</b>	<b>6,504,297</b>
Additions	57,629	309,993	131,681	-	499,303
Depreciation expense	(278,008)	(156,018)	(45,015)	-	(479,041)
Disposals	-	-	-	-	-
<b>Carrying amount at 30 June 2023</b>	<b>5,763,599</b>	<b>604,515</b>	<b>156,445</b>	<b>-</b>	<b>6,524,559</b>

**23. CONTINGENT ASSETS AND CONTINGENT LIABILITIES**

Racecourse Development Project - Contingent Liability

During prior years, funding was provided to the company by way of an 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 are triggered:

- The company conducts business activities in such a manner that it becomes financially unstable or insolvent;
- The company ceases to operate as a race club;
- The company disposes of land or other freehold property without the agreement of Racing NSW;
- The company merges, amalgamates or otherwise associates with any other race club;
- The company amends its governance structure; or
- The company is in 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 and accordingly, no liability has been made in the financial report at 30 June 2023. The maximum contingent liability as at 30 June 2023 in respect of this loan amounts to \$8,000,000.

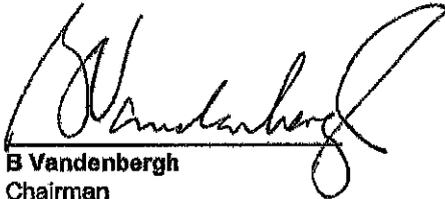
**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
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**DIRECTORS DECLARATION**

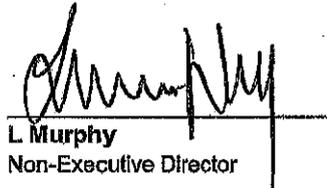
The directors of the Company declare that

- a) The Financial Statements and Notes, as set out on pages 6 to 25, are in accordance with the *Corporations Act 2001*:
  - i. comply with Accounting Standards and the Corporations Regulations 2001; and
  - ii. give a true and fair view of the financial position as at 30 June 2023
  
- b) 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 made in accordance with a Resolution of the Board of Directors.



**B Vandenberg**  
Chairman



**L Murphy**  
Non-Executive Director

**26 October 2023**

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
THE ILLAWARRA TURF CLUB LTD**

**Report on the Financial Report**

I have audited the accompanying financial report of The Illawarra Turf Club Ltd (the Company) which comprises the statement of financial position as at 30 June 2023, the income statement, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*Directors Responsibility for the Financial Report*

The Directors of the Company are responsible for the preparation and fair presentation of the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the Company Constitution and for such internal control as the Directors determine is necessary to enable the preparation of the Financial Report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that the financial statements comply with International Financial Reporting Standards (IFRS).

*Auditor Responsibility*

My responsibility is to express an opinion on the Financial Report based on our audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report 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 entity's internal control. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**THE ILLAWARRA TURF CLUB LTD  
(LIMITED BY GUARANTEE)  
ACN 001 458 555**

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF  
THE ILLAWARRA TURF CLUB LTD**

*Auditor Opinion*

In my opinion:

- a. The Financial Report of The Illawarra Turf Club is in accordance with the company's constitution including -
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year ended on that date.
  - (ii) complying with Australian Accounting Standards (including the Australian Account Interpretations) and the Company's constitution.
- b. The Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1.

**BLG Audit Services Pty Ltd**

**301 Kelra Street  
WOLLONGONG NSW 2500**



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**Director: Clayton Childs**

**Date: 26/10/2023**