



ANNUAL REPORT

**2021 – 22
CANBERRA RACING CLUB
INCORPORATED**



COMMITTEE MEMBERS

COMMITTEE MEMBERS



Tim Olive
(Chairman)



Les Boag
(Vice Chairman)



Duncan Edghill
(Treasurer)



Lauren Bywaters
(returned from leave
27.08.21, resigned 06.05.22)



Dan Carton
(resigned 01.05.22)



Liz Clarke



Keith Dryden
(Committee member
to 12.10.21)



Norm Gardner
(Committee member
from 12.10.21)



Dan Gaul
(resigned 30.08.21)



Ian Mackay



Ben McAlister
(Committee member
from 12.10.21)



Nikki Pulford
(Committee member
from 12.10.21)

LIFE MEMBERS

Geoff Bloom
Peter Faulkner
Tom Glover
Peter Huddy
Sue King
Roger Norton
Howard Powell AM

CONTENTS

CHAIRMAN’S REPORT 4

CHIEF EXECUTIVE’S WELCOME..... 6

FINANCIAL REPORT 7

COMMUNITY SUPPORT 13

SPONSORS..... 14

REPORT OF THE COMMITTEE..... 17

STATEMENT OF COMPREHENSIVE INCOME 18

STATEMENT OF FINANCIAL POSITION..... 19

STATEMENT OF CHANGES IN EQUITY 20

STATEMENT OF CASH FLOW 21

NOTES TO THE FINANCIAL STATEMENTS..... 22

INDEPENDENT AUDITOR’S REPORT 30



CHAIRMAN'S REPORT

On behalf of the Committee, I present the Annual Report of the Canberra Racing Club Incorporated (the Club) for 2021/2022.

I would like to thank my fellow Committee Members for their tireless efforts and valuable contributions across the past 12 months.

In challenging operating conditions, the Club has posted a deficit result for the year. This deficit reflects a significant investment in progressing the re-development project which will help fund a better future for Canberra racing and is considered manageable within the reserves of the business.



Tim Olive
Chairman

EQUINE WELFARE

The Club completed the Equine Welfare report during the past year. The Club has taken a progressive approach to equine welfare as we care greatly for the thoroughbreds who are the foundation of our industry, and we are always mindful of our position as an industry leader in this area and our obligations to the broader community. The Club continues to support Team Thoroughbred, the thoroughbred re-homing scheme run by Racing NSW by allocating a percentage of prizemoney from all races run at Thoroughbred Park. We continue to work with our participants and industry stakeholders to get the best possible outcomes in equine welfare through our proactive practices.

PRECINCT MASTER PLAN

Over the last year the Club has progressed strongly with the Precinct Master Plan. The Canberra Racing Club lodged its Territory Plan Variation (TPV) during 2021/2022 and is engaged with our consultants to progress through this phase of the re-zoning process. As at the date of this report, the Club has been able to answer all enquiries directed to it by Government in relation to our TPV. We are engaged positively with the Government on the broader plans to redevelop our site and have received wide ranging support from Government and the community at large.

We hope to receive the outcome of our TPV in the coming year and look forward to being able to progress further with our redevelopment plans. The Club has recently updated the requirements and business case for the redevelopment project and we are progressing with further planning and likely procurement for the early stages of the redevelopment to line up with finalisation of the TPV process. This positions the club well to commence an exciting new era for the Club and the Thoroughbred Racing industry in the ACT.

ACT GOVERNMENT

The Club has been engaged with the ACT Government in the past year on a variety of different issues. Our Memorandum of Understanding (MOU) with the Government, which recognises the importance of funding generated by the Racing Industry in the ACT, was renewed for a further five years commencing 1 July 2022 providing medium term certainty for the club and industry. The MOU was the subject of much debate in the public sphere during recent months, with the ACT Greens disappointingly not supporting the continuation of the agreement. More positive however was that the Labor Government continued their support of the industry, honouring the commitment they made in the lead up to the last ACT election in continuing the MOU. The Club appreciates the continued support from the Chief Minister Andrew Barr and his Government in renewing the MOU with the Industry. The Club also notes that during this period the ACT Liberals have also reiterated their support for both the MOU's continuation and the Industry in the ACT more generally. As always, the Club looks forward to engaging with all parties of the political spectrum to get the best possible outcome for the Racing Industry and the Canberra Community.

The Club has reiterated its position to Government that the racing industry in the ACT receives the lowest amount of support from Government of any jurisdiction in the country including being the only jurisdiction to not receive a share of the Point of Consumption Tax, despite contributing substantially to the ACT economy and budget. The comparatively low level of support from Government does place the industry in the ACT at a competitive disadvantage with other jurisdictions receiving far more support per capita than the Canberra Racing Club, meaning that our ability to service our attendees, participants and the general public is significantly reduced in comparison to other Principal Racing Authorities in Australia.

The competitive disadvantage with our funding and the excessive cost of workers compensation insurance in the ACT has unfortunately contributed to several trainers who were based in Canberra for many years relocating their training operations away from Canberra. The club is working with the ACT Government to explore options to address the excessive cost of workers compensation in the ACT and we are also looking at ways to increase our revenue which would help improve our offering to members and the racing industry including trainers.

CANBERRA RACING CARNIVAL

A wonderful 2022 Canberra Racing Carnival was a big highlight of the past twelve months. Two massive race days and three lead up events across five consecutive days was the culmination of months of planning and it was very pleasing to see strong crowds attend the inaugural Carnival Calcutta as well as both race days.

The Calcutta garnered a collective pool of nearly \$35,000, a wonderful result in the event's debut year. The Club will look to build on this exciting event in years to come.

John McGrath Auto Group Black Opal Stakes Race Day featured one of the best atmospheres felt at Thoroughbred Park in decades while TAB Canberra Cup Race Day was a haven for families looking to spend a fun & budget friendly day out. The Club understands the importance of introducing the thrills of racing to the next generation and were delighted with the number of children enjoying all that TAB Canberra Cup Race Day had to offer.

MEMBERSHIP

In the 2021/2022 financial year, the Club had 1,079 members down from 1,182 Members the previous year. The COVID lockdown restrictions in 2021 were challenging for the Club and community in general. The Club thanks the membership for their continued support throughout such a difficult time as we look forward to a brighter future ahead.

CONCLUSION

2021/2022 has been a difficult year for the Canberra Racing Club and indeed the ACT community. Throughout the ACT lockdown we managed to transfer some of our impacted race meetings to Queanbeyan and we thank Racing NSW and the Queanbeyan Racing Club for assisting us in keeping racing going in the region during this COVID impacted period. I would like to thank all my fellow Committee Members both current and those that finished up through the year.

The club recently appointed Darren Pearce the previous CEO of the Australian Turf Club and a Senior Executive from Tabcorp as our new CEO. Darren commenced in the role in September. On behalf of the club, I would also like to thank Andrew Clark, for his significant contribution as CEO of to the Canberra Racing Club.

I also congratulate the rest of our management team and all our staff for their continuing support and hard work to ensure that racing in the ACT continues as a vibrant and important part of the industry in Australia. The Committee looks forward seeing all our members at our race meetings and events in the coming year, with a view to a brighter future in 2022/2023 and beyond.



CHIEF EXECUTIVE'S WELCOME



Darren Pearce
CEO

A MESSAGE FROM OUR NEW CEO, DARREN PEARCE

It's exciting to join the Canberra Racing Club team at such a transformative time.

I'm grateful for the warm welcome I have received and the desire of members, owners, trainers, business partners, the Committee and team to unite for the future of the club and its community.

The challenges are well ventilated, but I'm focused on the opportunities which are greater in significance.

Could there be a more exciting brief than to 'be the change' that sees racing thrive in the Nation's Capital?

To reconnect with Government and community and take a leadership position on those matters that speak to the fair-minded people of Canberra.

To rezone surplus land, lead strategic development transactions and create the funding to invest in the best possible facilities for members, their guests, and the mighty Thoroughbred.

To have customer facilities and service that bring people back to the track and afterwards, tell their friends and family about the exceptional experience they had.

To invest wisely in a diversified business model that generates returns to re-invest in members services, customer experience, competitive prizemoney and racing innovation.

It's clear that the Thoroughbred Park we wish to see in five years' time is very different to the Thoroughbred Park that we see today.

There is a wise saying that respect is earned not handed to you on a platter. There needs to be many voices with a united message of support and belief in the journey we are about to embark on.

We will need a fair dose of underdog spirit, but together I know it can be done and I'm committed to see it through for the mighty thoroughbred and the people who care for them.

A growing, active and supportive Membership will be a vital measure of our success as a Club and I look forward to seeking your input and updating you on our plans in the months and years ahead.

Yours in Racing

Darren Pearce



FINANCIAL REPORT

Whilst a challenging year for the Club financially, the Operational result of a deficit of \$327,940 was encouraging given the COVID-19 lock down restrictions imposed on businesses in the ACT during the year 2021–2022. From August to October 2021 the Club was not able to operate race meetings or indeed host any hospitality functions or events out of our venue in Canberra. Once lock down restrictions had been lifted however, the Club did see a significant resurgence in business activity into 2022. We look forward to a continued recovery in operations in the coming year.

Financial highlights for the year included:

- Recording a deficit on operations of \$327,940 – in a challenging operating environment and investing in our future.
- Revenue at \$13.05 million – a decrease of 1.7% on the previous year
- Maintaining cash reserves at \$3.49 million
- Prizemoney, trophies and subsidies decreased to \$5.90 million compared to \$6.14 last year – with the loss of the Tony Campbell Cup meeting during COVID-19 lockdown, and a July meeting due to inclement weather.

Year	2022	2021	2020	2019
Operational Profit / (Deficit)	(327,940)	6,777	3,678	105,101
Cash	3,492,380	3,412,586	3,093,733	2,695,378
Revenue	13,056,895	13,284,876	12,543,956	11,846,912
Prize money, trophies and subsidies	5,907,063	6,139,472	5,951,855	5,842,210



WAGERING REPORT

Total turnover on Canberra races in 2021/2022 reached \$162,894,555 this was down on the previous financial year. However the Club did lose two race days due to COVID-19 and inclement weather, whilst at the same time needing to transfer four of our race meetings to Queanbeyan during ACT's lockdown period in 2021. This was a pleasing outcome for the year given the challenges the Club faced particularly during the period in which our operations were restricted in the ACT.

In 2021/2022, the Club achieved the following results for its feature race days:

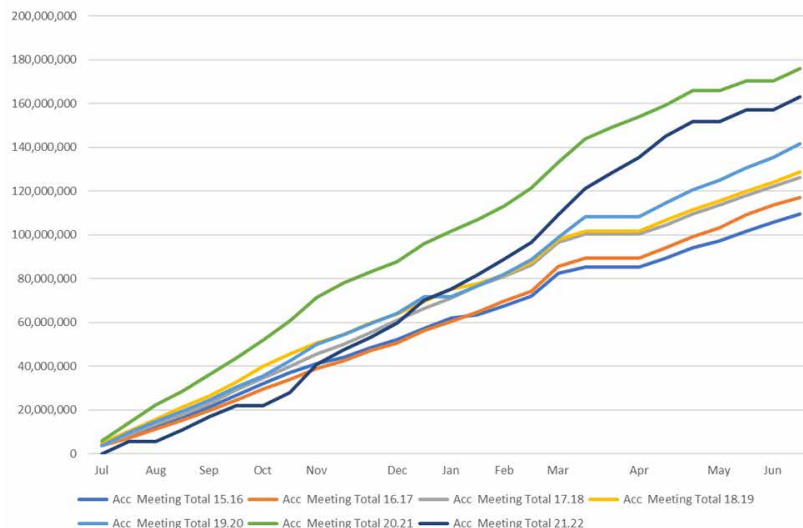
	2022 (\$)	2021 (\$)	Variance (\$)	Variance (%)
Melbourne Cup Day	12,895,439	10,669,471	2,225,968	17.3
Canberra Mile Day	7,716,441	8,261,336	(544,895)	(7.1)
Black Opal Day	12,562,705	11,387,767	1,174,938	9.4
Canberra Cup Day	12,017,355	10,919,591	1,097,764	9.1
Total	45,191,940	41,238,165	3,953,775	8.7

Included in these race days were the Clubs five feature races, which achieved the following results in 2021/2022:

	2022 (\$)	2021 (\$)	Variance (\$)	Variance (%)
Canberra Mile	1,883,179	1,382,974	500,205	26.6
National Sprint	2,029,719	1,855,932	173,787	8.6
Canberra Guineas	2,081,054	1,978,038	103,016	5.0
Canberra Cup	2,801,117	10,919,591	1,097,764	9.1
Black Opal Stakes	2,798,995	2,777,733	21,262	0.8
Total	11,594,064	10,677,421	916,643	7.9

Each of our feature races continued to have strong wagering support. As this data shows, interest in the Canberra Racing Carnival continues to grow across each of our feature races. To pinpoint this, \$2,196,873 of this growth is coming from support races to the four features held across the two days.

Total Wagering Turnover on Canberra Races





Todd Smart's Kelvedon Road wins the Casino Canberra Canberra Guineas Preview in February 2022.

INFRASTRUCTURE REPORT

The Club invested \$749,701 in Infrastructure across Thoroughbred Park in 2021/2022. This investment was focused on the following areas:

- **Racing & Training Infrastructure** – The Club has invested in upgrades to the drainage system in the Acton Synthetic Track during 2021/2022. The synthetic surface has suffered from poor drainage in the past and further improvement works to the value of \$461,467 were required to attempt to improve the surface. The works have been undertaken however further remedial works have been required to repair stone contamination in the sand profile. Works to remove the stones are on-going. The Club also invested \$78,388 to update the Stewards Towers/Office to ensure that these structures were compliant with modern work, health and safety requirements. A Koro mower attachment was purchased for \$55,000 to assist in the renovation and presentation of the Grass Course Proper.
- **Kitchen upgrades** – The Club upgraded a variety of items in our kitchen to the value of \$21,210. Items included fridges, washers and deep friers that had reached the end of their useful life.

RACING REPORT

The Club successfully completed 23 race meetings during 2021/2022. With COVID-19 restrictions forbidding NSW jockeys from entering the ACT between September and October, the Club, in the best interest of the local industry and its participants, made the decision to conduct 4 race meetings out of Queanbeyan Racecourse.

The Club conducted 146 races at Thoroughbred Park during a season which featured 1,321 starters. That is an average starting field size of 9.05, slightly down on the previous year's average of 9.25.

The Canberra Mile & Canberra Racing Carnival concepts continued to grow in their third year since inception.

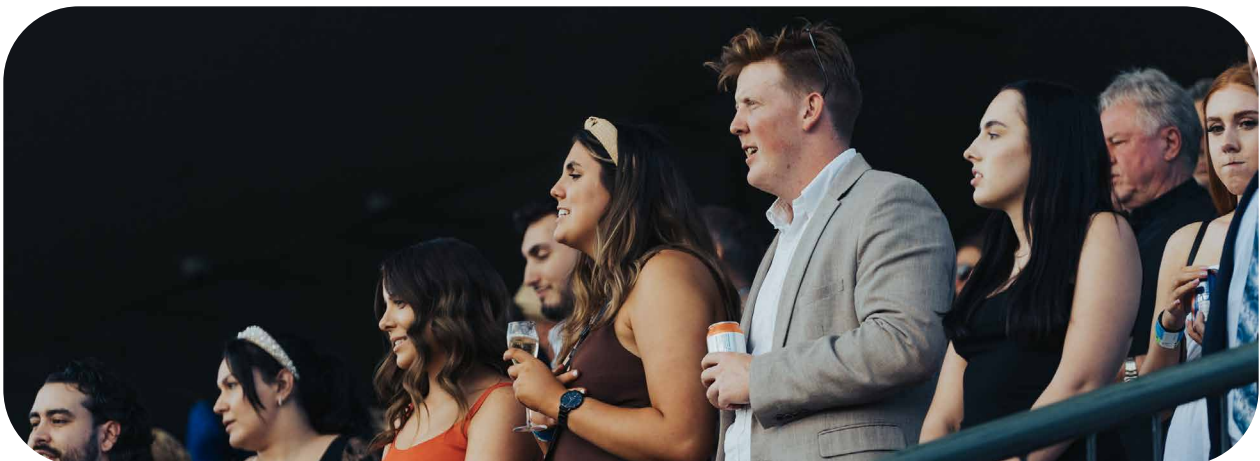
Canberra Carnival

The third running of the Canberra Racing Carnival featured one of the greatest John McGrath Auto Group Black Opal Stakes Race Day atmospheres in recent memory. This was followed by the fantastic family day, TAB Canberra Cup Day a day later. The two-day carnival held on the Canberra Day long weekend saw \$1.13m in prizemoney dispersed back into the industry.

Seven out of the 17 races across the Carnival were won by Canberra-based Trainers, once again exemplifying the quality of Canberra racing. A number of strong City stables were well represented with winners coming from Gai Waterhouse & Adrian Bott, Ciaran Maher & David Eustace and the Freedman Brothers.

John McGrath Auto Group Black Opal Stakes Day

Race	Prize Money	Winner	Trainer	Jockey
PFD Food Services Handicap	\$30,000	Devine Miss	Norm Gardner	Kayla Nisbet
Seppelt Plate	\$30,000	Great Mystery	Clarry Conners	William Pike
Canprint Communications Handicap	\$30,000	Gusonic	Donna Scott	Tim Clark
LandHQ Handicap	\$30,000	Cavalier Charles	Matthew Dale	Nick Heywood
TAB Federal Riharna Thomson Memorial Handicap	\$40,000	All Astern	Nick Olive	William Pike
Affinity Constructions Australia Quality Open Sprint	\$80,000	Duchess	Richard & Michael Freedman	Tim Clark
Seeers Workwear National Sprint	\$130,000	Irish Songs	Kurt Goldman	Tommy Berry
John McGrath Auto Group Black Opal Stakes	\$200,000	Queen of the Ball	Richard & Michael Freedman	Rachel King
Mane Lodge Handicap	\$30,000	Manderboss (NZ)	Barbara Joseph, Paul & Matt Jones	William Pike



Patrons having a great time during the 2022 Canberra Carnival.

TAB Canberra Cup

Race	Prize Money	Winner	Trainer	Jockey
TurfCare Australia Handicap	\$30,000	Onya Lionel	Gratz Vella	Tommy Berry
NCG Services Handicap	\$30,000	Fangela	Keith Dryden	Molly Bourke
Senpos Handicap	\$30,000	Adamas Prince	Edward Cummings	Joshua Parr
TAB Lickety Split	\$30,000	I Am Me	Ciaron Maher & David Eustace	Tommy Berry
OPC IT Handicap	\$50,000	Fourmadec	Matthew Dale	Tommy Berry
Iron Jack Canberra Guineas	\$130,000	Flying Crazy	Gerald Ryan & Sterling Alexiou	Keegan Latham
TAB Canberra Cup	\$200,000	Sacramento	Gai Waterhouse & Adrian Bott	Tim Clark
Longpark Meat Co Handicap	\$30,000	Clyde	Gary Portelli	Shaun Guymer





Cavalier Charles for Matthew Dale storms home out wide to win on John McGrath Auto Black Opal Stakes Day in 2022.

TRAINER OF THE YEAR

Winner: Matthew Dale

Striking at almost 30% on his home track in 2021/2022 including a double over the Canberra Racing Carnival, Matthew Dale had a season to remember. Matt claimed the inaugural Barbara Joseph medal for the most successful Trainer at the Canberra Racing Carnival, which contributed to winning his second New Zealand Bloodstock Canberra Trainers Premiership.

Matt had 17 winners at Thoroughbred Park in 2021/2022.



Matthew Dale with Barbara Joseph after winning the medal named in her honour for most successful Trainer at the 2022 Carnivale.

JOCKEY OF THE YEAR

Winner: Kayla Nisbet

A two-time winner of the Canberra Apprentice Jockey of the Year, Kayla Nisbet has a long affiliation with Canberra Racing having even lived on-course for a number of years. Across 2021/2022 Kayla rode 13 and a half winners and 20 minor placings and was so confident she had wrapped up the Senior Jockeys award in June she left Australia's shores for an extended holiday in Europe.

Her confidence was justified and after the final race meeting of the season, Kayla was crowned the first ever female to win the New Zealand Bloodstock Canberra Jockeys Premiership.

APPRENTICE JOCKEY OF THE YEAR

Winner: Damon Budler

Striking at over 20% in 2021/2022, Damon Budler's victory in the New Zealand Bloodstock Apprentice Jockey Premiership is made all the more impressive given a month injury lay off during the season.

The locally based Damon rode 12 winners at Thoroughbred Park. Please welcome Damon to the stage.

HORSE OF THE YEAR

Winner: Easy Rosie

The Anthony Warren-trained Easy Rosie thrived at Thoroughbred Park in 2021/2022. A filly by Super Easy, Easy Rosie had four starts in Canberra for three wins including a TAB Federal and one third.

The now four-year-old looks to have a stack of ability and we look forward to watching her career as it progresses.



Plenty of family entertainment on the TAB Canberra Cup Day Monday 14 March 2022.



Childrens Fashions on the Field was popular on TAB Canberra Cup Day Monday 14 March 2022.



COMMUNITY SUPPORT

Ginninderra Cricket Club

North Canberra Bears RLFC

Pegasus Riding for the Disabled

West Belconnen Warriors

The Mark Hughes Foundation

The Brain Cancer Foundation

The Terry Campese Foundation

AFP Legacy

Women In Racing

ACT Sports Turf Managers Association

Ricky Stuart Foundation

Josh's Legacy

Rotary Club

Thoroughbred Sport Horse Association

MAJOR SPONSORS



Sacramento trained by Gai Waterhouse & Adrian Bott won the \$200,000 TAB Canberra Cup (2000m) on Monday 14 March 2022



Queen of the Ball trained by Richard & Michael Freedman won the \$200,000 Group 3 John McGrath Auto Group Black Opal Stakes (1200m) on Sunday 13 March 2022



Flying Crazy trained by Gerald Ryan and Sterling Alexiou won the \$130,000 Iron Jack Canberra Guineas on Monday 14 March 2022

SPONSORS





**REPORT OF THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2022**

The Committee present their report, together with the financial statements of the Canberra Racing Club Incorporated (the Club) for the year ended 30 June 2022.

Committee Members

The following persons were Committee members of the Club during the whole of the financial year and up the date of this report, unless otherwise stated:

	Meetings attended during the year	Meetings eligible to attend during the year
Tim Olive (Chairman from 27 October 2020)	12	12
Les Boag (Vice Chairman from 27 October 2020)	12	12
Duncan Edghill (Treasurer from 27 October 2020)	12	12
Lauren Bywaters (leave of absence to 27 August 2021, resigned 6 May 2022)	8	8
Dan Carton (resigned 1 May 2022)	10	10
Liz Clarke	12	12
Keith Dryden (Committee to 12 October 2021)	4	4
Dan Gaul (resigned 30 August 2021)	2	2
Stephen Heppenstall (Committee to 12 October 2021)	4	4
Ian Mackay	10	12
Norm Gardner (Elected 12 October 2021)	8	8
Ben McAlister (Elected 12 October 2021)	8	8
Nikki Pulford (Elected 12 October 2021)	8	8

Principal Activities

The principal activity of the Club during the year was to promote the development of thoroughbred horse racing within the Australian Capital Territory.

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

Results

The deficit for the year before depreciation of the Racing Development Fund (RDF) funded assets was \$327,940 (2021: surplus of \$6,777). The deficit of the Club for the year after depreciation of RDF funded assets was \$853,710 (2021: deficit of \$712,262).

Signed in accordance with a resolution of the Committee



T Olive
Chairman



D Edghill
Treasurer

5 October 2022

Canberra

CANBERRA RACING CLUB INCORPORATED
ABN: 21 423 896 409

**STATEMENT OF PROFIT OR LOSS AND INCOME AND OTHER COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Revenue			
Revenue	2	13,056,895	13,279,081
Gain on sale of non-current assets		-	5,795
Total revenue		<u>13,056,895</u>	<u>13,284,876</u>
Expenses			
Depreciation		830,399	574,088
Financial and legal expenses		42,030	42,546
Insurance		304,610	334,699
Other administration expenses		780,196	767,587
Racing expenditure	4	7,579,790	7,722,720
Track and ground expenditure		1,684,575	1,580,030
Land development investigation		239,234	530,250
Employee leave expenses		100,164	50,723
Wage and salaries		1,823,837	1,675,456
Total expenditure before depreciation of RDF funded assets		<u>13,384,835</u>	<u>13,278,099</u>
Surplus/(deficit) before costs related to RDF funded assets		(327,940)	6,777
Depreciation of RDF funded assets	13	(525,770)	(719,039)
Net surplus/(deficit) before income tax expense		(853,710)	(712,262)
Income tax expense		-	-
Net surplus/(deficit)		<u>(853,710)</u>	<u>(712,262)</u>
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Fair value gain/(loss) on investment in Racing Australia		(2,642)	31,428
Total comprehensive income for the year		<u><u>(856,352)</u></u>	<u><u>(680,834)</u></u>

The accompanying notes form part of these financial statements.

CANBERRA RACING CLUB INCORPORATED
ABN: 21 423 896 409

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	1,489,175	1,407,920
Other financial assets	6	2,003,205	2,004,666
Trade and other receivables	7	481,080	380,949
Prepayments	8	36,392	134,758
Inventories		131,224	55,192
TOTAL CURRENT ASSETS		<u>4,141,076</u>	<u>3,983,485</u>
NON-CURRENT ASSETS			
Prepayments	8	133,361	135,073
Property, plant and equipment	9	5,220,890	5,827,358
Investment in Racing Australia		360,907	363,549
TOTAL NON-CURRENT ASSETS		<u>5,715,158</u>	<u>6,325,980</u>
TOTAL ASSETS		<u><u>9,856,234</u></u>	<u><u>10,309,465</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	1,531,998	1,184,778
Unearned revenue	10	46,447	61,543
Provisions	11	460,578	389,751
TOTAL CURRENT LIABILITIES		<u>2,039,023</u>	<u>1,636,072</u>
NON-CURRENT LIABILITIES			
Stable lease in advance		588,838	595,685
Provisions	11	7,017	-
TOTAL NON-CURRENT LIABILITIES		<u>595,855</u>	<u>595,685</u>
TOTAL LIABILITIES		<u>2,634,878</u>	<u>2,231,757</u>
NET ASSETS		<u><u>7,221,356</u></u>	<u><u>8,077,708</u></u>
EQUITY			
Reserves		232,554	235,196
Accumulated surplus		6,988,802	7,842,512
TOTAL EQUITY		<u><u>7,221,356</u></u>	<u><u>8,077,708</u></u>

The accompanying notes form part of these financial statements.

CANBERRA RACING CLUB INCORPORATED
ABN: 21 423 896 409

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

2022

	Accumulated Surplus	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at the beginning of the year	7,842,512	235,196	8,077,708
Net surplus/(deficit)	(853,710)	-	(853,710)
Asset revaluation reserve	-	(2,642)	(2,642)
Balance at the end of the year	<u>6,988,802</u>	<u>232,554</u>	<u>7,221,356</u>

2021

	Accumulated Surplus	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at the beginning of the year	8,554,774	203,768	8,758,542
Net surplus/(deficit)	(712,262)	-	(712,262)
Asset revaluation reserve	-	31,428	31,428
Balance at the end of the year	<u>7,842,512</u>	<u>235,196</u>	<u>8,077,708</u>

The accompanying notes form part of these financial statements.

CANBERRA RACING CLUB INCORPORATED
ABN: 21 423 896 409

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and others		13,320,433	13,758,186
Interest received		13,288	21,838
Prize money, trophies and subsidies		(5,907,063)	(6,139,472)
Other payments		<u>(6,597,166)</u>	<u>(6,590,717)</u>
Net cash from operating activities		<u>829,492</u>	<u>1,049,835</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds/(Payments for) from term deposits		1,461	(1,524,311)
Proceeds from sale of property, plant and equipment		-	5,795
Payments for property plan and equipment		<u>(749,701)</u>	<u>(736,774)</u>
Net cash used in investing activities		<u>(748,240)</u>	<u>(2,255,290)</u>
Net increase in cash and cash equivalents		81,252	(1,205,455)
Cash and cash equivalents at the beginning of the financial year		<u>1,407,923</u>	<u>2,613,378</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>1,489,175</u></u>	<u><u>1,407,923</u></u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Canberra Racing Club Incorporated (the Club) is an association incorporated in the Australian Capital Territory and operating pursuant to the *Associations Incorporations Act (ACT) 1991*. The financial statements cover the Club as an individual entity.

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards Simplified Disclosures issued by the Australian Accounting Standards Board and the *Associations Incorporations Act (ACT) 1991*.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

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

The consolidated entity has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Revenue

Grants income

Grant revenue is recognised in profit or loss when the incorporated association satisfies the performance obligations stated within the funding agreements.

If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest income

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

Other revenue

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

Income tax

The association is exempt from income tax under the relevant provisions of the *Income Tax Assessment Act 1997*.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

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

Cash and cash equivalents

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

Trade and other receivables

Trade receivables and other debtors include amounts due from clients for services provided in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

Property, plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Class of Asset	Depreciation Rates
Buildings/ course improvements on leasehold land	1% to 33%
Plant, fixtures and fittings	5% to 33%

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 Club. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and other payables

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

Employee benefits

Short-term employee benefits

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Other long-term employee benefits

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

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

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

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

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

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform to the changes in presentation for the current financial year. Where the association has retrospectively applied an accounting policy, makes a retrospective restatement of reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgments

The committee evaluates estimates and judgements incorporated into the financial report 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 organisation.

Critical accounting judgments, estimates and assumptions

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

Estimation of useful lives of assets

The incorporated association 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.

Employee benefits provision

As discussed in note 1, 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 2: REVENUE

	Note	2022 \$	2021 \$
ACT Government distribution		6,693,875	6,611,584
Admissions		70,280	27,884
Net catering income	3	250,182	183,584
Membership subscription		69,024	62,521
Nomination and acceptance fees		184,790	219,390
Other income		982,695	1,037,791
Interest income		13,288	21,838
Race fields revenue		4,200,997	4,560,494
Net sponsorship revenue		591,764	523,995
Dividend income		-	30,000
		<u>13,056,895</u>	<u>13,279,081</u>

NOTE 3: CATERING INCOME

Included in the net catering income disclosed in note 2 are the following specific items of revenue and expenditure:

	2022 \$	2021 \$
Bar sales	741,934	493,360
Food sales	428,889	424,523
Venue and equipment hire	184,821	168,658
Cost of goods sold - bar	(214,590)	(211,958)
Cost of goods sold - food	(180,402)	(153,426)
Other bar and food expenses	(710,470)	(537,573)
	<u>250,182</u>	<u>183,584</u>

NOTE 4: RACING EXPENDITURE

	2022 \$	2021 \$
Advertising and promotional expenditure	203,871	96,578
Jockey's insurance	477,252	492,933
Principal club expenses	52,864	42,174
Prize money, trophies and subsidies	5,907,063	6,139,472
Race meeting expenses	938,740	951,563
	<u>7,579,790</u>	<u>7,722,720</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

NOTE 5: CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
Cash on hand and in bank	<u>1,489,175</u>	<u>1,407,920</u>

NOTE 6: OTHER FINANCIAL ASSETS

	2022 \$	2021 \$
Term deposits	<u>2,003,205</u>	<u>2,004,666</u>

NOTE 7: TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
Trade debtors	487,213	387,082
less Provision for doubtful debts	<u>(6,133)</u>	<u>(6,133)</u>
	<u>481,080</u>	<u>380,949</u>

NOTE 8: PREPAYMENTS

	2022 \$	2021 \$
<i>Current</i>		
Land rent payout	1,712	1,712
Prepayments	<u>34,680</u>	<u>133,046</u>
	<u>36,392</u>	<u>134,758</u>
<i>Non-current</i>		
Land rent payout	<u>133,361</u>	<u>135,073</u>

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2022 \$	2021 \$
Buildings/course improvements on leasehold land - at cost	15,516,183	14,863,094
less Accumulated depreciation	<u>(10,685,506)</u>	<u>(9,540,192)</u>
	<u>4,830,677</u>	<u>5,322,902</u>
Plant, fixture and fittings - at costs	1,280,520	1,183,908
less Accumulated depreciation	<u>(890,307)</u>	<u>(679,452)</u>
	<u>390,213</u>	<u>504,456</u>
	<u>5,220,890</u>	<u>5,827,358</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Building/course \$	Plant, fixtures and fittings - at cost \$	Total \$
Balance at the beginning of the year	5,322,902	504,456	5,827,358
Additions	653,089	96,612	749,701
Depreciation expense	(1,145,314)	(210,855)	(1,356,169)
Balance at end of the year	4,830,677	390,213	5,220,890

NOTE 10: TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
Trade and other payables	1,531,946	1,139,890
Income in advance	46,447	61,543
Other payables - Harness Racing	52	44,888
	1,578,445	1,246,321

NOTE 11: PROVISIONS

	2022 \$	2021 \$
<i>Current</i>		
Provision for annual leave	234,353	204,638
Provision for long service leave	226,225	185,113
	460,578	389,751
<i>Non-current</i>		
Provision for long service leave	7,017	-

NOTE 12: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Committee members of the Club.

The total of remuneration paid (including annual and long service leave paid) to the key management personnel of Canberra Racing Club Incorporated during the year are as follows:

	2022 \$	2021 \$
Total key management personnel compensation	587,941	507,241

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 13: AUDITORS RENUMERATION

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners

	2022	2021
	\$	\$
Audit of financial statements	22,800	21,200
Other services	2,500	2,300
	<u>25,300</u>	<u>23,500</u>

NOTE 14: RDF FUNDED ASSETS

Depreciation of RDF funded assets and interest on borrowings to cover RDF funded assets relate to the assets acquired from the funding received from the Racing Development Fund (RDF) for the development of the track and facilities before the RDF was abolished. The assets are depreciated at 5% per annum.

NOTE 15: CONTINGENT LIABILITIES

The Club has potential contingent liabilities at 30 June 2022 in relation to the following:

- An incident in 2017 when a track worker rider was involved in an accident during the course of work resulting in severe injuries and subsequent death. The Club has received a notice of civil claim from solicitors acting for family members of the deceased rider. The Club has paid the excess expense on this public liability insurance in this financial year. Based on the facts and circumstances known to the Club at the time of this report there is no evidence to suggest that a claim may be successful.

The Club had no contingent liabilities as at 30 June 2022.

NOTE 16: COMMITMENTS

The club had no commitments for expenditure as at 30 June 2022.

NOTE 17: RELATED PARTY DISCLOSURES

Key management personnel and other related parties transact with the Club from time to time on normal terms and conditions that are no more favourable than those available to others. The types of transactions involved include gaming and the purchase of food, beverages, and membership. The transactions are settled at the time of the transaction, and no amounts are owing to the Club at year end in respect of these transactions. The total value of these transactions is low and is considered by the Club to be immaterial.

Other than the transactions disclosed above, and compensation of key management personnel, which is separately disclosed in these statements, there were no other related party transactions during the financial year.

NOTE 18: EVENTS AFTER THE REPORTING PERIOD

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the Club's operations, the results of those operations, or the Club's state of affairs in future financial years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

NOTE 19: ECONOMIC INDEPENDENCE

The Club receives significant funding from the Australian Capital Territory. The memorandum of Understanding formalising this arrangement commenced on 1 July 2017 and ceased on 30 June 2022. The Club has signed a further 5-year memorandum of understanding with the ACT Government commencing on 1 July 2022.

NOTE 20: STATUTORY DETAILS

The Club is incorporated under the Associations Incorporation Act 1991 (ACT), and operates within the Australian Capital Territory promoting the development of thoroughbred horse racing. The Club is domiciled in Australia and its principal place of business is located at Randwick Road, Lyneham, ACT

RSM Australia Pty Ltd

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INDEPENDENT AUDITOR'S REPORT To the Members of Canberra Racing Club Incorporated

Opinion

We have audited the financial report of Canberra Racing Club Incorporated, which comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of Canberra Racing Club Incorporated as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards – *Simplified Disclosures under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Associations Incorporation Act (ACT) 1991*.

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 Canberra Racing Club Incorporated in accordance with 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 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. The other information comprises the information included in Canberra Racing Club Incorporated's annual report for the year ended 30 June 2022, but does not include the financial report and the auditor's report thereon.

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.

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RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – *Simplified Disclosures under AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*, and the *Associations Incorporation Act (ACT) 1991* and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing Canberra Racing Club Incorporated'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 management either intends to liquidate Canberra Racing Club Incorporated or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards – Simplified Disclosures will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'RSM'.

RSM Australia Pty Ltd

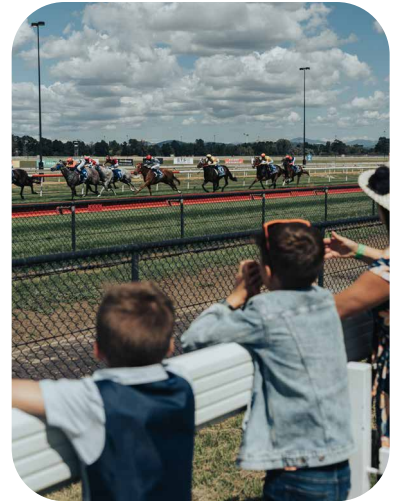
A handwritten signature in black ink that reads 'GED Stenhouse'.

GED STENHOUSE
Director

Canberra, Australian Capital Territory
Dated: 5 October 2022

Thoroughbred Park

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