



2021 ANNUAL REPORT



DARWIN RACING

DARWIN TURF CLUB INCORPORATED

As at 31 December 2021

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Patron

Her Honour the Honourable Vicki O'Halloran AM

Board

Chairman:	Richard O'Sullivan
Vice Chairman:	Jodie Waters
Deputy Vice Chairman:	Allen Fanning
Board:	Daniel Banks, Dale Bicheno, Barry Coulter AO, Annette Davis, Louise de Bomford - Scott, Donna Murray and Brooke Prince

Management

Chief Executive Officer:	Brad Morgan
Chief Financial Officer:	Grant Dewsbury
General Manager Marketing & Media:	Jamie Chadwick
General Manager Hospitality:	Abhay Misra
Operations, Racing & Facilities Manager:	Cameron Riches
TAB Manager:	Carolyn Bulmer
Commentator:	Craig Sant

Life Members

E. J. Bailey AM, C. Bayley*, C. Burkitt, E.V. Brown*, N. L. Buntine*, P. Cattermole AM, Lt Col W. T. Cawley*,
B. J. Coulter AO, E.F.S. D'Ámbrosio CM. M.B.E*, L. Dean*, P. Delaney*, A. Ford*, E. C. Izod*, G. Kafcaloudes*,
L. Lane, Dr. P. V. Mornane, J. T. McNally*, S. T. Parker AOM*, M. Stumbles, R. Weston*

**Denotes deceased Life Member*

Honorary Members

P. Lator, J. O'Neil*, J. Russell

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NOTICE OF MEETING

*Members are advised that the Annual General Meeting of the Darwin Turf Club
Incorporated shall be held at 6:00pm on Monday, 23 May 2022*

DARWIN TURF CLUB BOARD



Richard O'Sullivan
CHAIRPERSON
MEMBER OF LEGAL
COMMITTEE



Jodie Waters
VICE CHAIRPERSON



Allen Fanning
DEPUTY VICE
CHAIRPERSON



Daniel Banks
BOARD MEMBER
MEMBER OF LEGAL
COMMITTEE
MEMBER OF
AUDIT, RISK AND
COMPLIANCE
COMMITTEE



Dale Bicheno
BOARD MEMBER



Barry Coulter AO
BOARD MEMBER
MEMBER OF LEGAL
COMMITTEE



Annette Davis
BOARD MEMBER



*Louise de Bomford
- Scott*
BOARD MEMBER
MEMBER OF
AUDIT, RISK AND
COMPLIANCE
COMMITTEE



Donna Murray
BOARD MEMBER
MEMBER OF LEGAL
COMMITTEE



Brooke Prince
BOARD MEMBER
MEMBER OF
AUDIT, RISK AND
COMPLIANCE
COMMITTEE



Brad Morgan
CHIEF EXECUTIVE
OFFICER

Board Meeting Attendance for 2021

Dale Bicheno – 16, Richard O’Sullivan – 12, Daniel Banks – 7, Barry Coulter AO – 7, Annette Davis – 7, Allen Fanning – 7, Donna Murray – 7, Brooke Prince 7, Jodie Waters – 7, Louise de Bomford Scott – 5



MESSAGE FROM THE CHAIRPERSON

Richard O’Sullivan

I would like to begin my Report by thanking and congratulating staff and management teams of the Darwin Turf Club and Silks for their dedicated service for the past year. Not only have they had to deal with Covid disruptions but also the distraction of ICAC and subsequent fallout. While staff and management operated under these difficult circumstances, they delivered a successful Cup Carnival over 2021 and their efforts are heralding a bumper 2022 Carnival.

I would also like to pay tribute to the trainers, jockeys, stable hands, stewards, owners and sponsors who have all contributed enormously to keeping Darwin racing going over this turbulent Covid and ICAC impacted period. In 2021 Fannie bay hosted the full programme of 38 race days, a great achievement under the circumstances.

It is pleasing to report that the effort and drive from staff and management, combined with the availability of new grandstand infrastructure, offering capacity of 1,000 in corporate and patron capacity, is netting record forward ticket sales for the Carnival events.

In terms of infrastructure, the Club with assistance from Thoroughbred Racing NT, has completed new mounting yard facilities to comply with OH&S safety standards. The Club has also committed over \$1 million to stable maintenance to improve safety and conditions. These works at Stable Street will encompass new blockwork, metal fabrication and electrical works and will commence in the second half of the year following full scoping and tender process.

The Club, while an Incorporated Association, is also a significant business with an annual turnover in excess of \$25 million. This includes Silks. Both the DTC and the Alice Springs turf Club will not be able to draw revenue from Silks until the bank loan is fully repaid, expected to be in approximately 4 years.

In the meantime the Government is putting the Club and NT racing in a perilous financial position with its attempts of “claw back” of \$12 million. This is an action which is completely unjustified as the grant was

approved by Cabinet, the grandstand was built and monies granted were audited and fully acquitted. It remains an infrastructure asset to the Club, wider NT racing and greatly benefits the tourism and hospitality industries.

The new Board was elected by Members in August 2021. It faced challenging times. Its operation at the outset was shadowed by the ICAC Report, Government demand that previous board members stand down and Government demand that the \$12 million grandstand grant be repaid.

In terms of governance, the Board has:

- Made a determination that no Board member will provide goods or services for remuneration at or for the Club
- Established a Disclosure of Interest Register
- Required all Members to sign a “non disclosure” agreement over Board confidentiality
- Required Members to have a criminal history check
- Established new Legal and Audit, Risk & Compliance committees with Board approved Terms of Reference & requirement for meeting minuting
- Agreed to and been subject to a Government requested “Governance Audit” completed by RSM Australia
- Engaged Geoff Wohlsen to facilitate preparation of a Strategic Plan

While establishing these governance measures and overseeing Club performance, there were other key challenges being addressed, namely:

- ICAC finding against the Club of “unsatisfactory conduct”
- Government \$12 million clawback of grandstand grant.
- EPA demands following failure to audit groundwater quality/contamination as required to monitor impact of track oil



- Lodgement before the Courts of a substantial claim by the former CEO, Keith Stacy, for alleged monies owing

It is recognized that the Board composition would benefit from the addition of professional skill sets and management/business experience. Indeed the Governance Audit conducted by RSM identified that the Board was progressing and adopting appropriate governance measures, however a shortfall was its depth of Board level skill sets. This needs addressing, whether through nomination and voting for new Board Members or through Casual Vacancy selection.

The heralding in of an entirely new Board, as occurred, does present challenges of corporate knowledge and issues background. Thankfully the DTC management has been able to guide the Board through this inauguration period. On that note I would like to recognize the enormous contribution Brad Morgan as CEO has made to the Club, including the masterful establishment of Silks. His steady and guiding hand has

enabled the successful navigation through Covid and other issues befalling the Club.

Unfortunately, dealing with fallout issues from ICAC, the Government stance on \$12 million clawback, guiding in a new Board, Covid, and other issues outlined above, have all taken their toll, leading to Brad's recent decision to pursue other opportunities. We wish Brad all the best in his future endeavours. Fortunately the Club CFO, Grant Dewsbury, has an impressive corporate record and will replace Brad sometime after the May 2022 AGM. Subject to a 6 month performance review, Grant is expected to be ongoing CEO.

Finally, can I acknowledge the quality facilities on offer at the Club and to its members which were built up over a period of time by the past and former Boards.

Richard O'Sullivan
CHAIRPERSON - DARWIN TURF CLUB

CHIEF EXECUTIVE'S REPORT

Brad Morgan

Introduction

The reporting period of January to December 2021 was manifestly influenced by the handing down of the ICAC Report – By the Length of the Straight in June 2021. The consequence of this reports findings and the NT Governments subsequent reactions would be now well known by the members of Darwin Turf Club.

Consequences including the resignation of the majority of the Board, Special General Meetings, Elections, Governance Audits, reputational damage, etc meant the focus on the strategic management of the club throughout the year was diminished. Despite these challenges coupled with a national pandemic, The Darwin Turf Club (DTC) continually produced high quality race days and events including a sold out Gala Ball on the grounds of Darwin Turf Club and a Racing Carnival during 2021 that some pundits have called the best in their recollection.

The cost of defending the findings of the report was also an impediment to the financial position of the Club during the reporting period and at the time of writing this report a Judicial Review is still continuing.

Despite this controversy dominating the year, 2021 produced many highlights. The Grandstand itself hosted numerous social events and has been a fantastic addition to the corporate facilities of DTC attracting a new audience to race days. This facility was at its capacity during the Cup Carnival, primarily with interstate visitors who took advantage of the state of the art facility. Feedback from these visitors was exceptionally positive which has been vindicated by the number of early bookings for the 2022 Carnival.

The Licensed Club Silks Darwin which opened in June 2020 continued its successful operations during the 2021 year. Financial membership peaked at approx. 17,000 as at 31st December 2021 which is an amazing testimony as to how Darwin has responded to this fantastic facility.

“

The staff of Silks are to be congratulated on its success which was highlighted by Silks dominating at the Hospitality NT Awards winning three major awards including the Best Large Club in the NT and Best Gaming Room in the NT.

”

The construction of “The Paddock” area during 2021 was another welcome addition to the facilities of DTC, it was first used during the 2021 Cup Carnival as an upmarket General Admission area with very good patronage. This facility will also be a saleable function space during the dry season for events such as festivals, wine dinners, weddings, etc.

Like many hospitality venues and Racing Clubs throughout the NT and Australia, DTC was impacted by staff shortages during 2021 brought on by the lack of international travellers looking for casual employment. It was difficult at times to provide a reasonable level of service due to this issue and in fact we were forced to close some outlets due to a shortage of skilled staff.

Sponsorship levels during 2021 were maintained and pleasingly despite some harsh economic conditions several of our major sponsors increased their financial commitment. We continue to focus on this key provider of income and the introduction of a dedicated sponsorship manager to ensure our corporate partners are receiving value for their sponsorship dollar has been vital.



Our community partners program was expanded during 2021 to now include Wanderers Football Club, Banks Football and Netball Clubs, Darwin Cricket Club and Nightcliff Rugby League. This program is valued highly by DTC and is a strong indication of DTC and Silks commitment to being a contributor to the Darwin community.

Annual Financial Statements

While the Clubs Chief Financial Officer will deliver a more detailed report on the trading results for the 2021 financial year, the following table is a summary of some key points. There were some abnormal expenses during the year which had an impact on the profitability of the business.

- Total Revenue up 41% to \$25.1m including 12 months operating revenue at Silks
- Total Expenses up 52% to \$25.5m
- Operating Deficit of \$0.4m compared with Operating surplus of \$1.0m in 2020
- Cash balance \$2.1m down \$0.5m
- Net Borrowings down \$1.7m including \$1.0m offset facility
- Covid-19 relief down \$495k
- Legal and consulting fees up \$340k or 190%
- Depreciation up \$750k or 45%

In the opinion of the Clubs Executive, the Darwin Turf Club is not a reporting entity and the financial statements that are included in this report are a special purpose report for distribution to its members and to fulfil the requirements of the Northern Territory Associations Act.

Principal Corporate Partners

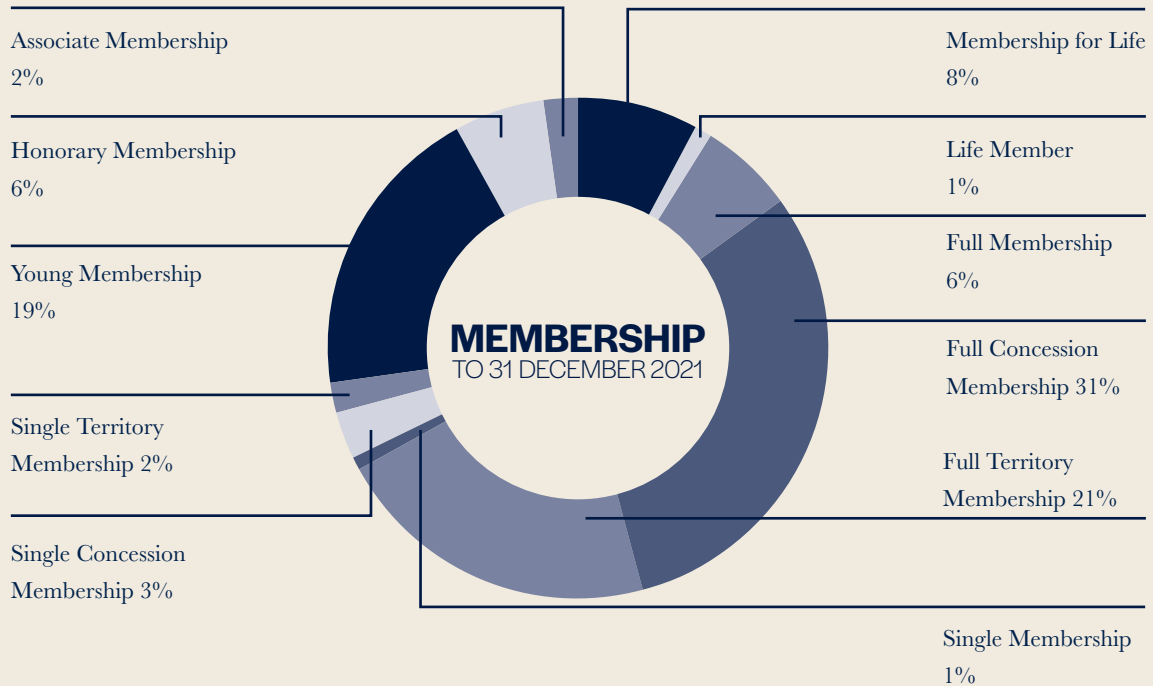
I would personally like to thank all the sponsors of DTC for their support during the year and in particular our Principal Corporate Partner, Carlton and United Breweries who in 2021 celebrated 45 years of partnering the Darwin Turf Club and 25 years of being naming rights sponsors of the Darwin Cup.

In closing this report, you are probably aware I have recently resigned from my position of CEO of Darwin Turf Club, I would take this opportunity to thank past and present Board Members for their support during my tenure and acknowledge the turbulent times that Board and Management have had to endure during the last several years. I would also like to thank my Management team for their hard work and commitment to the Club in the face of some very trying times.

Brad Morgan
CHIEF EXECUTIVE OFFICER

DARWIN TURF CLUB

2021 at a glance



TOTAL RETURN TO PARTICIPANTS 2021

\$5,951,234

654

DARWIN TURF
CLUB MEMBERS

NUMBER OF
RACES RUN
2021

222

10.34%
INCREASE IN FACEBOOK
LIKES IN 2021

20
NUMBER OF
LOCAL LICENSED
TRAINERS

RACING FACTS 2021

RACING FACTS	2021	2020	2019	2018
Runners	1,683	1459	1734	1871
Races	222	170	212	216
Meetings	38	33	37	36
Average runners per race	7.58	8.58	8.18	8.66
Stakes	\$5,090,241	\$4,045,109	\$4,900,000	\$4,993,500
Licensed Jockeys	9	8	12	14
Licensed Apprentices	1	1	0	0
Licensed Trainers	20	17	20	19

RETURN TO PARTICIPANTS	2021	2020	2019	2018
Prize Money	\$5,090,241	\$4,045,109	\$4,900,000	\$4,865,000
Unplaced Runners	\$584,850	\$536,750	\$663,900	\$691,800
Unplaced Jockeys Fees	\$276,143	\$228,020	\$286,366	\$326,972
TOTAL	\$5,951,234	\$4,831,694	\$5,850,266	\$5,883,772

2021 TOP END RACING AWARDS

The Top End Racing Horse of the Year Awards were held on Friday, 24 September 2021 in the New Public Grandstand at the Darwin Turf Club. We acknowledge all recipients listed below and congratulate them on a successful 2021 racing season.

Leading Trainer:	Gary Clarke	Women In Racing NT Leading Jockey/Apprentice of the Year (Alice Springs):	Loelle Crow
Leading Jockey:	Jarrod Todd	Women In Racing NT Leading Trainer (Alice Springs):	Lisa Whittle
Leading Apprentice:	Alice Lindsay	Women In Racing NT Jockey/Apprentice of the Year (Darwin):	Alice Lindsay
Leading Carnival Trainer:	Gary Clarke	Women In Racing NT Trainer of the Year (Darwin):	Tayarn Halter
Leading Carnival Jockey:	Jarrod Todd		
Bernborough Club NT Strapper of the Year:	Tanya Reichstein		
Character of Racing:	Jarrod Todd		
3yo of the Year:	Mayameen		
Sprinter of the Year:	Mayameen		
Middle Distance/Stayer:	I Am The Fox		
Out of Carnival Performer:	The Captain		
Horse of the Year:	Mayameen		

CARNIVAL STATISTICS

\$2,025,000

TOTAL PRIZE MONEY FOR 2021 CARNIVAL

517

NUMBER OF
STARTERS

18,553

ATTENDEES THROUGH THE GATES

\$200,000

THE GREAT NORTHERN
DARWIN CUP STAKES

	2021	2020*	2019	2018	2017
Nominations	739	444	805	749	909
Acceptances	573	361	609	569	631
Starters	517	346	542	517	569
Races	60	36	58	59	59
Fields Less than 8 Starters	17	3	14	20	11
Prize money	\$2,025,000	\$1,060,000	\$1,960,000	\$1,956,000	\$1,923,000
Attendance	18,553	11,298	34,453	35,159	36,864
Sponsorship	\$1,431,804	\$1,228,302	\$1,493,535	\$1,464,296	\$1,590,088
Bar Sales	\$1,054,925	\$679,392	\$1,157,539	\$1,256,965	\$1,187,876
On course TAB					
• Totalisator	\$934,765	\$473,302	\$1,586,489	\$1,749,413	\$1,793,124
• Fixed Price	\$620,633	\$387,865	\$996,736	\$908,222	\$901,127
TAB TOTAL	\$1,555,398	\$831,167	\$2,583,225	\$2,657,635	\$2,694,251

*2020 Carnival was reduced to four days due to Covid-19

TRACK RECORD HOLDERS

DISTANCE	TIME	HORSE	DATE
900 m	51:33	TERM	16/07/2003
1000 m	56:07	I'M TOO HOT	05/08/2019
1100 m	01:01:99	CAPTAIN PUNCH	11/06/2016
1200 m	01:07:42	JADE CITY	09/06/2007
1300 m	01:13:59	SHOUT OUT LOUD	26/06/2010
1500 m	01:29:05	HI TAIL	29/06/2002
1600 m	01:34:53	LIGHTINTHENITE	11/07/2015
1800 m	01:49:28	KINGSTON RESERVE	22/07/1995
1900 m	01:54:40	BRAVE DECISION	20/07/2002
2000 m	02:00:23	LIGHTINTHENITE	03/08/2015
2050 m	02:05:64	ITSAHYMN	03/08/2020



P A S T W I N N E R S

Great Northern Darwin Cup 2000m

Run over 2050m since 2020

1956	NT	SATAN'S SON	P McCracken
1957	NT	DAWN SHADOW	A Meredith
1958	NT	BRIGHT GUN	M Bray
1959	NT	WOOD	V Oldfield
1960	NT	WOOD	W Perks
1961	NT	WOOD	W Perks
1962	NT	WOOD	W Perks
1963	NT	HALF HOUR	R Snelling
1964	NT	SANDBOY	D Kelly
1965	QLD	DARING MAN	R Snelling
1966	NT	BONTEENA	R Caton
1967	NT	INCISIVE	M Hanna
1968	NT	THE YANK	A May
1969	NT	LITTLE RASCAL	C Brown
1970	NT	RAY WITT	N Mifflin
1971	NT	APIAN	A Meredith
1972	NT	SON OF CYRUS	J Morrison
1973	NT	HEPBURN	B Wakefield
1974	NT	CHATELL	C Brown
1975	NT	LORD TINY	M Hanna
1976	NT	LORD TINY	G Lane
1977	NT	FINAL HOPE	G Lane
1978	NT	VERNAL	A Trevena
1979	NT	CHOSEN	B Potter
1980	NT	NASTARSE	J Courtney
1981	NT	THURSO	C Brown
1982	NT	PLAIN MICK	D Balfour
1983	QLD	KERR STREET	K Ballard
1984	QLD	KERR STREET	D Kolpin
1985	NT	RARE METAL	R Lloyd
1986	NT	FLAUGH-A-BALLAGH	R Kemp
1987	NT	SCARVILA	R Lloyd
1988	NT	TEMPLEMAN	G Hall
1990	NT	LORD CHAMBERLAIN	N Paine

P A S T W I N N E R S

Great Northern Darwin Cup 2000m

Run over 2050m since 2020

1991	VIC	SILVER SHARK		T Arnold
1992	VIC	CLAM'S COMET		W Davis
1993	NT	INSTANT POLICY	2:01.40	D Beadman
1994	NT	LOTHAWAY COUNTY	2:02.74	S King
1995	NT	LOTHAWAY COUNTY	2:02.47	P Payne
		DEAD HEAT		
	NT	KINGSTON RESERVE	2:02.47	S Arnold
1996	NT	VENTILAGO	2:02.24	D Coffey
1997	NT	TUCKER BOX	2:03.58	K Dodge
1998	NT	BELLILE	2:01.70	C Williams
1999	NT	ON THE BEAM	2:04.18	P Denton
2000	NT	STAR BULLET	2:03.63	G Clarke
2001	ACT	MCJOEY	2:03.14	D Bates
2002	NT	BRAVE DECISION	2:02.10	N Paine
2003	NSW	WILD HEART	2:03.00	C Munce
2004	NT	MR TAMBOURINEMAN	2:02.26	J Hallam
2005	NT	LANSON	2:01.51	D Bates
2006	SA	NOZI	2:02.16	S Cahill
2007	SA	GENERAL MARKET	2:01.95	M Pegus
2008	NT	CLUB LIQUID	2:01.22	N Stanley
2009	NT	ACTIVATION	2:01:33	S Ridler
2010	NT	SHOUT OUT LOUD	2:01.79	R Fradd
2011	VIC	HAWKS BAY	2:02.49	S Arnold
2012	VIC	HAWKS BAY	2:02.71	S Arnold
2013		RACE NOT RUN		
2014	SA	PRETTY BLONDE	2:01.80	J Potter
2015	NT	LIGHTINTHENITE	2:00.23	H Bowman
2016	SA	CANNY BALLAD	2:01:49	R Vigar
2017	VIC	ROYAL REQUEST	2:01.90	J Todd
2018	NT	ZAHSPPEED	2:01.35	B Davis
2019	WA	ITSAHYMN	2:00.67	P Hall
2020	WA	ITSAHYMN	2:05.64	P Hall
2021	SA	HIGHLY DECORATED	2:03.89	J Philpot

P A S T W I N N E R S

bet365 Palmerston Sprint 1200m

2008	NT	JADE CITY	1:08.97	P Shiers
2009	NT	FAR HORIZONS	1:08.67	P Shiers
2010	NT	LUCID REFLECTION	1:08.00	K Gladwin
2011	VIC	SENSE OF SUN	1:10.04	P Denton
2012	VIC	YOUBOLT	1:10.06	J Beriman (A)
2013	VIC	ACTION AGAIN	1:10.10	A Nicholls
2014	NT	EIGHT BILLS	1:09.03	D Yendall
2015	NT	MOSS'N TIME	1:09.45	P Denton
2016	NT	HANDSOME TYCOON	1:08.51	P Denton
2017	NT	NICCOCO	1:09.42	R Vigar
2018	NT	CAPTAIN PUNCH	1:08.06	B Davis
2019	NT	CAPTAIN PUNCH	1:07.70	B Davis
2020	NT	ENIGMAN	1:09.38	P Shiers
2021	NT	MAYAMEEN	1:08.60	S Miller

P A S T W I N N E R S

Darwin Guineas 1600m

2008	SA	HE'S HERE	1:36.97	P Shiers
2009	VIC	HAWKS BAY	1:37:01	P Shiers
2010	NT	MAHAFFEY ROAD	1:35.75	R Oakford
2011	VIC	THE RUFFIAN	1:36.27	L Hopwood
2012	NT	SNITZEL'S CHOICE	1:35.37	V Arnott
2013	VIC	HOST OF THE PARTY	1:38:30	P Shiers
2014	NT	GRAVITATIONAL	1:37:86	P Shiers
2015	NT	MAVERICKS	1:35.96	C Spry
2016	NT	FINKE	1:34.81	B Davis
2017	VIC	KRUSTY	1:36.95	P Denton
2018	NT	BRUNSWICK STREET	1:36.14	P Shiers
2019	SA	POETS LANDING	1:36.23	P Shiers
2020	NT	AUTOCRATIC	1:16.06 *1300m	J Todd
2021	NT	TRIDENT	1:35.12	J Lyon

P A S T W I N N E R S

Ladbroke's NT Derby 2000m

Run over 2050m since 2021

2008	NT	PROTESTA	2:03.92	K Gladwin
2009	VIC	HAWKS BAY	2:02:80	P Shiers
2010	NT	MACCAS DREAM	2:04:66	C Haddon
2011	VIC	THE RUFFIAN	2:04.74	P Shiers
2012	NT	THE THIRD BASEMAN	2:06.38	K Gladwin
2013	VIC	HOST OF THE PARTY	2:04:90	P Shiers
2014	VIC	ROYAL REQUEST	2:04:09	J Todd
2015	NT	FLYING TORMENTA	2:03.67	RVigar(A)
2016	NT	FINKE	2:03.73	B Davis
2017	SA	BILLET DOUX	2:03.42	P Shiers
2018	SA	TURF MAN	2:01.94	J Maskiell
2019	SA	POETS LANDING	2:03.64	P Shiers
2020	NT	BUDGET KING	1:35:36 *1600m	P Shiers
2021	SA	SANBLAS	2:05.56	S Wiseman



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year end 31 December 2021

	Note	2021 \$	2020 \$
Revenue			
Racing Income		736,439	580,567
Gaming Operation Income		12,984,393	7,675,776
Product Fee Income		2,219,377	1,635,829
TRNT Operational Grants		1,530,229	2,232,642
Operating Income	4	3,835,168	2,100,733
Race meeting Income	5	1,843,291	1,547,802
Rental Income	6	1,172,492	1,085,704
Other Income	7	804,693	931,765
Total revenue		<u>25,126,082</u>	<u>17,790,818</u>
Expenses			
Operating Expenses	8	3,706,688	2,440,089
Race meeting Expenses	9	1,159,826	585,505
Administration Expenses	10	6,035,864	4,969,124
Racing Expenses		381,234	182,521
Gaming Operation Expenses		11,491,346	6,621,039
Depreciation and Impairment Expense		2,432,071	1,679,041
Other Expenses		358,358	320,065
Total expenses		<u>25,565,387</u>	<u>16,797,384</u>
Operating surplus/(deficit) before Capital Grants		(439,305)	993,434
TRNT Capital Grants		200,000	589,908
NTG Capital Grant - Multi-purpose Grandstand		<u>-</u>	<u>8,762,922</u>
Net Result for the Reporting Period for the year	18	(239,305)	10,346,264
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>(239,305)</u>	<u>10,346,264</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Note	2021 \$	2020 \$	Restated 2019 \$
Assets				
Current assets				
Cash and cash equivalents	11	2,054,330	2,526,761	12,405,513
Trade and other receivables	12	876,981	678,501	522,304
Inventories	13	215,083	212,224	76,747
Prepayments and Other		299,750	280,328	116,490
Total current assets		<u>3,446,144</u>	<u>3,697,814</u>	<u>13,121,054</u>
Non-current assets				
Investments in Silks Management Unit Trust		80	80	80
Property, plant and equipment	14	32,701,467	33,965,268	19,285,509
Intangibles		104,932	104,932	104,932
Loan to Silks Management Unit Trust		2,630	-	-
Prepayments and Other		5,385	5,385	5,385
Total non-current assets		<u>32,814,494</u>	<u>34,075,665</u>	<u>19,395,906</u>
Total assets		<u>36,260,638</u>	<u>37,773,479</u>	<u>32,516,960</u>
Liabilities				
Current liabilities				
Trade and other payables	15	2,004,378	1,558,621	3,242,043
Borrowings	16	1,661,485	1,232,255	83,895
Provisions	17	428,017	396,236	487,487
Unexpended NTG Grant - Multi-purpose Grandstand		-	-	8,733,946
Total current liabilities		<u>4,093,880</u>	<u>3,187,112</u>	<u>12,547,371</u>
Non-current liabilities				
Borrowings	16	6,026,623	8,166,901	3,900,061
Provisions	17	31,994	72,020	68,346
Total non-current liabilities		<u>6,058,617</u>	<u>8,238,921</u>	<u>3,968,407</u>
Total liabilities		<u>10,152,497</u>	<u>11,426,033</u>	<u>16,515,778</u>
Net assets		<u>26,108,141</u>	<u>26,347,446</u>	<u>16,001,182</u>
Accumulated Funds				
Retained surpluses	18	<u>26,108,141</u>	<u>26,347,446</u>	<u>16,001,182</u>
Total accumulated funds		<u>26,108,141</u>	<u>26,347,446</u>	<u>16,001,182</u>

Refer to note 3 for detailed information on Restatement of comparatives.

The above statement of financial position should be read in conjunction with the accompanying notes

S T A T E M E N T O F C A S H F L O W S

for the year end 31 December 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from Customers		23,595,795	15,370,789
Receipts from TRNT Funding		1,730,229	2,822,550
Payments to Suppliers and Employees		(22,627,466)	(16,857,790)
Interest received		58	29,529
Interest and other finance costs paid		(289,099)	(264,280)
Net cash from operating activities	19	<u>2,409,517</u>	<u>1,100,798</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(1,168,270)	(16,404,500)
Proceeds from disposal of property, plant and equipment		-	9,750
Net cash used in investing activities		<u>(1,168,270)</u>	<u>(16,394,750)</u>
Cash flows from financing activities			
Proceeds from borrowings		760,147	6,839,028
Repayment of borrowings		(2,471,195)	(1,423,828)
Loan to SMUT		(2,630)	-
Net cash from/(used in) financing activities		<u>(1,713,678)</u>	<u>5,415,200</u>
Net decrease in cash and cash equivalents		(472,431)	(9,878,752)
Cash and cash equivalents at the beginning of the financial year		<u>2,526,761</u>	<u>12,405,513</u>
Cash and cash equivalents at the end of the financial year	11	<u><u>2,054,330</u></u>	<u><u>2,526,761</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The 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

In the Management Committees' opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Northern Territory legislation the Associations Act 2003 and associated regulations. The Management Committee has determined that the accounting policies adopted are appropriate to meet the needs of the Management Committee of Darwin Turf Club Incorporated.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The Association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Grant income

When the Association receives government grants, donations and bequests that are in the scope of AASB 1058 (being a transaction where the consideration paid to acquire an asset is significantly less than fair value principally to enable the Association to further its objectives), it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 1. Significant accounting policies (continued)

In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

In all other cases (where the contract is not 'enforceable' or the performance obligations are not 'sufficiently specific'), the transaction is accounted for under AASB 1058 where the Association:

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- Considers whether any other financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard including:
 - contributions by owners (AASB 16)
 - a lease liability (AASB 16)
 - revenue, or a contract liability arising from a contract with a customer (AASB 15)
 - a financial instrument (AASB 9)
 - a provision (AASB 137)
- Recognises income immediately in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Membership Fees

Membership fees are recognised on a straight-line basis over the financial year to which they relate.

Interest

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.

Going concern

The financial statements of the Darwin Turf Club (DTC) have been prepared on the basis that the DTC is a going concern and will continue to operate. The DTC relies on funding provided through Thoroughbred Racing NT Incorporated (TRNT) and the financial statements are prepared on a going concern basis on the understanding that such funding will continue. The current funding agreement between the Northern Territory Government (NTG) and TRNT expires on 30 June 2022.

Correspondence received from the NTG regarding the recovery of a prior year \$12m Capital Grant to the DTC has created uncertainty that such funding will continue.

Funding received from TRNT (through the NTG) is essential to the DTC to run its operation and as such any reduction or removal of said funding would result in a material uncertainty relating to the DTC's ability to discharge its liabilities in the normal course of business.

As at 31 December 2021, the DTC had current assets of \$3.4 million including \$2.1m of cash and cash equivalents. The DTC also had \$1 million in a debt facility offset account. Current liabilities were \$4.1 million on the same date, which included \$0.3m of income in advance. Cash from operating activities for the year was \$2,409,517. The Board anticipates that the DTC will be able to discharge its liabilities as and when they fall due.

Accordingly, the Board believe that it is appropriate to prepare the financial statements on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 1. Significant accounting policies (continued)

Income tax

As the Association is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

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 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 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 are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The Association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at amortised cost

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 1. Significant accounting policies (continued)

Impairment of financial assets

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

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

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Construction Costs

Construction costs are recognised as Construction (Work in Progress) in the reporting period in which the construction activity is performed and transferred to the appropriate asset class upon construction completion.

Property, plant and equipment

Property, 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:

Buildings	2.00% - 10.00%
Building Improvements	3.33% - 20.00%
Course Improvements	3.33% - 33.33%
Stable Complex & Improvements	2.50% - 25.00%
Plant & Equipment	4.00% - 33.33%
Furniture & Fittings	5.00% - 33.33%
Motor Vehicles	10.00% - 25.00%

As a general policy, only assets with a value of \$4,000 or more are capitalised, items under this value being charged as an expense in the Statement of Comprehensive Income in the year of purchase.

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

Intangible assets

Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 1. Significant accounting policies (continued)

Liquor licenses - The valuation of liquor licenses is done at cost; also liquor licenses have an indefinite useful life. Therefore, they are not amortized. Liquor licenses are tested for impairment annually and at any indication of the existence of impairment. Any impairment is directly recognised in the income statement.

Gaming licenses - Just like liquor licenses, gaming licenses are valued at cost and are considered to have an indefinite useful life. Therefore, they are not amortized. These assets are annually tested for impairment and whenever there is an indication of existence of impairment. Impairment is directly recognised in the income statement.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the 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.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Association has a present (legal or constructive) obligation as a result of a past event, it is probable the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

A provision for Gaming Jackpot is recognised in the Statement of profit or loss and other comprehensive income at the end of the financial year based on the value of all linked jackpots. During the year, non-linked jackpots are recognised as an expense in the Statement of profit or loss and other comprehensive income as they are won.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for 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.

The Darwin Turf Club also contributes to various accumulating Employee Superannuation Plans.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 1. Significant accounting policies (continued)

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 31 December 2021. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

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

Estimation of useful lives of assets

The 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible assets

The Association tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 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.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Note 3. Restatement of comparatives

Correction of error

During the year ended 31 December 2021, material errors were identified in the accounting treatment of one matter during the year ended 31 December 2019.

Incorrect treatment of funding in advance

Annual funding received by the Association under a five-year funding agreement ("the Contract") with the Northern Territory Government ("the NTG") had been treated under AASB 15 - Revenue from Contracts with Customers ("AASB 15").

As a result of this interpretation, the previous accounting treatment was that the Association would recognise funding from NTG as a liability under 'Income received in Advance' upon receipt and recognise it as income in 12 equal monthly instalments over the 12 months period (from July to June). The Association would have a balance under 'Income received in Advance' at the end of each financial year.

It has been determined that the funding agreement should more appropriately be treated under AASB 1058 – Income of Not-for-Profit Entities ("AASB 1058"), on the basis that the performance obligations given in the Contract are not sufficiently specific to account for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied. Where the performance obligations in a contract are not sufficiently specific and as a result the transaction is accounted for under AASB 1058, the income is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 3. Restatement of comparatives (continued)

Statement of financial position at the beginning of the earliest comparative period

	2019 \$ Reported	\$ Adjustment	2019 \$ Restated
Assets			
Current assets			
Cash and cash equivalents	12,405,513	-	12,405,513
Trade and other receivables	522,304	-	522,304
Inventories	76,747	-	76,747
Prepayments and Other	116,490	-	116,490
Total current assets	<u>13,121,054</u>	<u>-</u>	<u>13,121,054</u>
Non-current assets			
Investments in Silks Management Unit Trust	80	-	80
Property, plant and equipment	19,285,509	-	19,285,509
Intangibles	104,932	-	104,932
Prepayments and Other	5,385	-	5,385
Total non-current assets	<u>19,395,906</u>	<u>-</u>	<u>19,395,906</u>
Total assets	<u>32,516,960</u>	<u>-</u>	<u>32,516,960</u>
Liabilities			
Current liabilities			
Trade and other payables	4,358,364	(1,116,321)	3,242,043
Borrowings	83,895	-	83,895
Provisions	487,487	-	487,487
Unexpended NTG Grant - Multi-purpose Grandstand	8,733,946	-	8,733,946
Total current liabilities	<u>13,663,692</u>	<u>(1,116,321)</u>	<u>12,547,371</u>
Non-current liabilities			
Borrowings	3,900,061	-	3,900,061
Provisions	68,346	-	68,346
Total non-current liabilities	<u>3,968,407</u>	<u>-</u>	<u>3,968,407</u>
Total liabilities	<u>17,632,099</u>	<u>(1,116,321)</u>	<u>16,515,778</u>
Net assets	<u>14,884,861</u>	<u>1,116,321</u>	<u>16,001,182</u>
Accumulated Funds			
Retained surpluses	<u>14,884,861</u>	<u>1,116,321</u>	<u>16,001,182</u>
Total accumulated funds	<u>14,884,861</u>	<u>1,116,321</u>	<u>16,001,182</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 3. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

	2020 \$ Reported	\$ Adjustment	2020 \$ Restated
Assets			
Current assets			
Cash and cash equivalents	2,526,761	-	2,526,761
Trade and other receivables	678,501	-	678,501
Inventories	212,224	-	212,224
Prepayments and Other	280,328	-	280,328
Total current assets	<u>3,697,814</u>	<u>-</u>	<u>3,697,814</u>
Non-current assets			
Investments in Silks Management Unit Trust	80	-	80
Property, plant and equipment	33,965,268	-	33,965,268
Intangibles	104,932	-	104,932
Prepayments and Other	5,385	-	5,385
Total non-current assets	<u>34,075,665</u>	<u>-</u>	<u>34,075,665</u>
Total assets	<u>37,773,479</u>	<u>-</u>	<u>37,773,479</u>
Liabilities			
Current liabilities			
Trade and other payables	2,674,942	(1,116,321)	1,558,621
Borrowings	1,232,255	-	1,232,255
Provisions	396,236	-	396,236
Total current liabilities	<u>4,303,433</u>	<u>(1,116,321)</u>	<u>3,187,112</u>
Non-current liabilities			
Borrowings	8,166,901	-	8,166,901
Provisions	72,020	-	72,020
Total non-current liabilities	<u>8,238,921</u>	<u>-</u>	<u>8,238,921</u>
Total liabilities	<u>12,542,354</u>	<u>(1,116,321)</u>	<u>11,426,033</u>
Net assets	<u>25,231,125</u>	<u>1,116,321</u>	<u>26,347,446</u>
Accumulated Funds			
Retained surpluses	<u>25,231,125</u>	<u>1,116,321</u>	<u>26,347,446</u>
Total accumulated funds	<u>25,231,125</u>	<u>1,116,321</u>	<u>26,347,446</u>

Note 4. Operating Income

	2021 \$	2020 \$
Bar	1,632,092	1,073,329
Catering	822,590	543,808
Functions	1,168,963	327,749
Tab Commissions	211,523	155,847
	<u>3,835,168</u>	<u>2,100,733</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 5. Race Meeting Income

	2021 \$	2020 \$
Admissions	816,112	514,604
Race Books	50,515	27,834
Merchandise	31,783	4,265
Advertising & Sponsorship	944,881	1,001,099
	<u>1,843,291</u>	<u>1,547,802</u>

Note 6. Rental Income

	2021 \$	2020 \$
Bookmakers	878,595	812,595
Douglas St Stable Complex	207,867	167,053
Other	86,030	106,056
	<u>1,172,492</u>	<u>1,085,704</u>

Note 7. Other Income

	2021 \$	2020 \$
Membership Fees	159,504	104,735
COVID19 Relief	72,731	567,942
Interest Received	58	553
Insurance Recoveries	79,548	3,136
Other Recoveries	263,852	250,897
Other Income	-	4,502
Livestock Scheme	229,000	-
	<u>804,693</u>	<u>931,765</u>

Note 8. Operating Expenses

	2021 \$	2020 \$
Bar & Catering Cost of Sales	908,535	657,247
Bar, Catering & Function Expenses	315,890	336,169
Hireage	961,727	440,459
Bar, Catering, Function and TAB Salaries and Wages	1,513,068	1,000,757
UBET Agency Expenses	7,468	5,457
	<u>3,706,688</u>	<u>2,440,089</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 9. Race meeting Expenses

	2021 \$	2020 \$
Advertising	770,512	356,649
Raceday Cost of Sales	140,546	75,809
Racing Salaries and Wages	81,913	51,289
Sponsorship Costs	68,656	46,799
Sundry Expenses	98,199	54,959
	<u>1,159,826</u>	<u>585,505</u>

Note 10. Administration Expenses

	2021 \$	2020 \$
Administration Expenses	972,767	532,499
Insurance Claim Expenses	68,203	20,359
Borrowing Expenses	289,099	264,280
Marketing Expenses	281,386	289,035
Occupancy Expenses	904,460	846,904
Repairs and Maintenance Expenses	788,147	653,338
Salaries and Employee Benefit Expense	2,493,280	2,362,483
Livestock COGS	238,522	226
	<u>6,035,864</u>	<u>4,969,124</u>

Note 11. Cash and cash equivalents

	2021 \$	2020 \$
<i>Current assets</i>		
Cash on hand	400,240	449,610
Cash at bank	1,654,090	2,077,151
	<u>2,054,330</u>	<u>2,526,761</u>

Note 12. Trade and other receivables

	2021 \$	2020 \$
<i>Current assets</i>		
Debtors	346,091	190,746
Less: Allowance for expected credit losses	-	(9,902)
	<u>346,091</u>	<u>180,844</u>
Accrued Income	530,890	497,657
	<u>876,981</u>	<u>678,501</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 13. Inventories

	2021 \$	2020 \$
<i>Current assets</i>		
Bar	182,944	181,817
Less: Provision for Obsolete Inventory	-	(9,142)
Catering	32,139	38,219
Merchandise	-	1,330
	<u>215,083</u>	<u>212,224</u>

Note 14. Property, plant and equipment

	2021 \$	2020 \$
<i>Non-current assets</i>		
Buildings - at cost	32,866,815	32,866,815
Building Improvements	1,302,327	1,265,871
Less: Accumulated depreciation	(8,528,338)	(7,006,218)
	<u>25,640,804</u>	<u>27,126,468</u>
Course improvements - at cost	3,898,402	3,252,459
Less: Accumulated depreciation	(1,206,433)	(1,010,839)
	<u>2,691,969</u>	<u>2,241,620</u>
Stable Complex and improvements - at valuation Management	4,026,731	3,735,625
Less: Accumulated depreciation & Impairment	(2,279,934)	(2,149,199)
	<u>1,746,797</u>	<u>1,586,426</u>
Plant and equipment - at cost	3,365,556	3,287,063
Less: Accumulated depreciation	(1,376,299)	(953,000)
	<u>1,989,257</u>	<u>2,334,063</u>
Fixtures and fittings - at cost	1,043,395	944,511
Less: Accumulated depreciation	(440,055)	(284,267)
	<u>603,340</u>	<u>660,244</u>
Motor vehicles - at cost	72,472	52,022
Less: Accumulated depreciation	(43,172)	(38,635)
	<u>29,300</u>	<u>13,387</u>
Work in Progress - at cost	-	3,060
	<u>32,701,467</u>	<u>33,965,268</u>
	2021	2020
Total Property, Plant and Equipment		
Total at Cost	46,575,698	45,407,426
Accumulated Depreciation	(13,874,231)	(11,442,158)
	<u>32,701,467</u>	<u>33,965,268</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 15. Trade and other payables

	2021 \$	2020 \$
<i>Current liabilities</i>		
Creditors and Accrued Expenses	1,608,980	1,536,856
Receipts in Advance	312,860	48,591
GST Payable/(Receivable)	82,538	(26,826)
	<u>2,004,378</u>	<u>1,558,621</u>

Note 16. Borrowings

	2021 \$	2020 \$
<i>Current liabilities</i>		
Loans - Equipment	22,040	19,558
Loans - Insurance Premium Funding	243,550	240,242
Loans - Silks	1,252,462	837,779
Lease Liabilities - Silks	143,433	134,676
	<u>1,661,485</u>	<u>1,232,255</u>
<i>Non-current liabilities</i>		
Loans - Equipment	-	22,041
Loans - Silks	4,510,204	6,871,775
Loans - Alice Springs Turf Club Investment in Silks	1,375,710	1,040,000
Lease Liabilities - Silks	140,709	233,085
	<u>6,026,623</u>	<u>8,166,901</u>
	<u>7,688,108</u>	<u>9,399,156</u>

Note 17. Provisions

	2021 \$	2020 \$
<i>Current liabilities</i>		
Annual leave	275,801	260,677
Long service leave	46,955	59,627
Provision for Gaming Jackpot	105,261	75,932
	<u>428,017</u>	<u>396,236</u>
<i>Non-current liabilities</i>		
Long service leave	31,994	72,020
	<u>460,011</u>	<u>468,256</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

Note 18. Retained surpluses

	2021	2020
	\$	\$
Retained surpluses at the beginning of the financial year	26,347,446	16,001,182
Net Result for the Reporting Period for the year	<u>(239,305)</u>	<u>10,346,264</u>
Retained surpluses at the end of the financial year	<u><u>26,108,141</u></u>	<u><u>26,347,446</u></u>

Note 19. Reconciliation of net result for the reporting period to net cash from operating activities

	2021	2020
	\$	\$
Net Result for the Reporting Period for the year	(239,305)	10,346,264
Adjustments for:		
Depreciation and amortisation	2,432,071	1,679,041
Net loss on disposal of property, plant and equipment	-	35,950
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(198,480)	(156,197)
(Increase) in inventories	(2,859)	(135,477)
(Increase) in prepayments	(19,422)	(163,838)
Increase/(decrease) in trade and other payables	181,488	(536,464)
(Decrease) in other provisions	(8,245)	(87,577)
Increase/ (decrease) in Revenue in Advance	264,269	(1,146,958)
(Decrease) in NTG Unexpended Grants	<u>-</u>	<u>(8,733,946)</u>
Net cash from operating activities	<u><u>2,409,517</u></u>	<u><u>1,100,798</u></u>

S T A T E M E N T B Y T H E
A S S O C I A T I O N
M A N A G E M E N T B O A R D
for the year ended 31 December 2021

In the Management Committees' opinion:

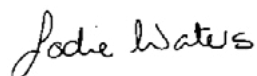
- the Association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Northern Territory legislation the Associations Act 2003 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Association's financial position as at 31 December 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the Management Committee



Chairperson

30 April 2022



Vice-Chairperson

The Management Committee present their report, together with the financial statements, on the Association for the year ended 31 December 2021.

Management Committee

Chairman	Brett Dixon (ceased: August 2021)
Vice-Chairman	Robert Longuet (ceased: July 2021)
Deputy Vice-Chairman	Cameron McNally (ceased: July 2021)
Board Member	Brendan Wilding (ceased: July 2021)
Board Member	Michelle Graham (ceased: July 2021)
Board Member	Anya Lorimer (ceased: July 2021)
Board Member	Andrew Giles (ceased: July 2021)
Board Member	Damien Moriarty (ceased: August 2021)
Board Member	Dale Bicheno (appointed: August 2020)
Chairman	Richard O'Sullivan (appointed: August 2021)
Vice-Chairman	Jodie Waters (appointed: August 2021)
Deputy Vice-Chairman	Allen Fanning (appointed: August 2021)
Board Member	Daniel Banks (appointed: August 2021)
Board Member	Brooke Prince (appointed: August 2021)
Board Member	Annette Davis (appointed: August 2021)
Board Member	Donna Murray (appointed: August 2021)
Board Member	Barry Coulter AO (appointed: August 2021)
Board Member	Louise de Bomford-Scott (appointed: August 2021)

Principal activities

The principal activity of the Association during the financial year was to hold race meetings for Thoroughbred horses. This activity has not changed from previous years.

Operating Result

The net result for the year was a deficit of \$239,305, the prior year was a surplus of \$10,346,264.



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INDEPENDENT AUDITOR'S REPORT

To the members of Darwin Turf Club Incorporated

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Darwin Turf Club Incorporated - "the Association", which comprises the statement of financial position as at 31 December 2021, the statement of profit or loss and other comprehensive income and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Declaration by the Management Committee.

In our opinion the accompanying special purpose financial report presents fairly, in all material respects, the financial position of the Association as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in Note 1.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Association in accordance with 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.

Emphasis of matter - Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the the Association's reporting requirements of the *Northern Territory Associations Act* and are appropriate to meet the needs of the Management Committee. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other matter

The financial report of the Association, for the year ended 31 December 2020 was audited by another auditor who expressed an unmodified opinion on that report on 13 April 2021.

Responsibilities of the Association Management Committee for the Financial Report

The **Management** Committee is responsible for the preparation and fair presentation of the financial report, and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the *Northern Territory Associations Act* and for such internal control as the **Management** Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the **Management** Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the **Management** Committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 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 (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit (NT)

A handwritten signature in black ink, appearing to read 'C Garland', is written over a light blue horizontal line.

C Garland

Audit Partner

Darwin: 30 April 2022

DARWIN TURF CLUB
WOULD LIKE TO THANK
OUR CORPORATE
PARTNERS

PRINCIPAL CORPORATE PARTNER

Carlton & United Breweries

MAJOR CORPORATE PARTNERS

Ladbrokes

Sportsbet

TAB

bet365

Asian United Food Services

Bridge Toyota

Darwin Corporate Park

CORPORATE PARTNERS

Aertex Group

Magic Millions

Airnorth

Margetic & Sitzler Consolidated Holdings
Pty Ltd

Ascend Trophy Supplies

Mecure & Novotel Hotels

Betfair

Mitty's

BTC Constructions

Motor Accident Compensation Commission

Campaign Edge Sprout

National Seniors Australia Top End Branch

Chris Williams Jewelers

Perno Ricard

Cleanaway

Schweppes

Cullen Bay Fishing Charters

Southern Cross Austereo

Delaware North

Shenannigans Irish Bar

Elsey On Parap

Signcity

Fusion

Sky Racing

Garrard's Horse & Hound

Silk Laser Clinic

Harvey Norman

Silks Darwin

Hudson on Parap

Turf NT

Karen Brown Fine Art

Treasury Wine Estates

Lexus of Darwin



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