



DARWIN RACING

DARWIN TURF CLUB ANNUAL REPORT 2022





DARWIN TURF CLUB INCORPORATED

AS AT 31 DECEMBER 2022

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PATRON

Her Honour the Honourable Vicki O'Halloran AM

BOARD

Chairman:	Richard O'Sullivan
Vice Chairperson:	Daniel Banks
Deputy Vice Chairperson:	Donna Murray
Board:	Ainslie Corridon, Annette Davis, Craig Trezise

MANAGEMENT

Chief Executive Officer:	Grant Dewsbury
Chief Financial Officer:	Lachlan Fairley
General Manager Marketing & Media:	Jamie Chadwick
General Manager People & Culture:	Julie McCarron
Food & Beverage Manager:	Jesse Woolley
Operations, Racing & Facilities Manager:	Ben Whitlock
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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MEMBERS OF DARWIN TURF CLUB INCORPORATED

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, 29 May 2023
at the Darwin Turf Club, Dick Ward Drive Fannie Bay NT.*

DARWIN TURF CLUB BOARD



RICHARD O'SULLIVAN
Chairperson



DANIEL BANKS
Vice Chairperson
Member of Audit, Risk and
Compliance Committee



DONNA MURRAY
Deputy Vice Chairperson



AINSLIE CORRIDON
Board Member

Member of Audit, Risk and
Compliance Committee



ANNETTE DAVIS
Board Member

Member of Audit, Risk and
Compliance Committee
Member of the Facilities
Committee



CRAIG TREZISE
Board Member

BOARD MEETING ATTENDANCE FOR 2022

Richard O'Sullivan – 13, Daniel Banks – 13, Donna Murray – 12, Ainslie Corridon - 7, Annette Davis – 13,
Craig Trezise – 8, Jodie Waters – 6, Allen Fanning - 5, Brooke Prince – 5, Barry Coulter AO - 5, Dale Bicheno –
5, Louise de Bomford-Scott - 3

MESSAGE FROM THE CHAIRPERSON

RICHARD O'SULLIVAN

The past year has largely been a year of consolidation.

I would like to thank the Board for its input and diligence in carrying out the Board's duties and functions. I also convey appreciation for the hard, and at times challenging, work carried out by the Chief Executive Officer (CEO), Grant Dewsbury, his senior management team and all the dedicated Darwin Turf Club (DTC) and Silks staff.

It is pleasing to report all legal disputes, which took up considerable time, effort and expense, have been settled. Most of these largely arose out of the Independent Commissioner Against Corruption (ICAC) Report, grandiosely subtitled "By the length of the straight" and the subsequent fallout.

The Government stated intention of clawing back the \$12 million Public Grandstand was finally put to rest. Settlement of the matter was effected through the Funding Agreement between Government and Thoroughbred Racing Northern Territory (TRNT). However a consequence is a clause in the Agreement stipulating Capital Grants to Alice Springs, Tennant Creek, Katherine and Adelaide River race clubs are to take precedence and be in place before any leftover monies are to be paid to the DTC for capital items. Although not an entirely satisfactory outcome, I would like to acknowledge the tremendous support provided by TRNT Chairman Syd Stirling and CEO Andrew O'Toole in helping in bringing the \$12 million claw back dispute to conclusion.

The pressure of dealing with these matters took its toll and contributed to a number of Board resignations during the year, leaving at one period a Board of 6. The subsequent appointment of Phil Grice and Leanne Evans, under casual vacancy provisions of the DTC Constitution, strengthened the Board's skill set and experience.

During the year the Club experienced the departure of the valued CEO Brad Morgan. He was replaced, following an interim probation period, by the Clubs Chief Financial Officer (CFO) Grant Dewsbury. It is pleasing to report that this changeover has been relatively seamless.

A successful Cup Carnival was a highlight during the year. On Cup Day there were issues of overcrowding in some pre booked areas, hospitality packages not covering the completion of the 9 race meeting and the lateness of the Cup race and trophy presentation. The Board and Management are addressing these issues to ensure a smooth running of the 2023 Cup day.

Funds have been set aside for a program of maintenance of stables and identified rectification works and these are currently underway. Also, funds have been set aside for the construction of up to 2 new stable complexes, one being a replacement of an existing no longer fit for purpose building structure. Works on the new stables are anticipated immediately following the 2023 Carnival.

Silks retained its ranking as a premier gaming and hospitality venue. Economic circumstances were challenging and there has been a downturn of gaming revenue compared to that experienced through the Covid period.

In late 2022 the Board commenced the process of developing a 5 year Strategic Plan. This has now been completed and will provide guidance and a framework for future development of the Club. Identified is the need for a masterplan to capitalize on and commercialise the full use of the 43 hectare site, without compromising the integrity of its racing product.

In terms of governance, the Board through its Finance and Audit Committee, has reviewed key policies, including:

- Procurement Policy
- DTC Board Member Code of Conduct
- DTC Members Code of Conduct
- DTC Constitution

Further advice to members on these policies will be forthcoming during the 2023 year.

For transparency, I declare that the DTC funded my airfare and accommodation to Sydney to present the Darwin Turf Club Handicap trophy at Randwick in August 2022 at a total cost of \$2,259.71. This is part of a reciprocal arrangement with the Australian Turf Club (ATC) where their Chairman presents the ATC race trophy on Cup day. No other hospitality expenses were incurred in 2022.

I would like to acknowledge and thank all those involved in supporting thoroughbred racing in Darwin, including trainers, jockeys, stable hands, owners and all those who put the show on for all us racing enthusiasts and punters. And finally, to all our loyal club Members, on behalf of the Board and DTC Management, I would like to thank you for your support in attending racing and events at the club.



Richard O'Sullivan

Chairperson



CHIEF EXECUTIVE OFFICERS REPORT

GRANT DEWSBURY

INTRODUCTION

Welcome to the 2022 Darwin Turf Club Annual Report. I am honoured to have been given the opportunity to lead the Darwin Turf Club through my first Carnival in 2022, and despite some learnings we will take into preparation of this years' Carnival, I was extremely proud of the way our management and staff delivered the 2022 Carnival. I would like to take this opportunity to personally thank outgoing CEO, Brad Morgan for his advice, guidance and leadership over the past 12 months.

I am pleased to say that the ongoing legal issues that have beleaguered the Club over the past two years have now gone away, although a significant cost to defend these issues are included in the financial results for 2022.

The DTC's Environmental Protection Licence was renewed for a further two years in September 2022, with additional monitoring and reporting being undertaken to comply with the new licence requirements.

It was also pleasing to see Thoroughbred Racing NT's decision to increase prizemoney by 5% in September 2022 with a further 5% increase in April 2023.

ANNUAL FINANCIAL STATEMENTS

The reporting period of January to December 2022 saw the Reserve Bank of Australia raise the cash rate by an unprecedented 3% over 8 months, combined with annual CPI growth of over 7% in 2022.

The DTC's financial statements consolidate the results of Silks Darwin and I would like to draw members attention to the following results. There were again some abnormal expenses during 2022 which had an impact on the profitability of the business.

- Total Revenue down 1% to \$24.9m (2021 \$25.1m)
- Total Expenses up 2% to \$26.1m (2021 \$25.6m)
- Operating Deficit of \$1.2m (2021 deficit of \$0.4m)
- Cash balance \$1.9m down \$0.2m
- Net Borrowings down \$4.1m including \$4.7m offset facility
- Covid-19 relief down \$73k
- Legal and consulting fees totalling \$380k (2021 \$400k)

A total of \$1m was spent on capital projects during 2022, the most significant being the upgrade to the mounting yard which was completed in June at a cost of \$365k.

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.

SILKS - & COMMUNITY PARTNERS

As a result of economic conditions Silks Darwin results for 2022 were below expectations with a net loss of \$625k (2021 profit \$224k). Gaming machine turnover was down on the year prior by 8.3%, however Silks Darwin remains the 3rd ranked club for gaming turnover in the NT.

Updates to the gaming floor included 3 new IGT machines, 3 new Aristocrat machines, game conversions and a significant spend on promotional products allowed Silks to remain the number 3 ranked club in the NT despite tough economic conditions.

Our community partners program includes Wanderers Football Club, Banks Football and Netball Clubs, Darwin Cricket Club and Nightcliff Rugby League.

GREAT NORTHERN DARWIN CUP CARNIVAL

My sincere thanks to our Racing Industry who continue to put on the best show in the Territory. Congratulations to the Clarke stable on a very successful 2022 Darwin Cup Carnival, Jarrod Todd who once again took out leading jockey honours and all the connections of Playoffs on winning the Territory's feature race, the Great Northern Darwin Cup. Our corporate hospitality on Darwin Cup Day was again sold out in record time with approximately 12,000 attendees on course to witness the running of the Darwin Cup, with just over 23,000 in attendance over the 8 days of Carnival.

Our management team is again working hard to ensure that this year's Darwin Cup Carnival is delivered to the highest of standards.

PEOPLE AND CULTURE

In December 2022 we appointed our General Manager of People & Culture who has a strong background in retail and hospitality, workforce planning, recruitment, structural and cultural change, staff engagement, and performance management. A review of the organisational structure was undertaken and it was evident that a structural change was required. The operational restructure that has occurred has seen the cross utilisation of team members between Darwin Turf Club and Silks. With the implementation of training, succession planning, and a positive environment, we are seeing better team engagement and opportunities to retain talented team members by enhancing skills whilst encouraging career progression.

CORPORATE PARTNERS

Our Corporate Partners play a significant role in the success of the Darwin Turf Club, and I would like to thank all our sponsors for their ongoing commitment during 2022. To our Principal Corporate Partner and naming rights sponsor of the Darwin Cup Carnival, Carlton & United Breweries, Lincoln Jenkin and the team, I thank you for your long-standing support. To all our 2022 Major Corporate Partners, Asian United Food Service, bet365, Bridge Toyota, Ladbrokes, Sportsbet, Darwin Corporate Park, TAB, thank-you for your continued support of racing and the Darwin Turf Club. To all our Corporate Partners and Sponsors that support the Darwin Turf Club, I thank-you and look forward to continued relationships that will allow the club to deliver outstanding results for our members, stakeholders, and visitors.

To my management team and the entire DTC staff, many of whom went through their first Carnival in 2022, a huge thank-you for your support and efforts over the past 12 months. My thanks also, to the DTC Chair, Richard O'Sullivan and the entire Board, who have been unwavering in their support.

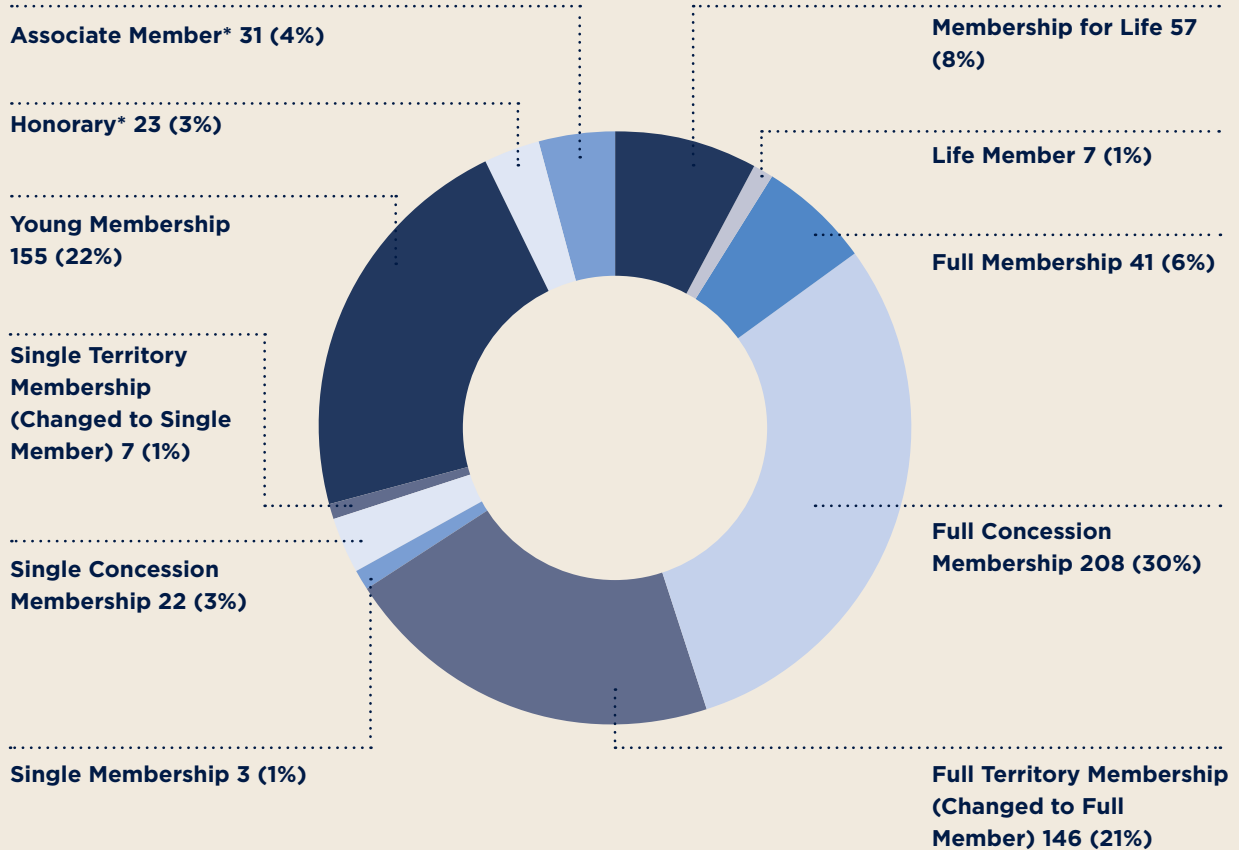


Grant Dewsbury

Chief Executive Officer

MEMBERSHIPS

AS AT 31 DECEMBER 2022



Number of Races
run in 2022

227

Total Return to
Participants 2022

\$6,339,357

Increase in
Facebook Likes

5.9%

Number of
Licensed
Trainers

37

Darwin Turf
Club Members

700

RACING FACTS 2022

RACING FACTS	2022	2021	2020	2019	2018
Runners	1,703	1,683	1459	1734	1871
Races	227	222	170	212	216
Meetings	39	38	33	37	36
Average Runner Per Race	7.50	7.58	8.58	8.18	8.66
Stakes	\$5,444,330	\$5,090,241	\$4,045,109	\$4,900,000	\$4,865,000
Licensed Jockeys	12	9	8	12	14
Licensed Apprentices	5	1	1	0	0
Licensed Trainers	37	20	17	20	19

RETURN TO PARTICIPANTS	2022	2021	2020	2019	2018
Prize Money	\$5,444,330	\$5,090,241	\$4,045,109	\$4,900,000	\$4,865,000
Unplaced Runners	\$608,500	\$584,850	\$536,750	\$663,900	\$691,800
Unplaced Jockey Fees	\$286,527	\$276,143	\$249,835	\$286,366	\$326,972
TOTAL	\$6,339,357	\$5,951,234	\$4,831,694	\$5,850,266	\$5,883,772

2022 TOP END RACING AWARDS

The Top End Racing Horse of the Year Awards were held on 16 September 2022 in The Grandstand at the Darwin Turf Club. We acknowledge all recipients listed

Leading Trainer	Gary Clarke
Leading Jockey	Jarrold Todd
Leading Apprentice	Jade Hampson
Leading Carnival Trainer	Gary Clarke
Leading Carnival Jockey	Jarrold Todd
Bernborough Club NT Strapper of the Year	Holly Meeks/ Jamie Viney
Character of Racing	Adam Nicholls
Women In Racing NT Leading Jockey/ Apprentice of the Year (Alice Springs)	Jessie Philpot
Women In Racing NT Leading Trainer (Alice Springs)	Lisa Whittle

Women In Racing NT Jockey/ Apprentice of the Year (Darwin)	Sonja Wiseman
Women In Racing NT Trainer of the Year (Darwin)	Tayarn Halter
3yo of the Year	Wolfburn
Sprinter of the year	Syncline
Middle Distance/Stayer	Count Of Essex
Out of Carnival Performer	Count Of Essex
Horse of the Year	Syncline
Off The Track Aftercare	Karen Ruzsicska

CARNIVAL STATISTICS

	2022	2021	2020	2019	2018
Nominations	706	739	444	805	749
Acceptances	546	573	361	609	569
Starters	494	517	346	542	517
Races	59	60	36	58	59
Fields Less than 8 Starters	26	17	3	14	20
Prize money	\$1,990,000	\$2,025,000	\$1,060,000	\$1,960,000	\$1,956,000
Attendance	23,011	18,553	11,298	34,453	35,159
Sponsorship	\$1,398,640	\$1,431,804	\$1,228,302	\$1,493,535	\$1,464,296
Bar Sales	\$1,438,445	\$1,054,925	\$679,392	\$1,157,539	\$1,256,965
On course TAB					
• Totalisator	\$1,120,790	\$934,765	\$473,302	\$1,586,489	\$1,749,413
• Fixed Price	\$720,990	\$620,633	\$387,865	\$996,736	\$908,222
TAB TOTAL	\$1,841,780	\$1,555,398	\$861,167	\$2,583,225	\$2,657,635

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	1:01:99	CAPTAIN PUNCH	11/06/2016
1200 m	1:07:42	JADE CITY	09/06/2007
1300 m	1:13:59	SHOUT OUT LOUD	26/06/2010
1500 m	1:29:05	HI TAIL	29/06/2002
1600 m	1:34:53	LIGHTINTHENIGHT	11/07/2015
1800 m	1:49:28	KINGSTON RESERVE	22/07/1995
1900 m	1:54:40	BRAVE DECISION	20/07/2002
2000 m	2:00:23	LIGHTINTHENIGHT	03/08/2015
2050 m	2:03.57	PLAYOFFS	01/08/2022



PAST WINNERS

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
1989	NT	BRINNEY	D Bates
1990	NT	LORD CHAMBERLAIN	N Paine

PAST WINNERS

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
2022	NT	PLAYOFFS	2:03.57	J Todd

PAST WINNERS

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
2022	NT	SYNCLINE	1:08.66	J Todd

PAST WINNERS

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
2022	NT	WOLFBURN	1:34.88	A Nicholls

PAST WINNERS

Ladbrokes 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
2022	NT	VENTING	2:05.57	P Denton



FINANCIAL STATEMENTS

Darwin Turf Club Incorporated

ABN 21 373 066 193

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INDEPENDENT AUDITOR'S REPORT TO THE
MEMBERS OF DARWIN TURF CLUB INCORPORATED

Darwin Turf Club Incorporated

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
Revenue			
Racing Income		738,869	736,439
Gaming Operation Income		11,680,619	12,984,393
Operating Income	3	5,124,829	3,835,168
Racemeeting Income	4	1,996,285	1,843,291
Product Fee Income		2,822,320	2,219,377
TRNT Operational Grants		702,413	1,530,229
Rental Income	5	1,034,626	1,172,492
Other Income	6	814,258	804,693
Total revenue		<u>24,914,219</u>	<u>25,126,082</u>
Expenses			
Racing Expenses		391,113	381,234
Gaming Operation Expenses		10,762,927	11,491,346
Operating Expenses	7	4,983,351	3,706,688
Racemeeting Expenses	8	938,784	1,159,826
Administration Expenses	9	6,302,081	6,035,864
Depreciation and Impairment Expense		2,517,539	2,432,071
Other Expenses		253,444	358,358
Total expenses		<u>26,149,239</u>	<u>25,565,387</u>
Operating deficit before Capital Grants		(1,235,020)	(439,305)
TRNT Capital Grants		<u>1,542,949</u>	<u>200,000</u>
Net Result for the Reporting Period for the year	17	307,929	(239,305)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>307,929</u></u>	<u><u>(239,305)</u></u>

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

Darwin Turf Club Incorporated

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	10	1,859,655	2,054,330
Trade and other receivables	11	916,723	876,981
Inventories	12	281,482	215,083
Prepayments and Other		317,779	299,750
Total current assets		<u>3,375,639</u>	<u>3,446,144</u>
Non-current assets			
Investments in Silks Management Unit Trust		80	80
Property, plant and equipment	13	31,208,061	32,701,467
Intangibles		104,932	104,932
Loan to Silks Management Unit Trust		2,630	2,630
Prepayments and Other		5,385	5,385
Total non-current assets		<u>31,321,088</u>	<u>32,814,494</u>
Total assets		<u>34,696,727</u>	<u>36,260,638</u>
Liabilities			
Current liabilities			
Trade and other payables	14	4,255,359	2,004,378
Borrowings	15	813,714	1,661,485
Provisions	16	389,735	428,017
Total current liabilities		<u>5,458,808</u>	<u>4,093,880</u>
Non-current liabilities			
Borrowings	15	2,802,469	6,026,623
Provisions	16	19,380	31,994
Total non-current liabilities		<u>2,821,849</u>	<u>6,058,617</u>
Total liabilities		<u>8,280,657</u>	<u>10,152,497</u>
Net assets		<u>26,416,070</u>	<u>26,108,141</u>
Accumulated Funds			
Retained surpluses	17	<u>26,416,070</u>	<u>26,108,141</u>
Total accumulated funds		<u>26,416,070</u>	<u>26,108,141</u>

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

Darwin Turf Club Incorporated

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from Customers		24,978,337	23,595,795
Receipts from TRNT Funding		5,045,362	1,730,229
Payments to Suppliers and Employees		(24,937,878)	(22,627,466)
Interest received		-	58
Interest and other finance costs paid		(184,440)	(289,099)
Net cash from operating activities	18	<u>4,901,381</u>	<u>2,409,517</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(1,024,131)</u>	<u>(1,168,270)</u>
Net cash used in investing activities		<u>(1,024,131)</u>	<u>(1,168,270)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,005,760	760,147
Repayment of borrowings		(5,077,685)	(2,471,195)
Loan to SMUT		-	(2,630)
Net cash used in financing activities		<u>(4,071,925)</u>	<u>(1,713,678)</u>
Net decrease in cash and cash equivalents		(194,675)	(472,431)
Cash and cash equivalents at the beginning of the financial year		<u>2,054,330</u>	<u>2,526,761</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>1,859,655</u></u>	<u><u>2,054,330</u></u>

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

Darwin Turf Club Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

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 Directors' 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 Directors have determined that the accounting policies adopted are appropriate to meet the needs of the Directors 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.

Darwin Turf Club Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

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.

Sponsorship Income and Costs

Advertising and Sponsorship income has been disclosed as net income reduced by the value of hospitality benefits received by sponsors.

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.

As at 31 December 2022, the DTC had current assets of \$3.4 million including \$1.9 million of cash and cash equivalents. The DTC also had \$4.6 million in a debt facility offset account. The combined value of cash on hand and cash in the debt facility offset account is \$6.5 million. Current liabilities were \$5.4 million on the same date, which included \$2.8 million funding received in advance from TRNT and \$0.2 million of other income in advance. 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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

Note 1. Significant accounting policies (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022

Note 1. Significant accounting policies (continued)

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 profit or loss and other 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.

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.

Darwin Turf Club Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets

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

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a 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 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 corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The Association also contributes to various accumulating Employee Superannuation Plans.

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.

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

Note 1. Significant accounting policies (continued)

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 2022. 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.

Darwin Turf Club Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

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. Operating Income

	2022	2021
	\$	\$
Bar	2,427,309	1,632,092
Catering	1,630,177	822,590
Functions	871,573	1,168,963
Tab Commissions	195,770	211,523
	5,124,829	3,835,168

Note 4. Racemeeting Income

	2022	2021
	\$	\$
Admissions	1,115,891	816,112
Race Books	16,776	50,515
Merchandise	42,638	31,783
Advertising & Sponsorship	820,980	944,881
	1,996,285	1,843,291

Advertising and Sponsorship income has been disclosed as net income reduced by the value of hospitality benefits received by sponsors. Total sponsorship received in 2022 was \$1,398,640 (2021 \$1,416,962). Total value of hospitality received by sponsors in 2022 was \$577,660 (2021 \$472,081).

Darwin Turf Club Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

Note 5. Rental Income

	2022	2021
	\$	\$
Bookmakers	836,655	878,595
Douglas St Stable Complex	178,718	207,867
Other	19,253	86,030
	<u>1,034,626</u>	<u>1,172,492</u>

Note 6. Other Income

	2022	2021
	\$	\$
Membership Fees	157,673	159,504
COVID19 Relief	-	72,731
Interest Received	-	58
Insurance Recoveries	156,274	79,548
Other Recoveries	207,811	263,852
Other Income	30,000	-
Livestock Scheme	262,500	229,000
	<u>814,258</u>	<u>804,693</u>

Note 7. Operating Expenses

	2022	2021
	\$	\$
Bar & Catering Cost of Sales	1,198,925	908,535
Bar, Catering & Function Expenses	830,088	315,890
Hireage	1,224,438	961,727
Bar, Catering, Function and TAB Salaries and Wages	1,729,900	1,513,068
UBET Agency Expenses	-	7,468
	<u>4,983,351</u>	<u>3,706,688</u>

Note 8. Racemeeting Expenses

	2022	2021
	\$	\$
Advertising	553,438	770,512
Raceday Cost of Sales	138,639	140,546
Racing Salaries and Wages	83,233	81,913
Sponsorship Costs	79,935	68,656
Sundry Expenses	83,539	98,199
	<u>938,784</u>	<u>1,159,826</u>

Darwin Turf Club Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

Note 9. Administration Expenses

	2022	2021
	\$	\$
Administration Expenses	976,736	972,767
Insurance Claim Expenses	-	68,203
Borrowing Expenses	184,440	289,099
Marketing Expenses	146,175	281,386
Occupancy Expenses	1,022,044	904,460
Repairs and Maintenance Expenses	945,883	788,147
Salaries and Employee Benefit Expense	2,740,681	2,493,280
Livestock COGS	286,122	238,522
	<u>6,302,081</u>	<u>6,035,864</u>

Note 10. Cash and cash equivalents

	2022	2021
	\$	\$
<i>Current assets</i>		
Cash on hand	375,495	400,240
Cash at bank	1,484,160	1,654,090
	<u>1,859,655</u>	<u>2,054,330</u>

Note 11. Trade and other receivables

	2022	2021
	\$	\$
<i>Current assets</i>		
Debtors	244,565	346,091
Less: Prov'n for Doubtful Debts	(1,905)	-
	<u>242,660</u>	<u>346,091</u>
Accrued Income	674,063	530,890
	<u>916,723</u>	<u>876,981</u>

Note 12. Inventories

	2022	2021
	\$	\$
<i>Current assets</i>		
Bar	259,734	182,944
Catering	21,748	32,139
	<u>281,482</u>	<u>215,083</u>

Darwin Turf Club Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

Note 13. Property, plant and equipment

	2022	2021
	\$	\$
<i>Non-current assets</i>		
Buildings - at cost	32,866,815	32,866,815
Building Improvements	1,309,777	1,302,327
Less: Accumulated depreciation	(10,022,643)	(8,528,338)
	<u>24,153,949</u>	<u>25,640,804</u>
Course improvements - at cost	4,344,763	3,898,402
Less: Accumulated depreciation	(1,420,628)	(1,206,433)
	<u>2,924,135</u>	<u>2,691,969</u>
Stable Complex and improvements - at directors valuation	4,071,249	4,026,731
Less: Accumulated depreciation & Impairment	(2,421,285)	(2,279,934)
	<u>1,649,964</u>	<u>1,746,797</u>
Plant and equipment - at cost	3,722,802	3,365,556
Less: Accumulated depreciation	(1,877,429)	(1,376,299)
	<u>1,845,373</u>	<u>1,989,257</u>
Fixtures and fittings - at cost	1,181,401	1,043,395
Less: Accumulated depreciation	(601,310)	(440,055)
	<u>580,091</u>	<u>603,340</u>
Motor vehicles - at cost	72,472	72,472
Less: Accumulated depreciation	(48,473)	(43,172)
	<u>23,999</u>	<u>29,300</u>
Work in Progress - at cost	30,550	-
	<u>31,208,061</u>	<u>32,701,467</u>
	2022	2021
Total Property, Plant and Equipment		
Total at Cost	47,599,829	46,575,698
Accumulated Depreciation	(16,391,768)	(13,874,231)
	<u>31,208,061</u>	<u>32,701,467</u>

Note 14. Trade and other payables

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Creditors and Accrued Expenses	1,194,652	1,608,980
Receipts in Advance	3,006,282	312,860
GST Payable/(Receivable)	54,425	82,538
	<u>4,255,359</u>	<u>2,004,378</u>

Darwin Turf Club Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

Note 15. Borrowings

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Loans - Westpac (Equipment)	1,728	22,040
Loans - Westpac (Insurance)	-	243,550
Loans - Westpac (Silks)	678,372	1,252,462
Lease Liabilities - Silks	133,614	143,433
	<u>813,714</u>	<u>1,661,485</u>
<i>Non-current liabilities</i>		
Loans - Westpac (Silks)	413,904	4,510,204
Loans - Alice Springs Turf Club Investment in Silks	2,381,470	1,375,710
Lease Liabilities - Silks	7,095	140,709
	<u>2,802,469</u>	<u>6,026,623</u>
	<u><u>3,616,183</u></u>	<u><u>7,688,108</u></u>

As at 31 December 2022 the total Loans – Westpac (Silks) balance, current and non-current, is disclosed as \$1,092,275 (2021 \$5,762,666). This liability includes funds that have been placed in the Westpac offset facility of \$4,676,460 (2021 \$1,100,000). The funds were received from TRNT for capital works and were placed in the offset facility to reduce interest before the works progressed. The total debt facility with Westpac on all Silks borrowings at 31 December was \$5,768,735 (2021 \$6,862,666).

Note 16. Provisions

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	259,224	275,801
Long service leave	48,131	46,955
Provision for Gaming Jackpot	82,380	105,261
	<u>389,735</u>	<u>428,017</u>
<i>Non-current liabilities</i>		
Long service leave	19,380	31,994
	<u><u>409,115</u></u>	<u><u>460,011</u></u>

Note 17. Retained surpluses

	2022	2021
	\$	\$
Retained surpluses at the beginning of the financial year	26,108,141	26,347,446
Net Result for the Reporting Period for the year	307,929	(239,305)
Retained surpluses at the end of the financial year	<u><u>26,416,070</u></u>	<u><u>26,108,141</u></u>

Darwin Turf Club Incorporated

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2022**

Note 18. Reconciliation of net result for the reporting period to net cash from operating activities

	2022	2021
	\$	\$
Net Result for the Reporting Period for the year	307,929	(239,305)
Adjustments for:		
Depreciation and amortisation	2,517,539	2,432,071
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(39,742)	(198,480)
(Increase) in inventories	(66,399)	(2,859)
(Increase) in prepayments	(18,029)	(19,422)
(Decrease)/increase in trade and other payables	(442,443)	181,488
(Decrease) in other provisions	(50,896)	(8,245)
Increase in TRNT Funding received in advance	2,800,000	-
(Decrease)/increase in other receipts in advance	(106,578)	264,269
Net cash from operating activities	<u>4,901,381</u>	<u>2,409,517</u>

Darwin Turf Club Incorporated

DIRECTORS' REPORT
31 DECEMBER 2022

The Directors present their report, together with the financial statements, on the Association for the year ended 31 December 2022.

Directors

The following persons were Directors of the Association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Title	Appointed	Resigned
Richard O' Sullivan	Chairperson	August 2021	
Jodie Waters	Vice Chairperson	August 2021	July 2022
Allen Fanning	Deputy Vice Chairman	August 2021	May 2022
Brooke Prince	Board member	August 2021	June 2022
Daniel Banks	Board member	August 2021	
Donna Murray	Board member	August 2021	
Louise de Bomford-Scott	Board member	August 2021	April 2022
Barry Coulter	Board member	August 2021	May 2022
Dale Bicheno	Board member	August 2020	June 2022
Annette Davis	Board member	August 2021	
Craig Trezise	Board member	May 2022	
Ainslie Corridon	Board member	May 2022	

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 surplus of \$307,929, the prior year was a deficit of \$239,305.

DIRECTORS' DECLARATION
31 DECEMBER 2022

In the Directors' 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 2022 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 Directors



Chairperson

5 May 2023



Vice-Chairperson

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 2022, 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 2022 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.

Other information

The Management Committee is responsible for the other information. The other information comprises the information contained in Annual report for the year ended 31 December 2022, but does not include the financial report and our auditor's report thereon, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and 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 identified above 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.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Management Committee and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

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', written over the printed name.

C Garland

Audit Partner

Darwin: 5 May 2023

DARWIN TURF CLUB WOULD LIKE TO THANK OUR CORPORATE PARTNERS

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MAJOR CORPORATE PARTNERS

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