

# **Silks Darwin Racing**

**ABN 21 373 066 193**

**Annual Report - 31 December 2024**

**Silks Darwin Racing**  
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**31 December 2024**

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**Silks Darwin Racing**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 December 2024**

	Note	2024 \$	2023 \$
<b>Revenue</b>			
Sales of Goods		4,264,654	4,500,711
Gaming Operation Income		6,470,979	6,719,627
Membership income		26,898	26,298
Other Income		393,547	349,094
Total revenue		<u>11,156,078</u>	<u>11,595,730</u>
<b>Expenses</b>			
Cost of sales		2,129,172	2,243,842
Gaming Expenses		800,551	832,462
Marketing		260,357	311,122
Finance costs		132,162	98,725
Depreciation and impairment		848,098	1,625,065
Gaming Tax		2,682,371	2,799,731
Occupancy Expenses		428,300	586,520
Administration expenses		1,014,584	1,117,964
Other Expenses		153,137	88,079
Loss on disposal of assets		40,120	67,622
Employee expenses		2,988,020	3,017,192
Total expenses		<u>11,476,872</u>	<u>12,788,324</u>
<b>Net result for the reporting period for the year</b>	12	(320,794)	(1,192,594)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>(320,794)</u>	<u>(1,192,594)</u>

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

**Silks Darwin Racing**  
**Statement of financial position**  
**As at 31 December 2024**

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	937,839	851,395
Trade and other receivables	4	30,417	29,507
Inventories	5	80,087	92,421
Prepayments		63,867	72,841
Total current assets		<u>1,112,210</u>	<u>1,046,164</u>
<b>Non-current assets</b>			
Property, plant and equipment	6	7,371,640	8,098,495
Other financial assets	7	2,630	2,630
Total non-current assets		<u>7,374,270</u>	<u>8,101,125</u>
<b>Total assets</b>		<u>8,486,480</u>	<u>9,147,289</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	8	930,549	754,411
Provisions	9	127,027	110,634
Borrowings	10	657,527	1,034,105
Total current liabilities		<u>1,715,103</u>	<u>1,899,150</u>
<b>Non-current liabilities</b>			
Borrowings	10	749,952	125,920
Total non-current liabilities		<u>749,952</u>	<u>125,920</u>
<b>Total liabilities</b>		<u>2,465,055</u>	<u>2,025,070</u>
<b>Net assets</b>		<u>6,021,425</u>	<u>7,122,219</u>
<b>Accumulated Funds</b>			
Contributed equity	11	7,714,605	8,494,605
Accumulated deficits	12	<u>(1,693,180)</u>	<u>(1,372,386)</u>
<b>Total accumulated funds</b>		<u>6,021,425</u>	<u>7,122,219</u>

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

**Silks Darwin Racing**  
**Notes to the financial statements**  
**31 December 2024**

**Note 1. Material accounting policy information**

The accounting policies that are material to the Entity which is a division of Darwin Turf Club Inc are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Entity 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**

These are special purpose financial statements that have been prepared for the purposes of providing stakeholders with relevant financial information on the divisions performance and financial position. The Directors have determined that the accounting policies adopted are appropriate to meet the needs of the Board of Directors of Silks Darwin Racing.

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 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.

**Revenue recognition**

The Entity recognises revenue as follows:

*Revenue from contracts with customers*

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

*Sale of goods*

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

*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.

*Other revenue*

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

**Going concern**

As disclosed in the financial statement, Silks Darwin Racing deficit for the year is \$320,794 (31 December 2023: deficit \$1,192,594) with net current liabilities of \$602,893 (31 December 2023: \$852,986). Notwithstanding these events and conditions, the financial statements of Silks Darwin Racing have been prepared on the basis that the entity is a going concern and will continue to operate. The entity relies on funding provided through Darwin Turf Club (DTC) and the financial statements are prepared on a going concern basis on the understanding that such funding will continue.

**Income tax**

As the Entity 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.

**Property, plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment.

**Silks Darwin Racing**  
**Notes to the financial statements**  
**31 December 2024**

**Note 1. Material accounting policy information (continued)**

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	3.30% - 20.00%
Building Improvements	6.70%
Land Improvements	5.00%
Plant & Equipment	6.70% - 33.33%
Furniture & Fittings	10.00% - 20.00%

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.

**Right-of-use assets**

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life.

**Trade and other payables**

The amounts are unsecured and are usually paid within 30 days of recognition.

**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.

**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.

**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 Entity for the annual reporting period ended 31 December 2024. The Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Entity, are set out below.

**Restatement of Prior Year comparatives**

The 'Statement of profit or loss and other comprehensive income' for 2023 has been restated to disclose Employee Expenses of \$3,017,192 that were previously included in Cost of sales, Gaming Expenses, and Administrative expense lines.

**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.

**Silks Darwin Racing**  
**Notes to the financial statements**  
**31 December 2024**

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

*Estimation of useful lives of assets*

The Entity 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.

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

The Entity 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 Entity 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. The existence of impairment trigger is determined based on managements professional judgement.

**Note 3. Cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current assets</i>		
Cash on hand	371,659	306,647
Cash at bank	566,180	544,748
	<u>937,839</u>	<u>851,395</u>

**Note 4. Trade and other receivables**

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current assets</i>		
Debtors	30,417	13,683
Accrued Income	-	15,824
	<u>30,417</u>	<u>29,507</u>

**Note 5. Inventories**

	<b>2024</b>	<b>2023</b>
	\$	\$
<i>Current assets</i>		
Bar	66,553	61,351
Catering	13,534	30,395
Merchandise	-	675
	<u>80,087</u>	<u>92,421</u>

**Silks Darwin Racing**  
**Notes to the financial statements**  
**31 December 2024**

**Note 6. Property, plant and equipment**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Land improvement- at cost	118,695	118,695
Less: Accumulated depreciation	(23,328)	(17,393)
Less: Impairment	(6,762)	(6,762)
	<u>88,605</u>	<u>94,540</u>
Buildings - at cost	8,762,530	8,750,290
Less: Accumulated depreciation	(2,041,687)	(1,594,890)
Less: Impairment	(477,608)	(477,608)
	<u>6,243,235</u>	<u>6,677,792</u>
Plant and equipment - at cost	2,076,316	2,035,876
Less: Accumulated depreciation	(1,124,834)	(927,826)
Less: Impairment	(70,408)	(73,960)
	<u>881,074</u>	<u>1,034,090</u>
Fixtures and fittings - at cost	803,971	803,971
Less: Accumulated depreciation	(624,558)	(494,044)
Less: Impairment	(20,687)	(20,687)
	<u>158,726</u>	<u>289,240</u>
Right of use assets - at fair value	450,603	450,603
Less: Accumulated depreciation	(450,400)	(447,567)
Less: Impairment	(203)	(203)
	<u>-</u>	<u>2,833</u>
	<u>7,371,640</u>	<u>8,098,495</u>
	<b>2024</b>	<b>2023</b>
<b>Total Property, Plant and Equipment</b>		
Total at Cost	12,212,115	12,159,435
Accumulated Depreciation	(4,264,807)	(3,481,720)
Impairment	(575,668)	(579,220)
	<u>7,371,640</u>	<u>8,098,495</u>

As the Darwin Turf Club (DTC) operates as a not-for-profit entity, impairment calculations on its assets are generally excluded. However, an exception is made for the Silks assets, which are considered a cash-generating unit as this segment of the business was specifically established to generate cash flows.

Silk assets are measured at fair value, determined by their ability to generate economic benefits through their highest and best use or by selling them to another market participant that would utilize the assets similarly. The value in use of the Silks assets is measured internally each year, forecasting future cash flows and discounting them to calculate the present value. If there are any indications of impairment, Silks assets are to be independently reviewed. For the year ending 31 December 2023, indications of impairment were identified, prompting the DTC board to engage Knight Frank for an independent valuation of the Silks assets. Both the internal and independent valuations confirmed the impairment of Silks assets. Based on these valuations, the DTC recognized an impairment expense of \$579,220 in the Profit and Loss statement for the year ending 31 December 2023. An internal impairment assessment performed during the year, which assessed no further impairment required for the year ending 31 December 2024. This impairment expense reflects the difference between the carrying amount of the Silks' assets and their recoverable amount, as determined by the internal value in use calculation.



**Silks Darwin Racing**  
**Notes to the financial statements**  
**31 December 2024**

**Note 7. Other financial assets**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Silks Trust Loan	2,630	2,630

**Note 8. Trade and other payables**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Creditors and Accrued Expenses	900,961	739,704
Receipts in Advance	29,588	14,707
	<u>930,549</u>	<u>754,411</u>

**Note 9. Provisions**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Provision for Gaming Jackpot	127,027	110,634

**Note 10. Borrowings**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<i>Current liabilities</i>		
Loans - Building	540,048	574,080
Loans - EGM	-	215,785
Loans - Equipment	-	230,070
Lease liabilities	117,479	14,170
	<u>657,527</u>	<u>1,034,105</u>
<i>Non-current liabilities</i>		
Loans - Building	749,952	125,920
	<u>1,407,479</u>	<u>1,160,025</u>

As at 31 December 2024, the total Loans – Building balance, current and non-current, is disclosed as \$1,290,000. Funds contributed from DTC have been placed on the building loan offset facility. 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 funds sitting in the Facility with Westpac at 31 December 2024 was \$2,238,300 (2023 \$3,450,220).

**Note 11. Contributed equity**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Darwin Turf Club	<u>7,714,605</u>	<u>8,494,605</u>

**Silks Darwin Racing**  
**Notes to the financial statements**  
**31 December 2024**

**Note 12. Accumulated deficits**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Accumulated deficits at the beginning of the financial year	(1,372,386)	(179,792)
Net result for the reporting period for the year	<u>(320,794)</u>	<u>(1,192,594)</u>
Accumulated deficits at the end of the financial year	<u><u>(1,693,180)</u></u>	<u><u>(1,372,386)</u></u>

**Silks Darwin Racing  
Directors' declaration  
31 December 2024**

In the Directors' opinion:

- the Entity 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 arrangements between stakeholders of Silks Darwin Racing 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 Entity's financial position as at 31 December 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



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Chairman

8 May 2025



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Vice-Chairman