PORT MACQUARIE
RACE CLUB

Annual Report
&
Financial Statements

Year ended 30 June 2025

Annual General Meeting
Wednesday 17th December 2025 at 7:00pm

Port Macquarie Race Club Limited

ABN 80 003 188 252

Financial Report

For the Year Ended 30 June 2025

Contents

Agenda

PORT MACQUARIE RACE CLUB LTD

For the year ended 30 June 2025

Notice is hereby given that the Annual General Meeting of the Port Macquarie Race Club Limited will be held in the Ivan Livermore Stand, Port Macquarie Race Course, 283 Oxley Highway, Port Macquarie on <u>Wednesday 17th December 2025 at 7:00 pm</u>

<u>Business:</u>

1. To receive and confirm the minutes of the last annual general meeting held on the 5th of December 2025.
2. To receive and consider the President's report.
3. To receive and consider the Financial Report for the year ended 30 June 2025.
4. To confirm the Board of Directors for the ensuring year – all directors were elected or appointed for a two-year term in 2025 and will retire from the board but be eligible for reelection subject to other nominations.
5. To consider any other business which has been notified in writing to the Club <u>not later than 5.00 pm Friday 10th December 2025.</u>

NOTE: All directors were elected or appointed for a 2-year term in 2023 and will continue to serve until 2025 AGM.

Nardi Beresford

Secretary

President's Report to the Thirty Eighth Annual General Meeting of Port Macquarie Race Club

Wednesday 17th December 2025

Dear Members, Partners, and Friends,

It is my privilege to present the President's Report for the **2024–2025 financial year**, a period marked by exceptional progress, renewed momentum, and one of the most significant achievements in our club's history.

This year, we proudly completed **the redevelopment of the Port Macquarie race track**, made possible through the invaluable support and guidance of **Racing NSW**. Their partnership was central to delivering a modern, high-quality racing surface that will benefit our club and community for many years to come. This redevelopment stands as a major milestone in the evolution of our racing program.

The reopening of the track has already produced strong results. Membership grew **12%**, demonstrating growing community confidence and excitement about the future. A standout highlight was the **2024 Running of the Port Macquarie Carlton 3.5 Cup**, which drew a **record crowd of over 6,000 attendees**—a clear sign of the club's renewed energy and public engagement.

We also acknowledge that the club recorded a **financial loss** this year, largely due to the unavoidable **absence of races during the track renovation**, including the cancellation of our **New Year's Day race meeting**, one of our most important events. Despite this setback, the club took proactive steps to stabilise revenue and maintain our racing presence. We were fortunate to **secure the Country Championships meeting**, a significant addition to our calendar, and we successfully **hosted a provisional meeting when Gosford was unavailable**. These opportunities not only offset some of the racing downtime but also demonstrated the confidence that Racing NSW has in our capacity to deliver high-quality race days at short notice.

A key driver in our recovery was the outstanding leadership of **CEO Nardi Beresford**. Her administration has been exceptional in guiding the club through redevelopment, restoring operations, and reconnecting with the broader Port Macquarie community. The introduction functions held under her direction successfully re-engaged both members and residents and helped rebuild excitement around our return to racing.

Nardi also played a central role in building a strong operational team. Our **bar staff** provided professional and welcoming service throughout the year, enhancing the race day experience. Our **track maintenance team**, led by **Craig Rice**, delivered exceptional results—Craig's dedication, leadership, and meticulous preparation of the racing surface and grounds set a high standard that has been widely admired.

I extend my sincere gratitude to our **committee**, whose knowledgeable input, time, and unwavering support have been essential in driving the club forward. Their contribution has been invaluable throughout this transformative year. In particular, I acknowledge **Vice President David Blanch** for his reliability, leadership, and willingness to step into the president's role whenever required. His support has been truly appreciated.

The club also remained committed to giving back to the broader community. During the financial year, we proudly hosted several **charity and community race events**, including **Bravehearts**, **Breakers**, and the **Master Builders Association**. These events not only supported important local causes but also strengthened our ties with the community we serve.

Looking ahead, the club is focused on diversifying and strengthening its income streams by **utilising our existing assets for non-racing events**, including **music concerts**, **venue hire**, and other community-focused activities. These initiatives will not only support long-term financial sustainability but will also expand the club's role as a vibrant entertainment hub for Port Macquarie. By opening our facilities to more events and groups, we continue to broaden our reach and deliver greater value to the community.

As always, we are deeply grateful to our **valued sponsors**, whose ongoing support forms the backbone of our racing calendar and club operations:

- **Carlton United Breweries**
- **De Bortoli Wines**
- **John Oxley Motors**
- **Flower Hotels Group**
- **Panthers Group**
- **WIN Network**
- **Fisher's Plumbing Plus**

With our redeveloped track, a strengthening membership base, committed staff and volunteers, and a clear strategy for the future, **the Port Macquarie Race Club is positioned for a strong and sustainable 2025–2026.**

To our members, volunteers, sponsors, and supporters: thank you for your trust, dedication, and belief in our club. Serving as your president continues to be an honor, and I look forward to continuing this momentum together.

With sincere appreciation,

David Todd

President, Port Macquarie Race Club

Directors' Report

PORT MACQUARIE RACE CLUB LTD

For the year ended 30 June 2025

Your directors present this report on the company for the financial year ended 30th June 2025.

Directors

The names of the directors in office at any time during or since the end of the financial year are:

Director	Appointment	Resigned
Jamie Harrison	24 November 2008	
David Blanch	31 January 2011	
David Todd	8 December 2010	
Wayne Evans	27 July 2015	
Paul Ryan	30 April 2020	
Ronald Murray	30 April 2020	
Paul Burke	30 August 2024	
Christopher King	30 August 2024	

The directors have been in the office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

- Nardi Beresford - appointment effective 26th October 2022.

Objectives

The main objective of the club is to promote horse racing activities in the local region and provide exemplary amenities and facilities for the members of the club and community.

Strategies Adopted for Achieving Objectives

To achieve the objectives of the company the following strategies have been adopted:

- Retain and engage suitably qualified and experienced employees to provide the best possible service and maintain the club's facilities;
- Offer high quality and reasonably priced meals and beverages at functions and race meetings;
- Annual development of a financial budget and monthly monitoring of financial performance and financial position to ensure the club operates within its financial capabilities.

Principal Activities

The principal activities of the company during the financial year were the operation of a horse racing club. The company also continues its catering facilities for functions held on the premises. No significant change in the nature of these activities occurred during the year.

The profit and cash flows generated from the company's principal activities were utilised in achieving the company's objectives.

Operating Results

The loss of the company for the financial year amounted to $418,028. The results represent an decrease of $99,430 when compared to the loss of $517,458 for the previous financial year. Note that the loss showing above is the loss showing on the income statement of $274,436 together with the non-operating extraordinary items of $143,592.

Review of Operations

A review of the operations of the company for the financial year and the results of those operations are as follows:

There were no race meetings due to the Course being redeveloped during 2024 financial year.

Bar Trading

Bar sales increased from $23,436 in 2024 to $520,910 in 2025. The gross profit percentage in 2024 was 27.79% and in 2025 it was 54.47%.

Catering Trading

CharBar catering took over as contract caterer for the club.

After Balance Date Events

The directors are aware of the following events that occurred after the balance date as at the reporting date:

i. Club continues to be in legal dispute with prior contractors (on the Course Proper) and the mediation process is currently in process. There may be confidentiality issues that need to be met therefore disclosure it not possible
ii. Racing resumed in September 2024

Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 has been received and is included in this financial report.

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Directors Particulars

The following statement of information on the current directors has been prepared in accordance with the Corporations Act 2001.

Directors	Qualification	Experience	Special Responsibilities
David Todd	Business Owner	12 year 7 months as Director	President
Jamie Harrison	Business Owner Manager	14 years as Director	Director
David Blanch	Real Estate Agent	12 year 5 months as Director	Director
Wayne Evans	Retired Magistrate	8 year 3 Months as a Director	Independent Director
Paul Ryan	Retired Media Executive	4 Year 2 months	Independent Director
Ronald Murray	Retired	4 Year 2 months	Independent Director
Paul Burke	Retired	1Year 10 Months	Independent Director
Christopher King	Retired	1Year 10 Months	Independent Director

Remuneration Report

No remuneration is paid to any director of the company. All duties are performed on a strict voluntary basis.

Meetings of Directors

During the financial year 13 meetings of directors were held and attendance by each Director during the year was as follows:

Directors	Eligible Number of Meetings	Number Attended
David Blanch	13	11
David Todd	13	13
Wayne Evans	13	13
Paul Ryan	13	13
Ronald Murray	13	12
Paul Burke	10	10
Christopher King	12	11
Jamie Harrison	10	3
C Dwyer	2	2
J O'Hara	2	1

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum amount of $10 each towards meeting any outstanding obligations of the entity. At 30 June 2025 the total amount that members of the company are liable to contribute if the company is wound up is $1,840 (2024 $1,840)

The Directors confirm having received a statement from each member of the board to the effect that no transaction has been entered into, by them, or their business, that was not entered into under normal commercial trading terms. The lead auditor's independence declaration for the year ended 30 June 2025 has been received and can be found on page 9 of the financial report.

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

Director

David Todd

Dated: ~~20th~~ day of ~~Decemb~~er 2025

24th November

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF PORT MACQUARIE RACE CLUB LIMITED

In accordance with section *307C* of the *Corporations Act 2001*, we are pleased to provide the following declaration of independence to the directors of Port Macquarie Race Club Limited.

As the lead audit partner for the audit of the financial report of Port Macquarie Race Club Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Dated this 27th day of November 2025

McCARTHY SALKELD
AUDIT PTY LTD

Jane Perry **FCA JP**

Ground Floor, Suite 3
410 Church Street
North Parramatta NSW 2151

Statement of Comprehensive Income

PORT MACQUARIE RACE CLUB LTD

For the year ended 30 June 2025

	Notes	2025	2024
Income			
Bar, Catering & Race Book Revenue		552,983	25,745
Total Income		**552,983**	**25745**
Cost of Goods Sold			
Opening Inventories		13,081	19,609
Purchases		250,192	21,226
Closing Inventories		(23379)	(13,081)
Total Cost of Goods Sold		**239,894**	**27,754**
Gross Profit / (Loss)	**1**	**313,089**	**(2,009)**
Other Income			
Admissions		85,668	-
Betting Income		7,602	-
Nominations & Acceptances		18,109	-
Sundry Racing Income		18,109	21,333
Non-racing Income		455,716	66,138
Racing NSW Distribution		4,131,978	377,902
Total Other Income		**4,825,382**	**465,373**
Total Income		**4,825,382**	**465,373**
Expenses			
Administration Expenses		521.261	299,356
Depreciation & Amortisation Expenses		253,918	181,292
Finance Costs		5,914	3,754
Function Expenses		4,221	6,453
Prize Money & Rebates		3,298,354	-
Racecourse Maintenance Expenses		777,383	473,611
Race Day Expenses		695,447	16,357
Total Expenses		**5,556,499**	**980,823**
Operating Profit / (Loss)		**(418,028)**	**(517,458)**
Other Comprehensive Income			
Crown Reserve Infrastructure Grant		143,592	109,803
Course Proper – Rectification Contribution		-	4,062,351
Total Other Comprehensive Income		**143,592**	**4,172,154**
Other Expenses			
Impairment – Race Fields		-	3,640,511
Total Other Expenses		**-**	**3,640,511**
Net Profit		**(274,436)**	**14,186**

Statement of Financial Position

PORT MACQUARIE RACE CLUB LTD

As at 30 June 2025

	Notes	2025	2024
Assets			
Current Assets			
Cash & cash equivalents	2	471,932	942,542
Trade & other receivables	4	449,570	202,329
Inventories	3	23,379	13,081
Other Assets	6	2,215	1,680
Total Current Assets		**947,096**	**1,159,631**
Non-Current Assets			
Property, plant and equipment	5	5,535,547	5,454,203
Right of Use Assets	13	21,328	8,349
Borrowing Cost		1,235	1,644
Total Non-Current Assets		**5,558,110**	**5,464,196**
Total Assets		**6,505,205**	**6,623,827**
Liabilities			
Current Liabilities			
Trade and other payables	7	521,167	463,112
Provisions	9	104,600	82,084
Lease Liability	14	4,394	4,153
Hire Purchase Loans	14	32,913	16,168
Total Current Liabilities		**663,074**	**565,516**
Non-Current Liabilities			
Provisions	9	20,736	18,991
Lease Liability	14	16,676	5,191
Hire Purchase Loans	14	114,653	69,628
Total Non-Current Liabilities		**152,066**	**93,809**
Total Liabilities		**815,140**	**659,325**
Net Assets		**5,690,065**	**5,964,501**
Member Funds			
Accumulated Funds		5,681,239	5,955,675
Reserves		8,826	8,826
Total Member Funds		**5,690,065**	**5,964,501**

Statement of Changes in Member Funds

PORT MACQUARIE RACE CLUB LTD
For the year ended 30 June 2025

	Accumulated Funds	General Reserve	Total
Balance as 1 July 2023	5,941,490	8,826	5,950,316
Profit (Loss) for the year	(517,458)		(517,458)
Total other Comprehensive Income	531,643		531,643
Balance as 1 July 2024	**5,955,675**	**8,826**	**5,964,501**
Profit (Loss) for the year	(418,028)		(418,028)
Total other Comprehensive Income	143,592		143,592
Balance as 30 June 2025	**5,681,239**	**8,826**	**5,690,065**

Statement of Cash Flows

PORT MACQUARIE RACE CLUB LTD
For the year ended 30 June 2025

	Note	2025	2024
Cash Flow from Operating Activities			
Cash receipts from operations		5,523,753	967,186
Cash paid to suppliers and employees		(5,715,827)	(980,903
Interest Received		1,381	13,945
Net Cash Provided By (Used In) Operating Activities	8	(190,693)	228
Cash Flow from Investing Activities			
Purchase of Property, Plant & Equipment		(339,095)	(311,791)
Payments towards Racecourse B Grass Development		-	-
Proceeds on sale of Property, Plant & Equipment		9,304	4,545
Borrowing Expenses		-	1449
Net Cash Provided By (Used In) Investing Activities		(329,791)	(308,695)
Cash Flow from Financing Activities			
Borrowings / (Repayment) of Lease Liability		(6,472)	50,824
Borrowings/Repayments of Hire Purchase Liabilities		56,346	-
Net Cash Provided By (Used In) Financing Activities		49,874	50,824
Net Increase (Decrease) in Cash Held		(470,610)	257,643
Cash at Beginning of the Year		942,542	1,201,088
Cash at End of the Year	**2**	**471,932**	**942,542**

Notes to the Financial Statements

PORT MACQUARIE RACE CLUB LTD

For the year ended 30 June 2025

Material Accounting Policies

The financial report is for the Port Macquarie Race Club Limited, as an individual entity, incorporated and domiciled in Australia.

Basis of Preparation

Port Macquarie Race Club Limited applies Australian Accounting Standards - Simplified Disclosure as set out in AASB 1060: *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.*

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Simplified Disclosure of the Australian Accounting Standards Board and the *Corporations Act 2001.*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statement containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted by the Club in the preparation of these financial statements are presented below and have been consistently applied, unless otherwise stated.

The financial statements, except for the cash flow information, have been prepared on an accrual basis, and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, and financial assets and financial liabilities. The amounts presented in the financial statements are in Australian Dollars and have been rounded to the nearest dollar have been rounded to the nearest dollar.

The financial statements were authorised for issue on 20th December 2024 by the Board of Directors.

Income Tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant and equipment

Plant and equipment are measured on a cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note on Impairment of Assets).

Depreciation

The depreciable amount of all fixed assets including buildings and capitalized leased assets, but excluding freehold land, are depreciated over their useful lives to the company commencing from the time the asset is held ready for use. Depreciation rates used for each class of depreciable asset are:

Depreciation Rate	
10% - 50%	Bar Equipment
6.67% - 40%	Fixture & Fittings
12.5% - 25%	Motor Vehicles
6.67% - 50%	Plant & Equipment
2.5% - 40%	Structural Improvements
5% - 50%	Office Equipment
20%	Right of use asset
10%	Race Fields B Grass Track
2%	Race Fields Course Proper

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

These gains or losses are recognised in profit or loss in the period in which they arise. Gains are not classified as revenue.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Inventories

Inventories are carried at the lower of cost or net realisable value. Cost is based on the first-in, first out method and includes expenditure incurred in acquiring the inventories and bringing them to the existing condition and location.

Leases

At inception of a contract, the Entity assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Entity where the Entity is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Entity uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;

- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Entity anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Financial Instruments

Initial Recognition and Measurement

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

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified as at "fair value through profit & loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and Subsequent Measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;

- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and

- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the entity can make an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the entity's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;

- all risk and rewards of ownership of the asset have been substantially transferred; and

– the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The entity recognised a loss allowance for expected credit losses on:

– financial assets that are measured at amortised cost or fair value through other comprehensive income;

– lease receivables;

– contract assets (eg amount due from customers under construction contracts);

– loan commitments that are not measured at fair value through profit or loss; and

– financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

– financial assets measured at fair value through profit or loss; or

– equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB 9:

– the general approach;

– the simplified approach;

– the purchased or originated credit-impaired approach; and

– low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

– if the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and

– if there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the entity measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or relative to the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the entity recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Impairment of assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an assets class, the company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

Employee Benefits

Short-term employee benefits

Provision is made in respect of the entity's obligation for short-term employee benefits. Short-term employee benefits (other than termination benefits) are benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including, wages, salaries, and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Long-term employee benefits

The entity classifies employees' long service leave as long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related serfice. Provision is made for the entity's obligation for other long-term employee benefits, which are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The entity's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the entity does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

Trade and Other Receivables

Trade and other debtors include amounts due from members as well as amounts receivable from customers for goods sold. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period which remains unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days.

Revenue and Other Income

The Entity is first required to determine whether amounts received are accounted for as Revenue per AASB 15: Revenue from Contracts with Customers or Income per AASB 1058: Income of Not-for-Profit Entities.

Funding arrangements which are enforceable and contain sufficiently specific performance obligations are recognised as revenue under AASB 15. Otherwise, such arrangements are accounted for under AASB 1058, where upon initial recognition of an asset, the Entity is required to consider whether any other financial statement elements should be recognised (eg financial liabilities representing repayable amounts), with any difference being recognised immediately in profit or loss as income.

Operating Grants

When the entity received operating grant funding, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB15.

When both these conditions are satisfied, the Entity:

- identifies each performance obligations relating to the grant;

- recognises a contract liability for its obligations under the agreement; and

- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Entity:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards;

- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions); and

- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Contributed Assets

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the Entity recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The Entity recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

The entity receives assets from the government and other parties for nil or nominal consideration in order to further its objectives.

These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (eg AASB 9, AASB 16, AASB 116 and AASB 138.)

Capital Grant

When the Entity receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions) recognised under other Australian Accounting Standards.

The Entity recognises income in profit or loss when or as the Entity satisfies its obligations under the terms of the grant.

Interest Income

Interest income is recognised using the effective interest method.

Borrowing Costs

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

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

The borrowing costs on funding of vehicles is amortised over 5 years.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Comparative figures

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

Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Company.

Key estimates – Impairment

The Company assesses impairment at the end of each reporting period by evaluating conditions specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgements - Employee Benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the entity expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the entity believes that obligations for annual leave entitlements satisfy the definition of short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

Key estimates - depreciation rates of property, plant and equipment

The Company reviews the depreciation rates used for its assets at the end of each reporting period by evaluating the effective life of each asset and the expectation of its continued use in the Company. If the effective life of an asset is adjusted, the carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

General Reserve

This figure represents the net assets of the Port Macquarie Race Club transferred to the company at incorporation on 3 December 1986.

New and Amended Accounting Standards Adopted by the Company

AASB 2022-5: Amendments to Australian Accounting Standards – Lease Liability in a sale and leaseback

AASB 2022-5 amends AASB 16 to add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in AASB 15 *Revenue from Contracts with Customers* to be accounted for as a sale.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2023-3 Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants – Tier 2

AASB 2023-3 amends AASB 1060 to align the disclosure requirements of Tier 2 entities with theTier 1 equivalents in AASB 2020-1 and AASB 2022-6.

AASB 2023-3 amends AASB 1060 to:

a. clarify that a liability is classified as non-current if an entity has the right at the reporting date to defer settlement of the liability for at least twelve months after the reporting date;
b. clarify the reference to settlement of a liability by the issue of equity instruments in classifying liabilities; and
c. require the disclosure of information that enables users of the financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The adoption of the amendment did not have a material impact on the financial statements.

Account	2025	2024
1. Bar & Catering Revenue		
Gross Bar Profits		
Bar Opening Inventories	(13,081)	(12,830)
Bar Sales – Functions	109,852	23,436
Bar Sales – Raceday	411,058	-
Bar Inventories Purchases	(247,478)	(17,174)
Bar Closing Inventories	23,379	13,081
Total Gross Bar Profits	**283,731**	**6,512**
Gross Catering Profits		
Catering Opening Inventories	-	(6,779)
Catering Rentals – Raceday	600	-
Catering Sales – Functions	1,370	2,310
Catering Sales – Raceday	30,103	-
Catering Inventories Purchases	(2,714)	(4,052)
Catering Closing Inventories	-	-
Total Gross Catering Profits	**29,358**	**(8,521)**
Total Bar & Catering Revenue	**313,089**	**(2,009)**

2. Cash & cash equivalents

For the purpose of the Statement of Cash Flows, cash includes cash on hand, cash at banks and investments in money market instruments. Cash at the end of the reporting period as shown in the Statement of Cash Flows is reconciled to the related items

Bank Accounts		
CBA Term Deposits	163,940	218,401
CBA Project Account	189,670	346,933
Commonwealth Bank Account	41,177	10,997
Business online Saver	65,594	362,211
Total Bank Accounts	**459,932**	**938,542**
Other Cash Items		
Cash on Hand - Raceday Floats	12,000	4,000
Total Other Cash Items	**12,000**	**4,000**
Total Cash & Cash Equivalents	**471,932**	**942,542**

3. Inventories		
Inventories – Bar	23,379	13,081
Inventories – Catering	-	-
Total Inventories	**23,379**	**13,081**

4. Trade & other receivables		
Racing NSW Clearing Account	-	112,015
Sundry Receivable	169,580	15,912
Other Debtors	279,990	74,402
Total Trade & Other Receivable	**449,570**	**202,329**

5. Property Plant and Equipment		
Motor Vehicles		
Motor Vehicles at cost	119,672	119,672
Less Accumulated Depreciation	(51,558)	(37,092)

Total Motor Vehicles	**68,114**	**82,580**
Structural Improvements		
Structural Improvements at cost	650,633	561,843
Less Accumulated Depreciation	(260,927)	(230,975)
Race Fields Capital Works	794,010	794,010
Less Accumulated Depreciation	(313,367)	(189,469)
Race Field Course Proper	4,062,351	4,062,351
Less Accumulated Depreciation	(81,247)	-
Stable Development	391,458	247,866
Total Structural Improvements	**5,242,911**	**5,245,626**
Plant and Equipment		
Bar Equipment at cost	73,923	69,641
Less Accumulated Depreciation	(54,424)	(48,851)
Fixtures and Fittings at cost	50,313	51,269
Less Accumulated Depreciation	(38,239)	(35,432)
Plant & Equipment at cost	893,970	867,084
Less Accumulated Depreciation	(702,893)	(780,067)
Office Equipment at cost	11,404	10,820
Less Accumulated Depreciation	(9,531)	(8,467)
Total Plant and Equipment	**224,522**	**125,997**
Total Property Plant and Equipment	**5,535,547**	**5,454,203**

Movements in Carrying Amounts

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

2025	**Motor Vehicles $**	**Plant and Equipment $**	**Structural Improvements $**	**Total $**
Balance at the beginning of the year	82,580	196,491	5,175,133	**5,454,203**
Additions at cost	-	107,332	232,383	**339,714**
Disposals	-	9,183	-	**9,183**
Depreciation expense	14,466	70,118	164,604	**249,187**
Carrying amount at the end of the year	**68,114**	**224,522**	**5,242,911**	**5,535,547**

6. Other Assets

Accrued Revenue	-	-
Prepayments	2,215	1,680
Total Other Assets	**2,215**	**1,680**

7. Trade & Other Payables

Accrued Expenses	16,013	11,575
ATO Integrated Client Account	20	-
Corporate Card	93	-
Income in Advance	171,654	320,556
Function Deposits	1,099	3,600
GST	223,608	73,109
PAYG Withholdings Payable	7,908	22,564
Sponsorship in Advance	21,263	-
Superannuation Payable	5,762	3,838
Trade Payables	73,748	27,871
Total Trade & Other Payables	**521,167**	**463,112**

8. Reconciliation of cash flows from operations

Operating Result	**(274,436)**	**14,186**
Non cashflow items in the profit and loss		
Depreciation	253,918	181,292
Amortisation – borrowing costs	409	273
Interest Paid	5,914	3,754
Gain on Sale of PPE	(740)	(689)
Loss on sale of PPE	-	14,568
Loss on write off of PPE	-	3,640,511
RNSW contribution - capitalised	-	(4,062,351)
Movement in provisions for employee entitlements	24,262	(23,762)
Change in assets and liabilities		
Increase/(decrease) in Trade and Other Payables	185,694	(90,831)
Increase/(decrease) in Prepayments	(535)	750
(Increase)/decrease in Inventories	(10,299)	6,528
Increase/(decrease) in Provisions	-	-
(Increase)/decrease in Trade and Other Receivables	112,015	422,158
Increase/(decrease) in Other Debtors	(359,256)	22,550
Increase/(decrease) in Deferred Revenue	(127,639)	(128,709)
Net Cash provided by operating activities	**(190,693)**	**228**

9. Provisions

Current		
Employee Provisions - Annual Leave	39,318	30,938
Employee Provisions - Long Service Leave	65,282	51,146
Total Current	**104,600**	**82,084**
Non-Current		
Employee Provisions - Long Service Leave	20,736	18,991
Total Non-Current	**20,736**	**18,991**
Total Provisions	**125,336**	**101,074**

Analysis of total provisions	**Employee Benefits**	**Total**
Opening balance at 1 July 2024	101,074	101,075
Additional provisions raised during year	52,315	11,343
Amounts used	28,053	29,677
Balance at 30 June 2025	**125,336**	**101,075**

10. Related party disclosures

The are no related party transactions occurred during the year.

11. Subsequent Events to Reporting Date

The directors are not aware of any significant events since the end of the reporting year.

12. Contingent Assets or Liabilities

The directors have determined that there are no contingent assets or liabilities except for the following:

a) Infrastructure Funding

a. Course Proper

The directors entered into an infrastructure funding deed for the redevelopment of the course proper in April 2015. The deed prescribed that Racing NSW would make available an amount up to $3,700,000 to the company for the redevelopment of the course proper. The capital developments were completed during 2016 and total funding expended and capitalised on the project was $3,618,581. Course Proper renovations were completed and the directors do not have any knowledge of the updated amount of the loan from Racing NSW due to Racing NSW managing the project.

In July 2024 the directors entered into a Cashflow Funding Deed with Racing NSW and Racing NSW Country. The deed prescribed that Racing NSW would provide Cashflow Funding for the Course Proper Reconstruction Works.

b. B Grass Training Track

The directors entered into an infrastructure funding deed for the upgrade of the B Grass in January 2020. The deed prescribed that Racing NSW would make available an amount up to $766,000 (excluding GST) to the company for this development. The capital improvements were completed during 2020 and the total funding expended and capitalised at 30th June 2020 was $765,943.

The Club was provided with an unsecured, interest free, interminable loan from Racing NSW for the above developments totaling $4,384,524.

The loan is only repayable if one or the following conditions are triggered:

- the company ceases to operate as horse racing club;
- the company merges, amalgamates or otherwise associates with any other race club without prior written consent from Racing NSW that any such event will breach the loan conditions;
- the company amends its governance structure without prior written consent from Racing NSW;
- the company conducts business activities in such a manner it becomes financially unstable or insolvent;
- the company disposes of land or other freehold property without the agreement of Racing NSW;
- the company is in material breach of any of its obligations, duties and functions under the funding agreement which has/cannot be remedied or be capable of remedy within the specified time of receiving a written breach notice from Racing NSW;

Whilst the repayment of the loan is contingent on the above conditions, the directors believe that this is unlikely to occur but have nevertheless treated the funds as a contingent liability at the reporting date.

13. Right of Use Assets

i) AASB 16 related amounts recognised in the balance sheet		
Right of use assets		
Leased equipment	22,816	18,554
Accumulated depreciation	(1,488)	(10,205)
Net Carrying Amount Right of use asset	**21,328**	**8,349**
ii) AASB 16 related amounts recognised in the statement of profit or loss		
Depreciation charge related to right-of-use assets	4,731	3,711
Interest expense on lease liabilities	488	415
Leased equipment:		
Opening Net Carrying Amount	8,732	1,757
Interest expense on lease liabilities	488	415
Addition to right-of-use asset	22,816	11,101

Depreciation expense	4,731	3,711
Less: Disposal of Right of Use Asset	5,001	-
Net Carrying Amount	**21,328**	**8,732**

14. Capital and Leasing Commitments

Finance Lease Commitments		
Payable – Minimum Lease payments:		
— Not later than one year	4,394	4,153
— Later than one year and not later than five years	16,676	5,191
— Later than five years	-	-
Minimum Lease Payments	**21,069**	**9,344**

The club has entered into 5-year agreement for printer lease, which will expire in January 2030.

Hire Purchase Loans

Payable – Minimum Lease payments:		
— Not later than one year	32,913	16,168
— Later than one year and not later than five years	114,653	69,628
— Later than five years	-	-
Minimum Hire Purchase Loan Payments	**147,566**	**85,796**

15. Company details

The registered office is situated care of:
Skybridge Financial Port Macquarie Pty Ltd
1-28 Gore Street, Port Macquarie NSW 2444.

The principle place of business is:
Port Macquarie Race Club Limited
Port Macquarie Race Course,
283 Oxley Highway, Port Macquarie NSW 2444

16. Auditors Remuneration

Remuneration of the auditor:		
– auditing or reviewing the financial statements	10,750	8,500

17. Key Management Personnel Compensation

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

The totals of remuneration paid to KMP of the entity during the year are as follows:		
– KMP compensation	108,468	104,288

18. Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the entity is wound up, the constitution states that each members is required to contribute a maximum of $2 each towards meeting any outstanding obligations of the entity. As at 30 June 2025, the number of members was 184 (2024:184).

19. Financial Risk Management

Financial assets	**Note**		
Financial assets at amortised cost:			
- cash and cash equivalents	2	471,932	942,542
- trade and other receivables	4	449,570	202,329
Total financial assets		**921,502**	**1,144,871**
Financial liabilities			
Financial liabilities at amortised cost:			
- trade and other payables	7	521,167	463,112

Directors Declaration

PORT MACQUARIE RACE CLUB LTD

For the year ended 30 June 2025

In accordance with a resolution of the Directors of Port Macquarie Race Club Limited, the Directors of the Company declare that:

- The financial statements, comprising the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to and forming part of the financial statements, are in accordance with the Corporations Act 2001; and
    1. comply with Accounting Standards – Reduced Disclosure Requirements; and
    2. give a true and fair view of the financial position as at 30th June 2025 and of the performance for the year ended on that date of the company.
- In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Board of Directors.

David Todd

Director

Dated: ~~10th~~ day of ~~December~~ 2025.
24th November.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PORT MACQUARIE RACE CLUB LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Port Macquarie Race Club Limited (the company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of Port Macquarie Race Club Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001.*

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 company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Port Macquarie Race Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following:

1. the summary of significant accounting policies in the Notes to the financial report, which describes the basis of accounting. The financial report has been prepared to satisfy the requirements of the company's financial reporting under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose; and
2. Note 12 to the financial report, which describes the contingent assets and liabilities that the directors are aware of as at the reporting date. We were unable to obtain sufficient and appropriate audit evidence to ascertain the value and updated loan arrangements with Racing New South Wales Ltd in relation to the redevelopment of the Course Proper as at the reporting date.

Our opinion is not modified in respect of the above matters.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PORT MACQUARIE RACE CLUB LIMITED

Information Other than the Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF PORT MACQUARIE RACE CLUB LIMITED

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Corporation to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the company's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Dated this 27th day of November 2025 at North Parramatta

McCARTHY SALKELD
AUDIT PTY LTD

Jane Perry **FCA JP**

Ground Floor, Suite 3
410 Church Street
North Parramatta NSW 2151