

NEWCASTLE

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NEWCASTLE JOCKEY CLUB

ANNUAL REPORT 2024 - 2025

MAJOR SPONSORS

Newcastle Jockey Club thanks the following major sponsors for their contribution and support throughout the year.



Newcastle Jockey Club (a company limited by guarantee) ACN 13 000 002 513

Cover photo: Bradley Photos. Soul Of Spain - 2025 Sharp Office Newcastle Gold Cup Group 3.

Trainer: Chris Waller, Jockey: Zac Lloyd.

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CHAIRMAN'S REPORT

It is my privilege to present the Chairman's Report for the Newcastle Jockey Club for the year ended 30 June 2025.

This year, the Club has continued to demonstrate resilience and adaptability in a challenging environment for the racing industry. Despite ongoing pressures on wagering revenue and broader economic headwinds, the Club has delivered a solid trading result, recording a net profit of \$866,546 and total comprehensive income of \$1,222,396. Our working capital ratio remains strong at 3:1, and the Club's net assets have grown to \$44.56 million, reflecting prudent financial management and a commitment to long-term sustainability.

The Board has maintained a clear focus on strategic priorities: diversifying income streams, investing in our facilities, and ensuring the Club remains a leader in provincial racing and a valued part of the Newcastle community. This year saw further progress on our long-term vision, with development opportunities around the racecourse actively explored in line with the Broadmeadow Place Strategy. The prospect of up to 30,000 new residents in the area over the next two decades presents significant opportunities for growth and community integration.

Operationally, the Club has continued to invest in the maintenance and enhancement of our facilities. Notable projects completed this year include the Jockeys Room upgrade and the construction of the Members Grandstand Terraces. Planning is well advanced for further improvements, including the Members Lounge Bistro and Pavilion Room refurbishment. These investments are essential to maintaining the high standards our members and guests expect, and to supporting the Club's future growth.

The Board remains acutely aware of the ongoing challenges posed by declining wagering revenue and the importance of Racing NSW support in maintaining funding levels. We have accelerated efforts to diversify revenue, including exploring commercial development opportunities and expanding non-race day events. The Club's financial position remains robust, with cash and cash equivalents increasing to \$4.94 million at year end.

Our racing and hospitality teams have delivered another year of outstanding results, both on and off the track. The Club's ability to host additional meetings for Gosford Race Club during their upgrades, and to maintain high standards of track and facility presentation despite challenging weather, is a testament to the dedication and professionalism of our staff.

The Board is also proud of the Club's ongoing commitment to community engagement. Our Charity Race Day Program continues to raise significant funds for local causes, and the growth of the Hunter Club has further strengthened our network of sponsors and partners.

I would like to acknowledge the contributions of my fellow Directors, whose expertise and commitment underpin the Club's continued success. I also extend my thanks to our CEO, senior management, and all staff for their hard work and dedication throughout the year. Special mention must be made of Geoffrey Barnett, who stepped down as a Director in September 2025 after many years of distinguished service to the Club and to Darren Turner who will conclude his tenure at this AGM.

Finally, I thank our Members for their ongoing support and engagement. Your feedback and involvement are vital as we continue to build a Club that is modern, inclusive, and forward-looking.

The Newcastle Jockey Club is well positioned to meet the challenges and opportunities ahead. With a strong financial base, a clear strategic vision, and a dedicated team, I am confident that the Club will continue to thrive in the years to come.



Brian Judd
Chairman

AWARD RECIPIENTS

FOR THE 2025 NEWCASTLE JOCKEY CLUB RACING AWARDS

| CATEGORY | WINNER |
|--------------------|-----------------|
| HORSE OF THE YEAR | Private Harry |
| LEADING TRAINER | Kris Lees |
| LEADING JOCKEY | Keagan Latham |
| LEADING APPRENTICE | Braith Nock |
| MAX LEES MEDAL | Annabel Neasham |
| BILL WADE MEDAL | Aaron Bullock |
| 2YO OF THE YEAR | Rivellino |
| RISING STAR | Ben Osmond |

FEATURE RACE DAY WINNERS FOR 2025

| PLACE | HORSE | JOCKEY | TRAINER |
|--|-----------------|-----------------|--------------------------------|
| THE NEWCASTLE HERALD HUNTER 2024 | | | |
| WINNER | Briasa | Tyler Schiller | M, W & J Hawkes |
| 2ND | Felix Majestic | Molly Bourke | G R Nickson |
| 3RD | Coal Crusher | Nash Rawiller | Joseph Pride |
| \$250,000 HORSEPOWER NEWCASTLE STAKES 2025 | | | |
| WINNER | Sandpaper | Tim Clark | Bjorn Baker |
| 2ND | Amenable | Chad Schofield | Mick Price |
| 3RD | Grebeni | Kerrin Mcevoy | Gerald Ryan & Sterling Alexiou |
| \$300,000 SHARP OFFICE NEWCASTLE GOLD CUP 2025 | | | |
| WINNER | Soul of Spain | Zac Lloyd | Chris Waller |
| 2ND | Royal Supremacy | Jason Collett | Ciaron Maher |
| 3RD | Travolta | Kerrin McEvoy | Chris Waller |
| \$250,000 REWARD HOSPITALITY TIBBIE STAKES 2025 | | | |
| WINNER | Oh Diamond Lil | Rachel King | David Phieffer |
| 2ND | Verona Rose | Jason Collett | Gary Portelli |
| 3RD | Tuileries | Zac Lloyd | Peter Snowden |
| \$250,000 LOCAL SEARCH CAMERON HANDICAP 2025 | | | |
| WINNER | Headley Grange | Adam Hyeronimus | Joseph Pride |
| 2ND | Vivy Air | Andrew Adkins | Ciaron Maher |
| 3RD | Fully Litt | Regan Bayliss | Gai Waterhouse & Adrian Bott |

CEO REPORT

It is with great privilege that I present the 2025 CEO Report for the Newcastle Jockey Club. Having now served over four years in this role, I remain deeply optimistic about the Club's future. Each year brings new opportunities, and our continued progress positions us as a resilient, forward-thinking organisation capable of navigating challenges and capitalising on growth.

We have once again delivered strong outcomes across key areas, from facility enhancements to deepening our community engagement. While early forecasts anticipated a softening in discretionary spending in 2024, this did not significantly impact our operations. However, total annual attendance in FY25 saw a modest decline of 1.1% compared to the previous year. This result, which outperformed broader hospitality trends, has still prompted a comprehensive review of the race day experience to ensure we continue delivering exceptional value and quality.

Our financial performance remains robust, with an end-of-year profit of \$866,546. This reflects solid business performance and a positive revaluation of our property portfolio. While wagering revenue continues to decline, impacting racing industry distributions, support from Racing NSW has helped maintain our funding levels. Notably, consistency in cash flow has improved due to a shift to monthly industry payments, enhancing our financial agility.

Given the ongoing uncertainty surrounding racing distribution revenue, we have accelerated efforts to diversify income streams. Development opportunities around the racecourse are actively being explored, particularly in light of the Broadmeadow Place Strategy, which will see up to 30,000 new residents in the area over the next two decades. This presents a significant opportunity for strategic growth and community integration.

Operationally, the Autumn and Winter seasons brought above-average rainfall, testing our dam capacity and track drainage systems. In addition, we supported Gosford Race Club by hosting additional race meetings and barrier trials during their track upgrades. I commend our Track Maintenance team, led by Chris Nation, General Manager of Tracks and Facilities, for their exceptional work under challenging conditions. Chris' team was also responsible for some of the cosmetic improvements to some of our patron infrastructure that you may have noticed while attending race days.

Hospitality remains a cornerstone of our revenue model. Under the leadership of Chris Mills, Hospitality Operations Manager, our team has consistently delivered outstanding race day experiences. We are also expanding our focus on non-race day events to further strengthen this revenue stream.

Our resilience in a competitive market is a testament to excellence across all departments, including digital marketing, community engagement and our high-quality racing product. The Administration team, led by Jane Wood, Administration Operations Manager, has provided invaluable support across Finance, Marketing, Racing Operations, Sponsorship, and Member Services. Their dedication has been instrumental in our success.

In 2025, the Newcastle Jockey Club continued to make meaningful strides in strengthening its Work Health and Safety culture. Through targeted training, improved reporting mechanisms, and proactive risk management, we have fostered a more safety-conscious environment across all departments. Staff engagement with WHS protocols has increased, reflecting a shift toward a more accountable and preventative safety culture. We remain committed to being industry leaders in this space and to continuous improvement and collaboration with industry partners to elevate safety outcomes for all stakeholders.

On the racing front, the year was filled with memorable highlights. The emphatic win by Briasa, trained by Team Hawkes, in the \$1 million Hunter was a standout moment, drawing a record crowd with a 20% increase in attendance from the previous year. Local trainers also shone during the year, with Nathan Doyle's Private Harry winning the Group 1 The Galaxy, and Kris Lees' Rivellino claiming the G2 Skyline Stakes and Inglis Millennium in addition to a Listed Stakes win by Brudenell. Kris Lees finished 5th in the NSW Trainers Premiership with 96.5 winners, while Nathan Doyle secured 48 winners - both outstanding achievements.

While some planned capital works were delayed due to external factors, we continue to progress a substantial list of upgrades aimed at modernising our facilities and mitigating risks associated with ageing infrastructure. Completed projects include the Male Jockeys Room Upgrade, Sound System enhancements, construction of the Members Grandstand Terraces and upgrades to Chevals Restaurant Toilets. Upcoming projects include the Members Lounge Bistro and Pavilion Room refurbishment, which will enhance both race day and non-race day offerings. Additional industry funding for capital works will be critical if we are to increase the capability of what we can achieve each year.

CEO REPORT

We remain committed to transparent communication with our Members as we explore future development opportunities around the racecourse. While funding for new stables is yet to be confirmed, we are actively investigating more cost-effective alternatives.

Sponsorship continues to be a vital pillar of our success. We are proud to partner with a strong cohort of sponsors, including Sharp Office, New Zealand Bloodstock, Tabcorp, Horsepower, Prince of Merewether, Hungerford Hill, Adviser Collective, New Era Technology, Newcastle Herald, Lion, TLE, Prosperity Advisers Group, Dailey Family Funerals and Klosters. The growth of the Hunter Club has also introduced new businesses to our network, enriching our community and commercial relationships.

Our Charity Race Day Program remains a source of immense pride, raising over \$750,000 annually for our charity partners. The Community Support Program continues to deliver meaningful outcomes for local schools, sporting clubs, and charitable organisations.

To our Members, thank you. Your support and feedback are invaluable. We are committed to enhancing communication, recognition, and service, with the Members Lounge Bistro and Terraces reflecting our dedication to Member value.

In closing, I extend my sincere thanks to our exceptional staff, led by senior managers Jane Wood, Chris Nation, and Chris Mills. Their leadership and commitment continue to drive our success. I also wish to acknowledge Chairman Brian Judd for his unwavering support, and our Board of Directors for their guidance and trust.

A special mention goes to Geoffrey Barnett, our former Chairman, whose contributions have been both extensive and significant over many years. I thank Geoff for his mentorship and friendship and wish him all the best after he notified the Board of his intentions to step down as a director effective September 2025.

As we look ahead, I am confident that the Newcastle Jockey Club is poised for a period of significant growth and transformation. With a diverse and skilled Board, a passionate team, and a clear strategic vision, we are well-positioned to seize the opportunities that lie ahead.

Duane Dowell
Chief Executive



FINANCIAL REPORT

For the year ended 30 June 2025
Newcastle Jockey Club Limited
ABN 70 001 038 008

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Directors' Report 30 June 2025

The directors present their report on Newcastle Jockey Club Limited for the financial year ended 30 June 2025.

Information on directors

| | |
|-------------------|---|
| Brian Judd | Chairman |
| Experience | Appointed to NJC Board in 2016 Elected to NJC Board in 2018 Member of the Finance and Risk Committee Former CEO of Racing NSW Country, Newcastle Jockey Club and other sporting organisations. |
| David Irwin | Vice Chairman |
| Experience | Appointed to the NJC Board in April 2021 Member of the Projects Sub Committee Former CEO of Pacific National |
| Darren Turner | FRC Chairman |
| Qualifications | B. Com, FCAANZ, GAICD |
| Experience | Chairman of the Finance and Risk Committee Retired Partner of PwC Appointed to NJC Board in November 2019 |
| Geoffrey Barnett | Director - Resigned 30 September 2025 |
| Qualifications | Elected to NJC Board in October 1999 |
| Experience | Chairman of NJC from 2011 to 2023 Member of Racing Sub-Committee Member of the Projects Sub-Committee Managing Director and CEO of Minco Tech Australia Pty Limited. |
| Alexander Wheeler | PSC Chairman |
| Qualifications | B.A, LLB |
| Experience | Appointed to NJC Board in November 2018 Principal Lawyer, Hickey Wheeler and Co. Chairman of the Projects Sub-Committee |
| Craig Kimmorley | RSC Chairman |
| Qualifications | M.B.A, University of Newcastle |
| Experience | Elected to the NJC Board in November 2018 Chairman of the Racing Sub-Committee Business Development Manager, Ampol Australia Petroleum Pty Ltd |
| Robert Dan | Director |
| Qualifications | B.A, Dip. Teach, OAM |
| Experience | Elected to NJC Board in May 2012 Member of the Racing-Sub Committee Member of the Newcastle and Hunter Racing Hall of Fame Committee |

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Directors' Report

30 June 2025

Information on directors

Directors have been in office since the start of the financial year to date of this report unless otherwise stated. The Company Secretary is Mr Duane Dowell. Mr Dowell was appointed to this position on 1 November 2021.

Meetings of directors

During the financial year, 13 meetings of directors were held. Attendances by each director during the year were as follows:

| Directors' Meetings | | |
|---------------------|---------------------------|-----------------|
| | Number eligible to attend | Number attended |
| Brian Judd | 13 | 12 |
| Geoffrey Barnett | 13 | 13 |
| Darren Turner | 13 | 12 |
| Robert Dan | 13 | 13 |
| Alexander Wheeler | 13 | 11 |
| Craig Kimmorley | 13 | 9 |
| David Irwin | 13 | 12 |

Review and results of operations

The Newcastle Jockey Club has recorded a profit of \$866,546 for 2024/25 compared to a profit of \$3,322,683 for 2023/24. After accounting for Other Comprehensive Income, the Club recorded total Comprehensive Income attributable to the members of \$1,222,396 compared to total Comprehensive income \$3,791,333 for the previous year.

Short term objectives

The Company's short term objectives are to provide a modern and appealing facility centered on the sport of thoroughbred racing for members of the Club, industry stakeholders and visitors.

Long term objectives

The Company's long term objectives are to create a superior, multi-purpose venue that maintains a leadership position for provincial thoroughbred racing and non-racing events. The Company seeks to maintain a sustainable business model underpinned by qualified vision, sound financial management, industry collaboration and diligent corporate governance.

Strategies

The strategies assisting the Company achieve its objectives include:

- Operate as a surplus generating enterprise to create cash reserves for reinvestment into the Club, the thoroughbred industry and the local community. In doing so, adopt a business culture that seeks return on investment supported by comprehensive due diligence, risk management and stakeholder engagement.
- Strive to be a leading Provisional Race Club at Broadmeadow and complete with an integrated strategic plan, facility upgrade program and self sufficient funding model.
- Promote and support the Thoroughbred racing industry.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Directors' Report 30 June 2025

Review and results of operations

- Administer all Club activity in line with contemporary governance practices.

Performance measures and key performance indicators

The Company measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the Company and whether the Company's short-term and long-term objectives are being achieved. Performance is assessed regularly against previous results, approved budgets and relevant industry benchmarks.

| | 2025 | 2024 | 2023 |
|-------------------------------------|--------|--------|--------|
| | \$ | \$ | \$ |
| Key Performance Indicators | | | |
| Total Revenue Change (year on year) | (2%) | 7.70% | 20.64% |
| Total Expense Charge (year on year) | (3%) | 7.72% | 12.22% |
| Working Capital ratio | 3.0:1 | 3.1:1 | 3.2:1 |
| Debt to Equity Ratio | 0.06:1 | 0.06:1 | 0.06:1 |

Members' guarantee

Newcastle Jockey Club Limited is a Company limited by guarantee. In the event of, and for the purpose of winding up of the Company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$2 for members.

| Membership Category | Number | Maximum Liability |
|---------------------|--------|-------------------|
| Full Member | 914 | 1828 |
| Honorary Member | 102 | 204 |
| Life Member | 4 | 8 |
| Total | 1020 | 2040 |

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Directors' Report

30 June 2025

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2025 has been received and can be found on page 5 of the financial report.

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

Signed by:
Brian Judd
F2B4B8616FD29220

Director:

Signed by:
Darren Turner
9139C04A0FE63D1E

Director:.....

Dated: 31/10/2025

01/11/2025



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Newcastle Jockey Club

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PKF

A handwritten signature in black ink, appearing to read 'K Helmers', with a long, sweeping underline.

KEVIN HELMERS
PARTNER

1 NOVEMBER 2025
NEWCASTLE, NSW

PKF(NS) Audit & Assurance Limited Partnership is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separately owned legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s). Liability limited by a scheme approved under Professional Standards Legislation.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2025

| | | 2025 | 2024 |
|--|------|------------------|------------------|
| | Note | \$ | \$ |
| Revenue | 4 | 29,971,273 | 30,788,195 |
| Finance income | | 167,309 | 158,824 |
| Other income | 4 | 1,187,918 | 1,081,983 |
| Cost of sales | | (1,552,328) | (1,628,658) |
| Administration expenses | | (971,582) | (970,685) |
| Advertising expenses | | (231,343) | (186,856) |
| Cleaning and utilities expenses | | (1,002,292) | (879,901) |
| Consumables | | (55,170) | (60,820) |
| Depreciation, amortisation and impairment expense | | (1,864,383) | (1,894,272) |
| Equipment hire | | (361,219) | (248,761) |
| Insurance expense | | (483,107) | (494,951) |
| Motor vehicle expenses | | (80,007) | (80,487) |
| Promotion expenses | | (342,673) | (268,888) |
| Raceday expenses | | (17,620,741) | (18,753,702) |
| Rates expenses | | (139,142) | (215,805) |
| Rental expenses | | (21,021) | (18,791) |
| Repairs and maintenance | | (923,173) | (955,444) |
| Employee benefits expense | | (5,217,846) | (5,033,758) |
| Security costs | | (312,295) | (316,640) |
| Finance costs | | (23,514) | (24,979) |
| Profit before income tax, valuation increments and asset sales/write-offs | | 124,664 | (4,396) |
| Income tax expense | | - | - |
| Valuation increment on investment properties | | 724,382 | 3,365,395 |
| Gain/loss on sale of property, plant and equipment | | 17,500 | (38,316) |
| Profit for the year | | 866,546 | 3,322,683 |
| Other comprehensive income, net of income tax | | | |
| Items that will not be reclassified subsequently to profit or loss | | | |
| Transfer from reserves | | 469,400 | 468,650 |
| Transfer to reserve | | (113,550) | - |
| Total comprehensive income for the year | | 1,222,396 | 3,791,333 |

The accompanying notes form part of these financial statements.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Statement of Financial Position As At 30 June 2025

| | Note | 2025 \$ | 2024 \$ |
|--------------------------------------|------|-------------------|-------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 4,936,414 | 2,107,273 |
| Trade and other receivables | 6 | 1,357,477 | 3,998,558 |
| Inventories | | 197,199 | 181,929 |
| Other financial assets | 7 | 1,129,738 | 1,056,246 |
| Other assets | | 70,500 | 49,830 |
| TOTAL CURRENT ASSETS | | 7,691,328 | 7,393,836 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 26,735,776 | 27,934,381 |
| Investment properties | 9 | 12,630,172 | 10,705,395 |
| Intangible assets | | 82,500 | 82,500 |
| Right-of-use assets | | 69,290 | 113,149 |
| TOTAL NON-CURRENT ASSETS | | 39,517,738 | 38,835,425 |
| TOTAL ASSETS | | 47,209,066 | 46,229,261 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 2,010,331 | 1,857,564 |
| Lease liabilities | | 44,243 | 41,842 |
| Employee benefits | 11 | 512,000 | 503,508 |
| TOTAL CURRENT LIABILITIES | | 2,566,574 | 2,402,914 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | 25,479 | 69,722 |
| Employee benefits | 11 | 60,300 | 66,458 |
| TOTAL NON-CURRENT LIABILITIES | | 85,779 | 136,180 |
| TOTAL LIABILITIES | | 2,652,353 | 2,539,094 |
| NET ASSETS | | 44,556,713 | 43,690,167 |
| EQUITY | | | |
| Reserves | | 13,370,027 | 13,725,875 |
| Retained earnings | | 31,186,686 | 29,964,292 |
| TOTAL EQUITY | | 44,556,713 | 43,690,167 |

The accompanying notes form part of these financial statements.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Statement of Changes in Equity For the Year Ended 30 June 2025

| | Retained Earnings | Property Revaluation Reserve | Other Reserves | Total |
|-----------------------------------|-------------------|------------------------------|-------------------|-------------------|
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2024 | 29,964,292 | 3,006,027 | 10,719,848 | 43,690,167 |
| Profit for the year | 866,546 | - | - | 866,546 |
| Other comprehensive income | | | | |
| Transfer to reserves | (113,550) | - | 113,550 | - |
| Transfer from reserves | 469,400 | - | (469,400) | - |
| Balance at 30 June 2025 | 31,186,688 | 3,006,027 | 10,363,998 | 44,556,713 |
| | \$ | \$ | \$ | \$ |
| Balance at 1 July 2023 | 26,172,959 | 3,006,027 | 11,188,498 | 40,367,484 |
| Profit for the year | 3,322,683 | - | - | 3,322,683 |
| Other comprehensive income | | | | |
| Transfer from reserves | 468,650 | - | (468,650) | - |
| Balance at 30 June 2024 | 29,964,292 | 3,006,027 | 10,719,848 | 43,690,167 |

The accompanying notes form part of these financial statements.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Statement of Cash Flows For the Year Ended 30 June 2025

| | 2025 | 2024 |
|---|--------------------|------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from customers | 36,494,014 | 31,402,354 |
| Payments to suppliers and employees | (32,191,905) | (30,093,806) |
| Interest received | 167,309 | 158,824 |
| Finance costs | (23,514) | (24,979) |
| Net cash (used in)/provided by operating activities | <u>4,445,904</u> | <u>1,442,393</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds from sale of plant and equipment | - | 53,449 |
| Purchase of property, plant and equipment | (724,688) | (1,469,122) |
| Cash receipts from investment property | 423,656 | 368,066 |
| Purchase of investment property | (1,200,395) | - |
| Purchase/(Proceeds from) of financial assets | (73,492) | 462,063 |
| Net cash provided by/(used in) investing activities | <u>(1,574,919)</u> | <u>(585,544)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of lease liabilities | (41,842) | (46,968) |
| Net cash used in financing activities | <u>(41,842)</u> | <u>(46,968)</u> |
| Net increase/(decrease) in cash and cash equivalents held | 2,829,143 | 809,881 |
| Cash and cash equivalents at beginning of year | <u>2,107,273</u> | <u>1,297,392</u> |
| Cash and cash equivalents at end of financial year | 5 <u>4,936,416</u> | <u>2,107,273</u> |

The accompanying notes form part of these financial statements.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Notes to the Financial Statements For the Year Ended 30 June 2025

The financial report covers Newcastle Jockey Club Limited as an individual entity. Newcastle Jockey Club Limited is a Company limited by guarantee, incorporated and domiciled in Australia.

The principal activity of the Company for the year ended 30 June 2025 was the carrying on of the business of a race club at Newcastle (Broadmeadow).

The functional and presentation currency of Newcastle Jockey Club Limited is Australian dollars.

The financial report was authorised for issue by the Directors on the date that the Directors' Declaration was signed.

1 Basis of Preparation

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

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Material Accounting Policies

(a) Revenue and other income

Rendering of service

Racing

Racing revenue includes but is not limited to prizemoney funding, nominations, non-acceptance and scratching fees. These are recognised on an accrual basis based on the performance obligation of holding the race meeting. It also includes TAB distributions revenue determined under the Provincial Scheme of Distribution paid on a monthly basis.

Hospitality and Events

Includes Race Day Admission, Bar and Catering revenue as well as revenue derived from non-race day events.

Track

Includes revenue received from Track Fees for Trackwork Operations. There is also an allocation from Industry Racing Revenue under the Track Maintenance Scheme, calculated on a per race starter basis from locally trained horses.

General and Administration

Sundry Income, reimbursements and subsidies.

Advertising and Promotion

Sponsorship and associated revenue.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Notes to the Financial Statements For the Year Ended 30 June 2025

2 Material Accounting Policies

(a) Revenue and other income

Rendering of service

Racing NSW Project Funding

Revenue/Grants received from Racing NSW for the purposes of funding major projects.

Gain on disposal of non-current assets

When a non-current asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(b) Income tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Current and non-current classification

Assets and liabilities 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 company'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 and cash equivalents 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 company'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 right at the end of the reporting period to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current .

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Notes to the Financial Statements For the Year Ended 30 June 2025

2 Material Accounting Policies

(d) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Land and Buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

| Fixed asset class | Depreciation rate |
|--------------------------|--------------------------|
| Buildings | 2% |
| Plant and equipment | 2% to 4% |
| Motor vehicles | 15% to 25% |
| Racecourse improvements | 2% to 20% |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(f) Investment property

Investment property, comprising residential housing and commercial premises, is held to generate long-term rental yield. All tenant leases are on an arm's length basis. Investment property is initially measured at cost and subsequently measured at fair value.

The fair value of an investment property is the amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value of investment properties is determined

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policies

(f) Investment property

annually by the Directors. The Directors' valuation takes into consideration a number of factors, including the annual valuation undertaken, the nature of the properties and their rental yields, and market information including the annual performance of properties in similar locations. The annual valuation is undertaken by an independent valuer. Changes to fair values of investment properties are recognised in profit or loss in the period in which they occur.

In accordance with the requirements of Australian Accounting Standard AASB 140 Investment Property, when an item of property, plant and equipment is identified as an investment property for the first time, these properties are subject to a market valuation and the revaluation surplus is recognised in a revaluation reserve prior to transferring the property from property, plant and equipment to investment properties.

(g) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

Assets classified as held for sale are not amortised or depreciated.

Non-current assets classified as held for sale and any associated liabilities are presented separately in the statement of financial position.

(h) 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 measurement 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.

(i) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

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.

Notes to the Financial Statements For the Year Ended 30 June 2025

2 Material Accounting Policies

(i) Financial instruments

Financial assets

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risk and rewards of ownership. When there is not reasonable expectation of recovering part or all of a financial asset, its carrying value is written off. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets

The company 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 Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate. Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

(j) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is evidence of an impairment indicator for non-financial assets.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

At the end of each reporting period, the Company reviews the carrying amounts of its 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 asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit and loss.

When the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Material Accounting Policies

(j) Impairment of non-financial assets

recoverable amount of the cash-generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(k) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(l) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(m) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2025, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company or refer to Note for details of the changes due to standards adopted.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - impairment of Assets

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. The directors have assessed that no impairment of assets exist at 30 June 2025.

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 Critical Accounting Estimates and Judgments

Key estimates - Valuation of Investment Properties

The investment properties were valued by the Directors as at 30 June 2025. As noted in Note 2(f) the Directors' valuation takes into consideration a number of factors, including the valuation undertaken by a registered and independent valuer, the nature of the properties and their rental yields, and market information including the annual performance of properties in similar locations. The Directors recognised a movement in investment properties in the current financial year of \$673,987.

Key judgements - Performance Obligations

To identify a performance obligation under AASB 15 Revenue from Contracts with Customers, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost value, quantity and the period of transfer related to the goods or services promised.

Key judgements - Lease Terms

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The option that are reasonably going to be exercised is a key management judgement that the entity will make. The entity determines the likelihood to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

Newcastle Jockey Club Limited

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Notes to the Financial Statements For the Year Ended 30 June 2025

4 Other Revenue and Income

Revenue from continuing operations

| | 2025 | 2024 |
|------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Revenue | | |
| - Racing | 23,642,472 | 24,530,659 |
| - Race day bar and catering | 5,315,632 | 5,238,271 |
| - Track | 284,054 | 288,103 |
| - General and administration | 264,854 | 331,909 |
| - Advertising and promotion | 350,711 | 399,253 |
| - Racing NSW Project Funding | 113,550 | - |
| Total Revenue | 29,971,273 | 30,788,195 |

Other Income

| | | |
|------------------------------|------------------|------------------|
| - Other income | 764,262 | 713,917 |
| - Investment property income | 423,656 | 368,066 |
| | 1,187,918 | 1,081,983 |

5 Cash and Cash Equivalents

| | | |
|--------------|------------------|------------------|
| Cash on hand | 26,460 | 71,100 |
| Cash at bank | 4,909,954 | 2,036,173 |
| | 4,936,414 | 2,107,273 |

6 Trade and Other Receivables

CURRENT

| | | |
|------------------------------|----------------|----------------|
| Trade receivables | 343,833 | 385,723 |
| Provision for doubtful debts | (22,093) | - |
| | 321,740 | 385,723 |

| | | |
|--|------------------|------------------|
| NSW TRB debtor | 1,023,594 | 2,406,330 |
| NSW CRC debtor | (3,607) | (4,495) |
| Other debtors | 15,750 | - |
| Deposits paid | - | 1,211,000 |
| Total current trade and other receivables | 1,357,477 | 3,998,558 |

7 Other Financial Assets

CURRENT

| | | |
|---------------|-----------|-----------|
| Term deposits | 1,129,738 | 1,056,246 |
|---------------|-----------|-----------|

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Notes to the Financial Statements For the Year Ended 30 June 2025

8 Property, Plant and Equipment

| | 2025 | 2024 |
|--|--------------------------|--------------------------|
| | \$ | \$ |
| Land and buildings | | |
| At cost | 11,323,532 | 10,650,516 |
| Accumulated depreciation | <u>(3,598,184)</u> | <u>(3,223,199)</u> |
| Total land and buildings | <u>7,725,348</u> | <u>7,427,317</u> |
| PLANT AND EQUIPMENT | | |
| Capital works in progress | | |
| At cost | <u>49,663</u> | 635,244 |
| Plant and equipment | | |
| At cost | 6,072,696 | 5,788,373 |
| Accumulated depreciation | <u>(4,242,444)</u> | <u>(3,912,871)</u> |
| Total plant and equipment | <u>1,830,252</u> | <u>1,875,502</u> |
| Motor vehicles | | |
| At cost | 158,982 | 192,944 |
| Accumulated depreciation | <u>(91,657)</u> | <u>(114,715)</u> |
| Total motor vehicles | <u>67,325</u> | <u>78,229</u> |
| Racecourse | | |
| At cost | 22,386,142 | 22,135,979 |
| Accumulated depreciation | <u>(5,322,954)</u> | <u>(4,217,890)</u> |
| Total racecourse | <u>17,063,188</u> | <u>17,918,089</u> |
| Total plant and equipment | <u>19,010,428</u> | <u>20,507,064</u> |
| Total property, plant and equipment | <u><u>26,735,776</u></u> | <u><u>27,934,381</u></u> |

Notes to the Financial Statements
For the Year Ended 30 June 2025

8 Property, Plant and Equipment

(a) Movements in carrying amounts of property, plant and equipment

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

| | Buildings \$ | Racecourse \$ | Plant and Equipment \$ | Motor Vehicles \$ | Works in progress \$ | Total \$ |
|---------------------------------------|------------------|-------------------|------------------------------|-------------------------|----------------------------|-------------------|
| Year ended 30 June 2025 | | | | | | |
| Balance at the beginning of year | 7,427,317 | 17,918,089 | 1,875,502 | 78,229 | 635,244 | 27,934,381 |
| Additions | 38,701 | - | 175,953 | - | 510,034 | 724,688 |
| Disposals | - | - | - | - | (102,769) | (102,769) |
| Transfers | 634,313 | 250,163 | 108,370 | - | (992,846) | - |
| Depreciation expense | (374,983) | (1,105,064) | (329,573) | (10,904) | - | (1,820,524) |
| Balance at the end of the year | 7,725,348 | 17,063,188 | 1,830,252 | 67,325 | 49,663 | 26,735,776 |

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Notes to the Financial Statements For the Year Ended 30 June 2025

9 Investment Properties

| | 2025 | 2024 |
|-------------------------------|-------------------|-------------------|
| | \$ | \$ |
| At fair value | | |
| Balance at beginning of year | 10,705,395 | 7,340,000 |
| Acquisitions | 1,200,395 | - |
| Fair value adjustment | 724,382 | 3,365,395 |
| Balance at end of year | 12,630,172 | 10,705,395 |

The Company's investment properties were valued at 30 June 2025 by Independent Valuers. The valuation took into consideration a number of factors, the nature of the properties and their rental yields, and market information including the annual performance of properties in similar locations.

10 Trade and Other Payables

CURRENT

| | | |
|----------------------------|------------------|------------------|
| Trade payables | 1,358,910 | 1,425,570 |
| Income received in advance | 651,421 | 408,139 |
| Deposits held | - | 23,855 |
| | 2,010,331 | 1,857,564 |

The company enters into contracts with its customers that include invoicing in advance of performance obligations being satisfied. The excess of any differences in amounts invoiced and amounts recognised as revenue is recognised as income in advance, which is recognised as revenue upon satisfaction of the performance obligation, generally when the function and/or raceday is held.

11 Employee Benefits

| | | |
|-------------------------|---------|---------|
| Current liabilities | | |
| Employee benefits | 512,000 | 503,508 |
| Non-current liabilities | | |
| Employee benefits | 60,300 | 66,458 |

12 Reserves

(a) Property revaluation reserve

The property reserve records revaluations of non-current property, plant and equipment assets that have been transferred to investment property.

(b) Other reserves

The other reserves record the amounts received from Racing NSW for redevelopment or infrastructure projects on the racecourse. These amounts are reduced by the depreciation charge for the applicable capital assets purchased with the funding each year.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Notes to the Financial Statements For the Year Ended 30 June 2025

13 Financial Risk Management

| | 2025 | 2024 |
|------------------------------------|------------------|------------------|
| | \$ | \$ |
| Financial assets | | |
| <i>Held at amortised cost</i> | | |
| Cash and cash equivalents | 4,936,414 | 2,107,273 |
| Trade and other receivables | 1,357,477 | 3,998,558 |
| Total financial assets | 6,293,891 | 6,105,831 |
| Financial liabilities | | |
| <i>Held at amortised cost</i> | | |
| Trade payables | 1,358,820 | 1,425,570 |
| Deposits held | - | 23,855 |
| Borrowings (current) | 44,243 | 41,842 |
| Borrowings (non-current) | 25,479 | 69,722 |
| Total financial liabilities | 1,428,542 | 1,560,989 |

14 Key Management Personnel Disclosures

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

The remuneration paid to key management personnel of the Company is \$849,626 (2024: \$ 804,024).

15 Auditors' Remuneration

Remuneration of the auditor PKF NS for:

- auditing the financial statements

| | |
|---------------|--------|
| 32,500 | 30,940 |
|---------------|--------|

16 Contingent Assets and Contingent Liabilities

Newcastle Jockey Club Limited recognised the following contingent liabilities at the end of the reporting period:

Racecourse Development Project

In previous years, funding was provided to the Company by way of an interest free, interminable loan from Racing NSW for the purposes of the Racecourse Development project. This loan is only repayable if certain conditions are triggered under the agreement, for example, if the Company ceases to operate as a race club. The Directors are of the opinion that the conditions required to be triggered are unlikely to occur in the ordinary course of business and accordingly, no liability for repayment has been made in the financial report at 30 June 2025. The maximum contingent liability at 30 June 2025 in respect of this loan, excluding GST, amounts to approximately \$13,035,132.

17 Capital Commitments

The company has committed to \$1,369,822 in future capital projects (2024: \$2,359,906).

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 22, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Simplified Disclosure Standard; and
 - b. give a true and fair view of the financial position as at 30 June 2025 and of the performance for the year ended on that date of the Company.
2. 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 a resolution of the Board of Directors.

Signed by:
Brian Judd
F2B4B8616FD29220

Director

Signed by:
Darren Turner
9139C04A0FE63D1E

Director:

Dated 31/10/2025

01/11/2025

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NEWCASTLE JOCKEY CLUB LIMITED Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Newcastle Jockey 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, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Newcastle Jockey Club Limited, is in accordance with the Corporations Act 2001, including:

- (a) 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
- (b) Complying with the Australian Accounting Standards – Simplified Disclosure Requirements and 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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 (including Independence Standards) (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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

Other Information

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.

Newcastle Jockey Club Limited

ABN: 70 001 038 008

Notes to the Financial Statements

For the Year Ended 30 June 2025

18 Economic Dependency

Significant levels of revenue are sourced from Racing NSW. The financial viability of the Company is highly dependent on this source of funds, with no other major source being immediately available should Racing NSW reduce the revenue.

19 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

20 Statutory Information

The registered office and principal place of business of the company is:
Newcastle Jockey Club Limited
Darling St
Broadmeadow NSW 2292

Other Information (cont'd)

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 Disclosure Requirements 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 has 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 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 the 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 directors.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- 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.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

PKF

PKF



KEVIN HELMERS
PARTNER

1 NOVEMBER 2025
NEWCASTLE, NSW



NEWCASTLE JOCKEY CLUB

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