

2023

ANNUAL REPORT VICTORIA RACING CLUB





LEXUS
Melbourne Cup

REGULATION

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CHAIRMAN'S REPORT



On behalf of the Victoria Racing Club (VRC) Board, I am pleased to present the Chairman's Report for the year ending 31 July 2023.

It has been a year of notable achievements for the Club as we continue to make important progress off the back of two COVID-restricted years.

More than 244,000 racegoers came through the gates of Flemington for the 2022 Melbourne Cup Carnival with millions more engaging with Cup Week off course through broadcast, digital and social channels.

Gold Trip's stunning win in the 162nd running of the Lexus Melbourne Cup captured the hearts of racing fans around the world as it was broadcast into 209 countries and territories to a potential global audience reach of 750 million.

Closer to home, one in two adults engaged in Lexus Melbourne Cup Day through watching, listening or participating in an activity to celebrate the day, once again establishing its position as the only 'race that stops a nation'TM.

The Melbourne Cup Carnival confirmed its status as the number one economic generator of any annual sporting event in Australia with \$422.1 million in gross economic benefit delivered to the state of Victoria in 2022.

The Melbourne Cup Carnival has contributed more than \$3.6 billion in gross economic benefit to Victoria in the past decade.

Our homegrown event was directly responsible for bringing 60,897 people to Victoria, including international guests from 28 countries, proving many were eager to get back to our state and enjoy the world-class racing, fashion, food and entertainment that Cup Week offers.

Cup Week is synonymous with great sporting moments and new champions etched their names into the Group 1 honour roll across the four days, highlighted by Gold Trip in the \$8.4 million Lexus Melbourne Cup for trainers Ciaran Maher and David Eustace and jockey Mark Zahra.

It was a thrill for the horse's large group of connections as well as the winners of the Lexus Melbourne Cup Tour National Sweep, with the VRC proud to present the community of Gold Coast with

\$50,000 which was split between their two nominated charities – The Griffith University Institute for Glycomics and the National Breast Cancer Foundation.

The initiative formed part of the significant charitable contribution made during the Melbourne Cup Carnival in 2022, with the event raising more than \$1 million for charitable causes.

This also included more than \$490,000 for new Pin & Win partner, the Australian Childhood Foundation, and over \$500,000 for not-for-profit organisation GIVIT to help the many flood-impacted people and communities around Australia and donations to the National Jockeys Trust and Victorian Jockeys Association to support the incredible work of those organisations.

Other Group 1 racing highlights during the 2022 Melbourne Cup Carnival included Manzoice (Penfolds Victoria Derby), Icebath (TAB Empire Rose Stakes), In Secret (Coolmore Stud Stakes) and She's Extreme (Kennedy Oaks) before fans experienced the ultimate grand finale on TAB Champions Stakes Day.

The VRC and TAB announced a rebranded final day of the Melbourne Cup Carnival, with TAB Champions Stakes Day featuring three \$3 million Group 1 races – the TAB Champions Stakes won by Zaaki, the Kennedy Champions mile won by Alligator Blood and the Darley Champions Sprint won by Roch'N'Horse.

TAB Champions Stakes Day saw 23 Group 1 winning horses compete, bringing together the best of Australian racing and driving a significant wagering uplift of 21 per cent year-on-year.

Cup Week recorded \$871 million in turnover for the four days, a 7 per cent increase in total turnover from the year prior and a new record. Importantly, these funds flow back into the entire Victorian racing industry, supporting jobs, equine welfare initiatives and racing infrastructure across Victorian metropolitan and country tracks.

In a year of milestones, the Myer Fashions on the Field fashion event celebrated its 60th anniversary and showcased inclusion and individuality with new Best Dressed and Best Suited categories.

We saw an increased engagement with the competition as people embraced the creativity and inclusion of Fashions on the Field.

The VRC celebrated 20 years of the Lexus Melbourne Cup Tour, which remains one of the Club's most treasured Carnival events.

Since its inaugural journey in 2003 and before commencing in 2022, the tour had travelled more than 900,000 kilometres and visited more than 590 regional, rural and metropolitan destinations, providing communities with a once-in-a-lifetime opportunity to experience the magic of the Lexus Melbourne Cup.

The three-handled Lexus Melbourne Cup trophy was embraced by people in towns from Wagin to Warwick, Cloncurry to Curban and Meander Valley to Maffra before arriving home to Melbourne on Lexus Melbourne Cup Eve, for what was a new-look CBD celebration at Federation Square.

While we could not take the Lexus Melbourne Cup Tour internationally due to COVID restrictions, we did continue to engage with international race clubs through strategic alliances including York Racecourse, the Hong Kong Jockey Club, Ascot Racecourse, The Curragh, Singapore Turf Club, Goodwood Racecourse, Breeders' Cup, Japan Racing Association and France Galop's racecourses.

These alliances present an opportunity for knowledge sharing and cross-promotion of international racing events.

The VRC announced at the end of the 2022-2023 financial year that the famous Ebor Handicap at York Racecourse would offer a golden ticket into the Lexus Melbourne Cup. The Ebor Handicap is traditionally a strong form guide to the Lexus Melbourne Cup and the announcement was a strengthening of the close ties between the VRC and York Racecourse.

Before the official end of the season, the Club also announced amendments to eligibility for life membership. The VRC Board wished to recognise and correct inconsistencies between male and female members. Females were not permitted to be members of the Club until 1980 and to create greater equality between all members, the VRC will award life membership to the nine female members who joined in 1980 and have remained loyal members ever since.

In the last financial year, we continued to develop our 2040 Master Plan which will see the Club continue to invest in being a

leader with new racing and Flemington precinct infrastructure and facilities.

I would like to take this opportunity to acknowledge the work and commitment of all my fellow Board Members and extend a special note of gratitude to Vice Chairman Michael Ramsden and Honorary Treasurer Glenn Carmody for their continued support and counsel on key matters for consideration by our club.

I would also like to recognise the significant contribution from the entire VRC team, led by Chief Executive Officer Steve Rosich. Together, they have delivered a successful 2022/23 racing season, and have put the Club in good stead for continued advancements into the future.

I wish to acknowledge and thank Minister for Racing, The Honourable Anthony Carbines, and Minister for Tourism, Sport and Major Events The Honourable Steve Dimopoulos and for their contributions toward the racing industry as well as the Melbourne Cup Carnival.

To our many partners providing valuable support to our racing and the many services provided across the year, we thank you for your dedication and true partnership with our Club.

Thank you to our record number of over 33,000 members for your support for your club, and your ongoing engagement on race days and throughout the year.

We are very fortunate to be part of this wonderful club and it is a privilege to be your Chairman.

We look forward to welcoming you to Flemington for yet another successful year ahead.



Neil Wilson
Chairman

CEO'S REPORT



Welcome to the 2022/23 Victoria Racing Club Annual Report.

As we returned to normality in 2022 following two COVID-restricted years, I am pleased to report on the 2022/23 racing season which saw our valued membership base grow to record levels.

With a proud and storied past, the VRC officially broke its all-time membership record in the 2022/23 racing season and cemented its status as the largest member-based racing club in the world with 33,120 members. Thank you to each and every member, new and long-term for your support of the Club and the contribution that you make to the Club, Flemington race days and year round events.

We continue to maintain a membership cap of 30,000 full members to ensure that the Club can provide a world-class experience for each and every member, with room to elevate restricted members to full members before the cap is reached.

At the time of writing, we are on the cusp of the eagerly anticipated 2023 Melbourne Cup Carnival, which is bound to build on the outcomes achieved in the 2022 Carnival.

As the Chairman reported, the 2022 Melbourne Cup Carnival featured many highlights, including the win of Gold Trip in the Lexus Melbourne Cup. The race was one of the highest viewed live sporting events in Australia in 2022.

Around 2.5 million people tuned in to watch the Lexus Melbourne Cup across all available platforms. Some 650,000 people live-streamed the Cup across digital platforms including 10 Play, Racing.com, KAYO, the TAB app, Sky Racing and the VRC's own Inside Run platform.

The four days of the Melbourne Cup Carnival offered more than \$30 million in prizemoney (including trophy value) and featured 23 different winning trainers and 20 separate riders tasting victory in front of our first unrestricted carnival crowds since 2017, with more than 244,000 attendees.

For the second consecutive year, James McDonald won the Ron Hutchinson Award for leading jockey over the four days of the Melbourne Cup Carnival with 34 points, more than twice as many as joint runners-up Damien Oliver and Jamie Kah.

It was also a second win in a row for trainer Chris Waller, who secured his second Group 1 Penfolds Victoria Derby (2500m) with Manzoice, in the J B Cummings Award for trainers. Nature Strip's runner-up finish in the Darley Champions Sprint took him just ahead of Cup-winning trainers Ciaron Maher and David Eustace.

Fast forward to 2023, and the Flemington Racing Spectacular in the Autumn racing period took centre stage, showcasing the best in Group 1 racing, fabulous food and wine and exceptional entertainment.

More than 36,000 racegoers flocked to Flemington throughout the three-day Flemington Racing Spectacular, which included Australian Guineas Day, Super Saturday and the newly introduced standalone day, TAB Australian Cup Day.

One spectacular moment included New Zealand-trained filly Legarto winning the Group 1 Australian Guineas (1600m) for husband-and-wife training duo Bev and Ken Kelso.

Godolphin continued their dominance of Australian racing under the guidance of head trainer James Cummings, winning the final two Group 1 races for the season at Flemington in the 150th running of the Group 1 Yulong Stud Newmarket Handicap (1200m) on Super Saturday with star sprinter In Secret and the Group 1 TAB Australian Cup (2000m) with fan favourite Cascadian on TAB Australian Cup Day.

Super Saturday will hold a special place in the heart of many racing fans, as In Secret provided jockey Dean Holland, who tragically lost his life in April, with a memorable Group 1 victory in the Yulong Stud Newmarket Handicap. To remember Dean's legacy, the VRC has introduced an annual award called the Dean Holland Trophy that will be presented to the winning jockey of the Yulong Stud Newmarket Handicap.

Equine welfare is a key focus of the VRC and last financial year the club provided support to meaningful programs that see horses helping humans, including Riding for the Disabled Association (RDA), Racing Hearts, Equine Pathways and CARM. In addition, we continued our financial support of Living Legends, with racegoers enjoying the interaction with two past champions at every Flemington race day.

We thank the trainers, jockeys, owners and stable staff who work tirelessly to keep our equine athletes in their best condition to be able to perform at the peak on the big stage at Flemington.

This financial year saw the VRC extend its partnership with Darley Australia until 2025 and Sofitel until 2027. It was also the year to say farewell to our long standing fashion partner, Myer.

Outside of 22 action-packed Flemington race days across the season, our members also enjoyed an array of exclusive events including our much-loved Inside Headquarters evenings featuring some of racing's biggest stars, whilst offering an opportunity to engage with other members, and connect with the Club.

Our members are the heartbeat of the Club, and we wish to extend our gratitude to them for the important role they play in ensuring that we continue to deliver the traditional experiences known and loved, as well as new and innovative initiatives in line with the interests and values of our dedicated members.

The 2022/23 season marked the inaugural year of the VRC Member Advisory Group which has been established to provide an open forum for member feedback. We see this as being vital to our Club's ongoing growth and success. I thank those members who took part in the four meetings, and we look forward to continuing these sessions as we strive to look ahead to an ever-evolving Flemington Future.

The Melbourne Cup Foundation under the leadership of Chair and Director, Sophie O'Kane and guided by its Board of Directors including VRC Chairman Neil Wilson, former VRC Chairman Amanda Elliot and VRC Director Glenn Carmody is a catalyst for positive and extensive activity within the racing industry and the wider community that embodies three important key pillars including Heritage and History, Horses and People and Community and Education. Much like the iconic Lexus Melbourne Cup trophy, the Foundation's goal is to serve as an avenue for global brand recognition as well as making a positive impact in Victoria and Australia. You will hear more about the Foundation in 2024.

In 2022 the Melbourne Cup Carnival made significant strides in sustainability after successfully diverting 85.22% of waste from landfill.

The VRC demonstrated its commitment to conducting environmentally sustainable major events by employing a trusted venue presentation partner in Cirka, to ensure we are constantly implementing new practices to remain leaders in large-scale sustainable event delivery.

Flemington is one of Melbourne's most iconic venues and our expanding outdoor events program is an important part of our operations. Last season, Flemington hosted outdoor events including Rufus Du Sol, St Jerome's Laneway Festival and Good Things Festival, just to name a few.

Club revenue surpassed pre-COVID levels due to the return of unrestricted Melbourne Cup Carnival crowds and continued support from our members, sponsors and Corporate partners. We continue to manage costs across the Club, with an ongoing focus on strategic investments in the Flemington racing program that includes funding prizemoney top ups in the financial year of \$9.04 million, and investment in Flemington race days and the Melbourne Cup Carnival with the return to crowds during 2022. We are able to report a positive EBITDA for the financial year after these strategic investments and we are well placed to drive our earnings and enhance our balance sheet for the future.

I would like to acknowledge our sponsors and partners, including Principal Partner Lexus and large membership base for their support of world-class racing, events and entertainment at Flemington. Lexus have been partners since 2022, and we continue to take the 'race that stops a nation'TM to the world with them. Our sponsor portfolio also includes leading brands of TAB, Penfolds, Furphy and Kennedy and we could not be prouder of this group and their contribution to the Club.

Finally, I would like to thank the VRC Board and Executive Leadership Team and VRC staff for their support and dedication during this financial year, and to maintaining the global status of the Club and the Melbourne Cup Carnival.



Steve Rosich
Chief Executive Officer

OUR BUSINESS

HISTORY

A meeting between 32 racing-loving gentlemen in March 1864 regarding merging the Victoria Turf Club and the Victoria Jockey Club, saw the establishment of the Victoria Racing Club (VRC) – which today has grown to become the largest member-based racing club in the world and a globally recognised brand.

The first race meeting at Flemington Racecourse was held on 3 March 1840, and the first Melbourne Cup, Flemington's most famous race, was run on Thursday 7 November 1861. In 1871, the VRC – now in its seventh year – took control over all racing in Victoria when the Victoria Racing Club Act gave the Club control of Flemington racecourse and authority over race meetings across the state.

To this day, the VRC sets the standard for thoroughbred racing throughout Victoria and Australia as a whole.

MEMBERSHIP

Our members are at the heart of the VRC. Ever since the founding secretary, Robert Cooper Bagot encouraged people to come to Flemington Racecourse to enjoy the gardens, new facilities, new grandstands, and a renovated track, the scene was set for the VRC to provide one of the best venue and member experiences available at any sporting club in the world.

In June 2023, the VRC surpassed its all-time membership record with a total of 33,120 members for 2022/23 season – a world record figure for a racing club and indicative of the loyalty and support of existing and new members alike. This milestone marks a new chapter for the Club as we continue to expand and fulfil our vision to deliver world-class racing, unforgettable experiences and premium facilities.

As the home of world-class thoroughbred racing, Flemington has cemented its position as one of Australia's premium training centres as well as the destination to experience world-class race day and event facilities.



FACILITIES

Flemington racecourse is Australia's oldest racecourse in continuous use, situated approximately seven kilometres north-west of Melbourne CBD along the Maribyrnong River. The racecourse occupies an area of 320 acres – one of the largest racecourses and longest racetracks in Australia – with a course proper 30 metres wide and a circumference of 2,312 metres. The famous Flemington straight – the 'Straight Six' – denotes the six furlongs (1200m) and the battleground of many of Australia's most famous sprint stars.

There are 19 resident trainers and facilities for around 600 horses at Flemington. The site is home to the largest public rose garden in the southern hemisphere (more than 16,000 rose bushes), four grandstands, a gaming venue, parkland, a nursery, wetlands, car parks, a train station, administration offices and an operational workshop, as well as a rich tapestry of heritage assets.

Race day and event experiences are held in dedicated spaces that are spread across three connected grandstands. The venues provide capacity for as many as 1,000 guests for breakfast, lunch or dinner; 1,300 delegates for a theatre-style conference, seminar or meeting; 2,500 guests for a cocktail reception or up to 60,000 for large-scale outdoor events.

From hosting thousands in The Atrium, to more intimate gatherings in The Roof Garden with its spectacular cityscape views, there are a variety of venues to suit any event. The expansive grounds of The Nursery play host to music festivals and other outdoor events with crowds of up to 33,000 people. Surrounded by the world-famous Flemington rose gardens, the iconic Front Lawn is the prime location to witness racing history being made up close; a spectacular spot for an outdoor event, and quite simply a place where many unforgettable memories are made.

OPERATIONS

The Victoria Racing Club is a not-for-profit organisation with surplus funds reinvested into Flemington Racecourse and its operations. The VRC is governed by a board of directors who are responsible for the overall governance, management, and strategic direction of the organisation.

The VRC employs a permanent workforce of around 230 – in addition to the hundreds of staff employed every day by resident trainers. During the Melbourne Cup Carnival more than 2,200 casual staff are mobilised to support the delivery of operations and catering, servicing hundreds of thousands of connections, racegoers, members, clients, partners and dignitaries.

VICTORIA RACING CLUB IN NUMBERS

ORGANISATION

VRC is custodian of Flemington Racecourse



- Established 1864
- Not for profit entity
- VRC finances the running of the Melbourne Cup Carnival at a cost of \$65m annually

EMPLOYMENT

2,200

permanent and contract employees



MEMBERSHIP

The largest membership-based racing club globally



33,120
members

RACETRACK

One of the largest racecourses and longest racetracks



- 10 tracks
- 19 resident trainers
- Facilities for around 600 horses
- Equine swimming pool

OUR VISION

THE LEADER IN WORLD-CLASS RACING AND EXPERIENCES

The VRC Board, management and broader team are firmly committed to pursuing the Club's overarching ambitious vision of being the leader in world-class racing and experiences. To achieve this, we accept the opportunities that await as we acknowledge the changing nature of the business and the opportunity to evolve driven by an engaged workforce.

The five key focus areas of the Club are Racing, Customers and Partners, Content and Media, People and Community and Governance and Finance with areas of focus.



Racing

A Club wide focus on being the leader in world class racing



Customers/Partners

Creator of world class experiences and entertainment



Content and Media

Leading content producer in racing and events both locally and globally



People and Community

To positively impact the lives of our people and our community with a socially sustainable model



Governance and Finance

To ensure ongoing improvement in financial and organisational performance for the long-term

Every day, VRC employees are committed to working toward and embodying our core values:

INTEGRITY

Acting with integrity in all that we do.

EXCELLENCE

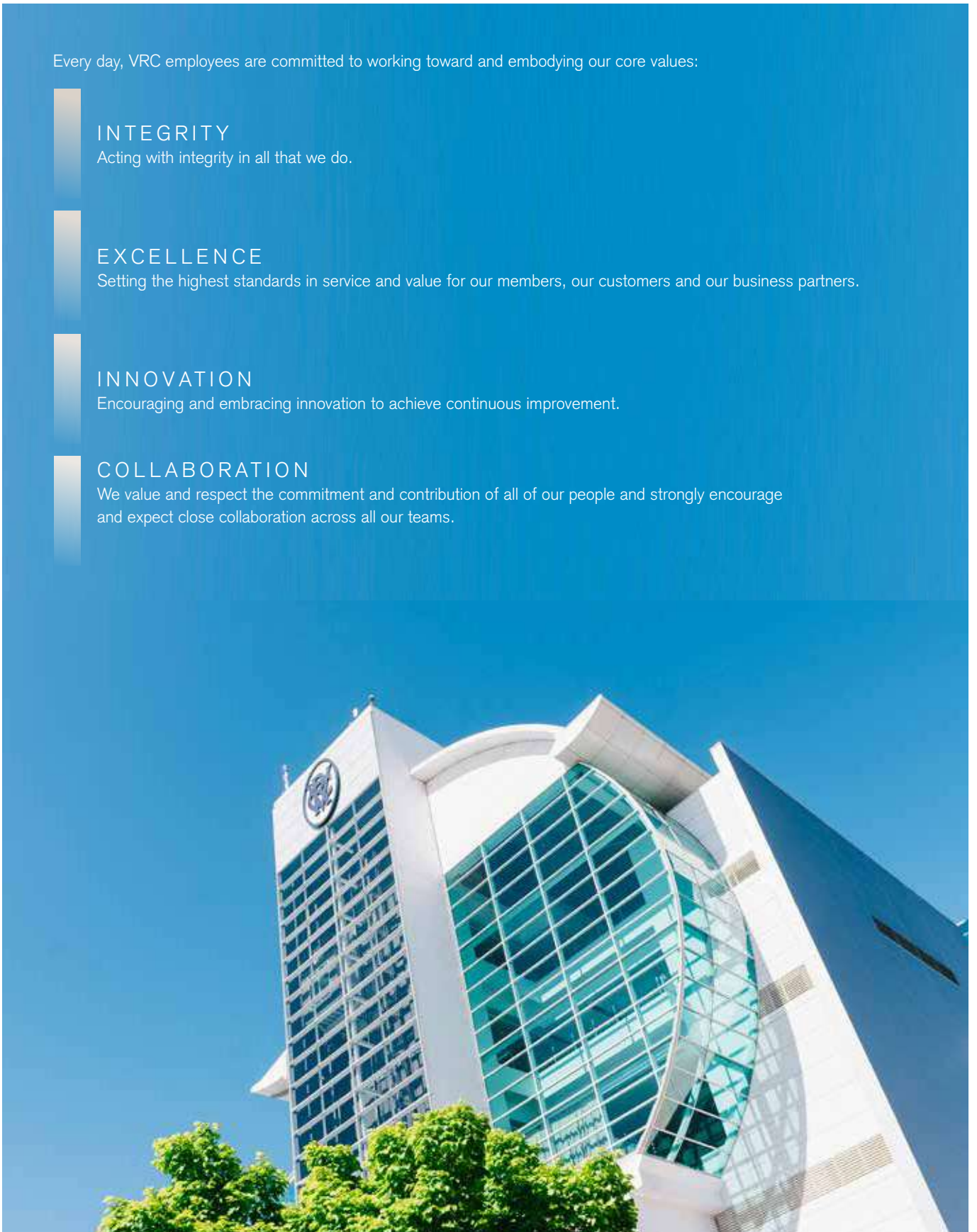
Setting the highest standards in service and value for our members, our customers and our business partners.

INNOVATION

Encouraging and embracing innovation to achieve continuous improvement.

COLLABORATION

We value and respect the commitment and contribution of all of our people and strongly encourage and expect close collaboration across all our teams.



OUR SUCCESS AND STRATEGY

The 2022/23 season saw the Club's strategic efforts proving to be both robust and resilient when put to the test in a challenging sales and costs environment.

The crowds continued to return to Flemington, with numbers continuing to climb to pre-COVID levels. On the ground the Club faced growing economic headwinds, with some costs rising rapidly compared to just a year before.

As this report looks back at the year just ended, it's also important to cast our eyes forward.

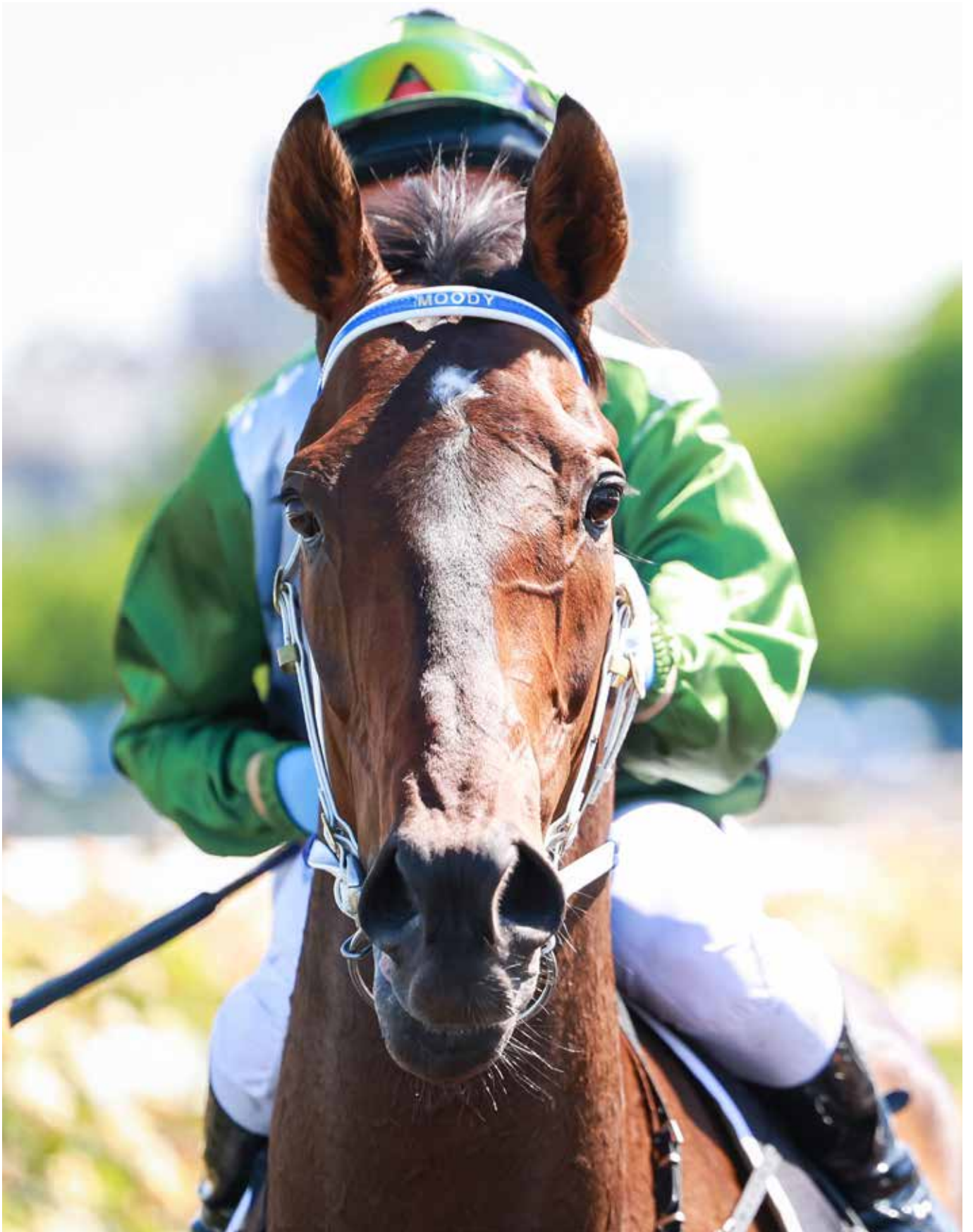
The VRC is committed to securing the central component of our vision: to maintain our leadership status in world-class racing across every facet of our operations. This leading position encompasses not just racing itself, but also our facilities, their function and inherent value and the equally valuable, but less tangible, appeal of the overall race day experience that is so unique to the VRC.

To continue to lead the industry at this level requires ongoing action and investment, so that we can protect and nurture the incredible assets the Club has built, and to pursue new, exciting and profitable business opportunities.

Looking forward and creating a roadmap for the future is what the Board and Executive Leadership Team monitor and manage on a daily basis. Their continued effort to anticipate what lies ahead will stay at the forefront of our strategic efforts and plans in 2024 and beyond.

Strategically, our commitment to innovation remains unwavering, and will see us continue to introduce new technologies and initiatives while also seeking to revamp our racing programs, prizemoney structures, and operational processes.





2022/2023 RACING



ATTENDANCE
380,139

22 MEETINGS*

195 RACES RUN

2,381 STARTERS

14 GROUP 1s

12 GROUP 2s

18 GROUP 3s

28 LISTED*



WAGERING TURNOVER
\$1.797B

PRIZEMONEY
\$62.1M

PRIZEMONEY
VRC CONTRIBUTION
\$9.04M

* ANZAC Day abandoned due to the passing of jockey Dean Holland, Listed races ANZAC Day Stakes and VRC St Ledger subsequently run at Sandown Racecourse on 29 April, 2023.

2022 MELBOURNE CUP CARNIVAL

37 RACES RUN

498 STARTERS

2 INTERNATIONAL HORSES

23 INDIVIDUAL WINNING TRAINERS

20 INDIVIDUAL WINNING JOCKEYS



PRIZEMONEY
\$29.4M*

* Excluding trophy values.



RACING

2022 MELBOURNE CUP CARNIVAL

After two years of COVID-19 restrictions, Flemington roared back to life during the 2022 Melbourne Cup Carnival. Racing enthusiasts flocked to witness champion horses, iconic races, and world-class jockeys at Flemington. Over the course of the event, a staggering \$29.4 million (excluding trophy values) in stakes money was contested across 37 races, featuring 498 starters, and drawing a crowd of over 244,000 enthusiastic racegoers.

The festivities commenced with Penfolds Victoria Derby Day, where 71,237 spectators gathered. Champion jockey James McDonald embarked on a remarkable run – mirroring his previous year's performance with an astonishing four wins out of the first six races.

Sydney's training maestro, Chris Waller, clinched his second Group 1 Penfolds Victoria Derby (2500m) title with Manzoice, granting rising star Michael Dee his inaugural victory in the race. James Cummings celebrated his maiden Group 1 Coolmore Stud Stakes (1200m) win with the remarkable three-year-old filly, In Secret, marking a consecutive victory for James McDonald in the same race. Craig Williams piloted the Brad Widdup-trained Sydney mare Icebath to a defining triumph in the Group 1 TAB Empire Rose Stakes (1600m), shedding her perennial Group 1 placegetter status.

Despite inclement weather conditions, 73,816 spectators braved the elements to attend Lexus Melbourne Cup Day.





Victorian trainers and jockeys dominated the 2022 Lexus Melbourne Cup (3200m), with Ciaran Maher and David Eustace securing their first victory in the prestigious race thanks to imported stayer Gold Trip, ridden by the accomplished Mark Zahra. The duo also prepared the third-place finisher, High Emocean, under the guidance of Melbourne jockey Teo Nugent. Splitting the Victorian pair was Mike Moroney's Emissary, piloted by local jockey Patrick Moloney.



RACING

The Cummings racing dynasty added to its legacy with the Anthony Cummings-trained She's Extreme winning the Group 1 Kennedy Oaks (2500m), following in the footsteps of son James's win with Willow in the previous year. This achievement echoed the success of Bart Cummings, who trained a record-breaking nine VRC Oaks winners, while his grandfather, Jim Cummings, also clinched victory in 1928 with Opera Queen.

TAB Champions Stakes Day lived up to its name, featuring renowned turf stars such as Nature Strip, Anamoe, Alligator Blood, and Zaaki, captivating the 54,019 racegoers in attendance. Zaaki, trained by Annabel Neasham and ridden by Jamie Kah, justified its billing by leading throughout to secure victory in the Group 1 TAB Champions Stakes (2000m), defeating Mo'unga, Hezashocka and Anamoe.

The Gai Waterhouse and Adrian Bott-trained Alligator Blood, aptly living up to its reputation, saw jockey Tim Clark dictate the race's terms from start to finish, clinching the Group 1 Kennedy Champions Mile (1600m) ahead of Tuvalu and Mr Brightside. Underrated sprinting mare Roch 'N' Horse, following her 2022 Newmarket Handicap victory, triumphed again by defeating top-class sprinters in the Group 1 Darley Champions Sprint (1200m), where she defeated 2021 winner Nature Strip.





Notable accolades of the week went to Chris Waller, who claimed the JB Cummings Leading Trainer Award, and James McDonald, who secured the Ron Hutchinson Leading Jockey Award with eight wins across the week.



RACING

2022/23 SUMMER RACING

The VRC commenced the calendar year with its traditional New Year's Day race meeting, highlighted by the Listed Bagot Handicap (2800m), won by the Ciaran Maher and David Eustace-trained San Huberto, ridden by Ethan Brown. On VRC Summer Fun Race Day, the Group 3 Standish Handicap (1200m) featured a win by the speedy Snapper, trained by Mike Moroney and ridden by Jye McNeil.

The Resimax Group Rapid Racing twilight meeting was the VRC's third, taking place on a Friday afternoon with seven races scheduled, each 30 minutes apart. It offered a fun afternoon of competitive racing along the famous Flemington straight.



BLACK CAVIAR LIGHTNING RACE DAY

The renowned Group 1 Black Caviar Lightning (1000m) in February gathered top-tier sprinters, including the world's best, Nature Strip, Coolangatta, September Run, and Bella Nipotina. Three-year-old filly Coolangatta, steered by champion jockey Jamie Kah, handed Victoria's leading trainers Ciaron Maher and David Eustace another Group 1 victory at Flemington. The day also featured the Group 3 Tony Bourke Memorial (1400m) which was named after the esteemed The Age racing writer who had passed away earlier in the year, with Annavisto claiming victory.



RACING

FLEMINGTON RACING SPECTACULAR

The Flemington Racing Spectacular underwent a format shift in 2023, with the Australian Cup meeting moving to March 25, a week after the All-Star Mile.

Legarto, trained by Bev and Ken Kelso, became the sixth filly to win the Group 1 Australian Guineas (1600m). In an exciting race, Legarto came from behind and grabbed the lead in the closing stages to secure a thrilling victory over Attrition, trained by Mitchell Freedman.

On Super Saturday, the Group 1 Yulong Stud Newmarket Handicap (1200m) drew over 15,000 attendees, with the illustrious field including 2022 winner and TAB Champions Sprint winner Roch 'N' Horse, Coolmore Stud Stakes victory In Secret, and Sydney sprinter Private Eye. Jockey Dean Holland replaced an injured Jamie Kah on In Secret, achieving the highlight of his brief career by securing victory and giving James Cummings his first win in the event.

For the first time, the Group 1 TAB Australian Cup (2000m) was rescheduled to follow the All-Star Mile. James Cummings claimed victory with the formidable Cascadian, mirroring the successes of his grandfather Bart, who won the race 13 times, and his brother Edward, who triumphed in 2022 with Duais. Ben Melham, riding the eight-year-old gelding, displayed patience, claiming the lead late in the closing stages. The day also featured Goldman, trained by Gai Waterhouse and Adrian Bott, securing a golden ticket into the 2023 Lexus Melbourne Cup with a comfortable win in the Listed Roy Higgins Quality (2600m).



2023 WINTER RACING

In May, Lunar Flare triumphed in the Listed Andrew Ramsden Stakes (2800m) by five lengths, earning her golden ticket into the 2023 Lexus Melbourne Cup. However, after an incredible career, Lunar Flare was retired in October 2023 following an injury. On VRC Country Race Day, Horsham trainer Paul Preusker's Steparty showcased potential with two Flemington victories, both ridden by jockey Dean Yendall.

The Winter Racing season culminated with Flemington Finals Race Day, where stars like Nature Strip, Santa Ana Lane, Eduardo, I'm Thunderstruck, Gytrash, and Miami Bound have emerged in the past. The Listed VRC-CRV Winter Championship (1600m) was claimed by Matt Laurie's Riddle Me That. Mark and Levi Kavanagh's First Immortal delivered an impressive victory in the Mahogany Challenge Final (2500m), and Albury trainer Mitch Beer celebrated a career highlight with Mnementh winning the Listed Santa Ana Lane Sprint Series Final (1200m).



DEAN HOLLAND

Tragedy struck the racing community when Dean Holland passed away after suffering injuries in a race fall at Donald on 24 April. In tribute to Holland and his family, the VRC, Racing Victoria, and the Victorian Jockeys Association jointly decided not to hold the ANZAC Day meeting the following day.

The VRC will pay homage to Holland by each year by presenting the Dean Holland Trophy to the winning jockey of the Group 1 Yulong Stud Newmarket Handicap.



DEANE LESTER

In another sombre note for the racing world, beloved form analyst Deane Lester passed away after a prolonged illness in February 2023. Lester's passion for horse racing and its history was unmatched. This became evident when he made a remarkable discovery at the National Gallery of Victoria, where the state's oldest trophy, presented to the winner of the 1849 Flemington Cup, was on display.

Eager to preserve this historical treasure, Lester reached out to VRC officials with a heartfelt proposal: to organise a race in honour of this trophy, aptly named 'The Flemington

Cup'. The VRC agreed, and this led to the re-introduction of the Flemington Cup in July 2020.

In a touching tribute to Lester's enduring legacy, the VRC chose to rename the race in 2023 to the Deane Lester Flemington Cup. The inaugural champion of this was Mimi's Award trained by Ben and JD Hayes, and the managing owner, Rob Slade, graciously decided to present the trophy to Lester's mother, Sandra, ensuring that his indelible mark on the sport lived on.

2022 MELBOURNE CUP CARNIVAL FEATURE RACE WINNERS



PENFOLDS VICTORIA DERBY

Manzoice trained by Chris Waller
and ridden by Michael Dee.



LEXUS MELBOURNE CUP

Gold Trip trained by Ciaran Maher and David Eustace
and ridden by Mark Zahra.



KENNEDY OAKS

She's Extreme trained by Anthony Cummings
and ridden by Tommy Berry.



TAB CHAMPION STAKES

Zaaki trained by Annabel Neasham
and ridden by Jamie Kah.



2022/23 GROUP 1 FEATURE RACE WINNERS



DATE	RACE NAME	RACE	WINNER	TRAINER	JOCKEY	PRIZEMONEY
10-Sep-22	Sofitel Girls' Day Out	PFD Food Services Makybe Diva Stakes (1600m)	I'm Thunderstruck (NZ)	Mick Price & Michael Kent Jnr	Mark Zahra	\$1,002,100
1-Oct-22	TAB Turnbull Stakes Day	TAB Turnbull Stakes (2000m)	Smokin' Romans (NZ)	Ciaron Maher & David Eustace	Ethan Brown	\$1,002,100
29-Oct-22	Penfolds Victoria Derby Day	Penfolds Victoria Derby (2500m)	Manzoice	Chris Waller	Michael Dee	\$2,170,325
29-Oct-22	Penfolds Victoria Derby Day	TAB Empire Rose Stakes (1600m)	Icebath (NZ)	Brad Widdup	Craig Williams	\$1,005,325
29-Oct-22	Penfolds Victoria Derby Day	Coolmore Stud Stakes (1200m)	In Secret	James Cummings	James McDonald	\$2,005,325
1-Nov-22	Lexus Melbourne Cup Day	Lexus Melbourne Cup (3200m)	Gold Trip (FR)	Ciaron Maher & David Eustace	Mark Zahra	\$7,750,000
3-Nov-22	Kennedy Oaks Day	Kennedy Oaks (2500m)	She's Extreme	Anthony Cummings	Tommy Berry	\$1,010,325
5-Nov-22	TAB Champions Stakes Day	TAB Champions Stakes (2000m)	Zaaki (GB)	Annabel Neasham	Jamie Kah	\$3,005,325
5-Nov-22	TAB Champions Stakes Day	Kennedy Champions Mile (1600m)	Alligator Blood	Gai Waterhouse & Adrian Bott	Tim Clark	\$3,005,325
5-Nov-22	TAB Champions Stakes Day	Darley Champions Sprint (1200m)	Roch 'N' Horse (NZ)	Michael Moroney	Jamie Mott	\$3,005,325
16-Feb-23	Black Caviar Lightning Race Day	Black Caviar Lightning (1000m)	Coolangatta	Ciaron Maher & David Eustace	Jamie Kah	\$1,002,500
4-Mar-23	Australian Guineas Day	Australian Guineas (1600m)	Legarto (NZ)	Ken & Bev Kelso	Michael Dee	\$1,005,000
11-Mar-23	Super Saturday	Yulong Stud Newmarket Handicap (1200m)	In Secret	James Cummings	Dean Holland	\$1,505,000
25-Mar-23	Australian Cup Day	TAB Australian Cup (2000m)	Cascadian (GB)	James Cummings	Ben Melham	\$3,005,000

EQUINE WELFARE

The health and welfare of the horses that race and train at Flemington are a priority for everyone at the VRC and across the racing industry. While this has always been a central tenet, there has certainly been an elevation of equine welfare initiatives in recent years to ensure that our sport meets the expectations of society. Rehoming has become a key area of focus for the industry in a more visible and proactive way than ever before. Research into limb injury prevention has received significant resourcing and is producing results, with similar investment into imaging infrastructure and a subsidy program to encourage their use that is helping to identify issues at an early stage, before they become big problems. Pre-travel and pre-race protocols for the Melbourne Spring Racing Carnival have reset the safety benchmark globally and continue to be reviewed.

The opportunities for second careers for thoroughbreds after they finish racing continue to grow, and the VRC is proud to be supporting this important work. The continued advocacy of world-class equestrian athletes, Olympian Amanda Ross and Paralympian Emma Booth, showcases how competitive thoroughbreds can be at an elite level. Equally important is the support of top-level equestrian competitions such as the Adelaide Equestrian Festival and Melbourne International Three Day Event, where the VRC awarded the prize for the Best Performed Thoroughbred in each of the top classes.

Thoroughbreds are also proving themselves invaluable in the world of equine assisted therapy, and the VRC is proud to partner with Racing Hearts, providers of equine-assisted therapy with retired racehorses for disadvantaged and at-risk youth, which supported a pilot program for secondary school students interested in pursuing a career working in the thoroughbred industry.

The Riding for the Disabled Association (RDA) has been active in Victoria for 50 years and is a non-profit organisation which provides opportunities for anyone with a disability to enjoy safe, healthy, therapeutic, horse-related activities in Australia. This year, the VRC is proud to have partnered with RDA Pakenham to construct a new all-weather arena for the riders to be able to use in all climates. The program at RDA Pakenham will make a huge difference to the lives of children and adults living with intellectual, physical, sensory and learning disabilities, and help support thoroughbreds in their transition to post racing careers.

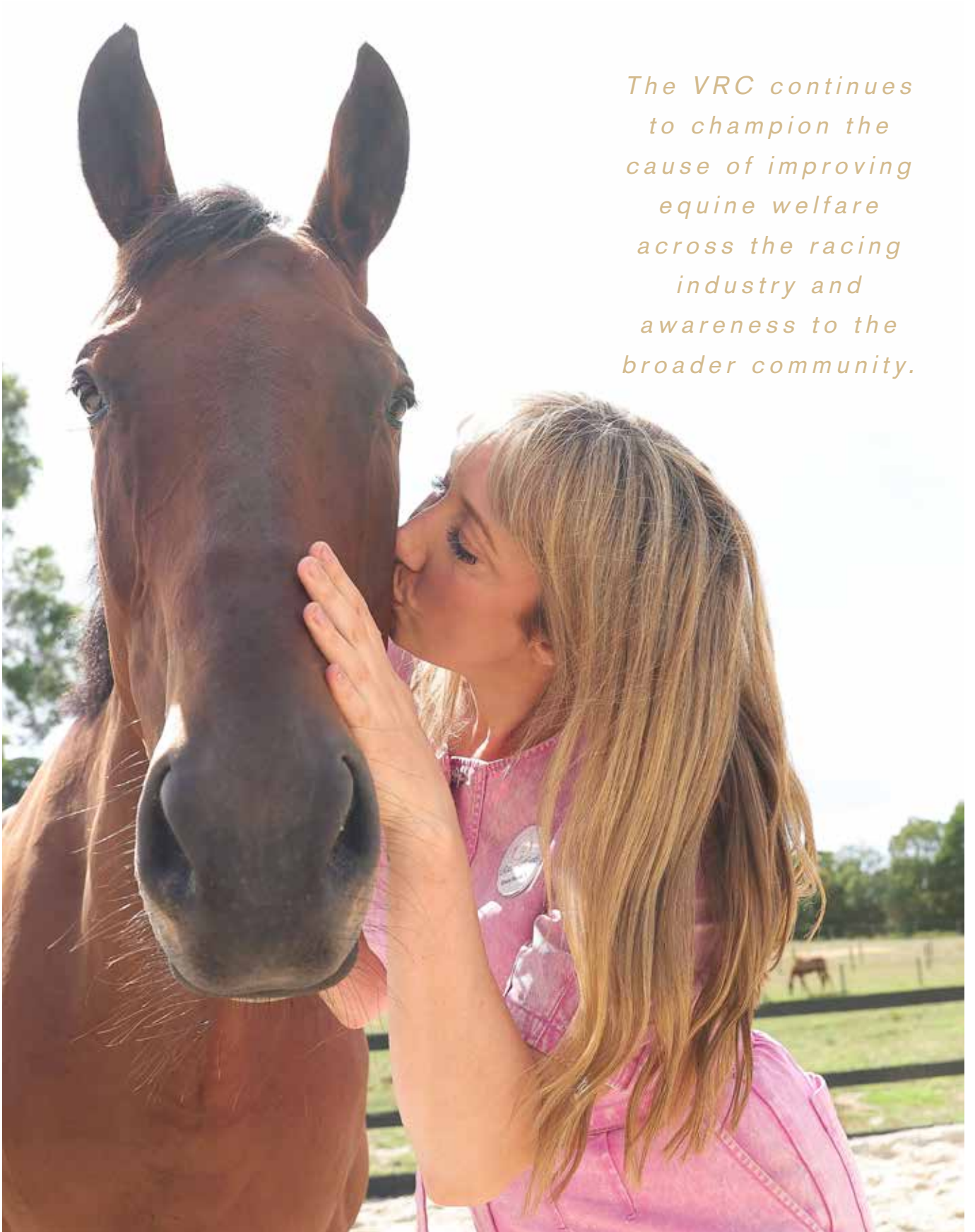
Following the 2020 Melbourne Cup Carnival, RV together with the VRC introduce 41 new measures aimed at setting a new global benchmark for safety for Victoria's Spring Racing Carnival races, and in particular Australia's flagship race the Lexus Melbourne Cup, including the introduction of some of the world's most stringent pre-travel and pre-race veterinary screening processes. Following an incident-free Melbourne Cup Carnival in 2021, these measures were revised and extended for 2022 and will continue to be reviewed to ensure that Victoria sets the global standard for safety in horseracing.

At an industry level, investment in the Equine Limb Injury Prevention Program continues to show results with its findings helping to influence training and screening practises to identify some of the most common injuries at the earliest possible stage before they can develop into serious injuries. Investment in imaging technology has also helped, with RV announcing the procurement of a second standing CT scanner to be installed, as well as a PET scanner. As part of the sport's initiative to encourage a proactive approach to injury prevention, the Diagnostic Imaging Subsidy Program commenced in July 2021 with the aim to minimise the risk of injury using early detection and intervention, with the goal of reducing the frequency and severity of acute and chronic injuries. The subsidy scheme helps offset the cost of advanced diagnostic imaging for Victorian thoroughbreds, reducing the cost barrier for these specialised veterinary techniques.

The VRC continues to work hard on spreading the word about the important progress that is being made in this area. The Equine Welfare Bulletin is produced regularly, with a deep vein of content across five pillars: Veterinary and Research, Post-Racing Careers, VRC and the Industry, Facilities and Practices, and #LoveTheHorse. In addition, the VRC hosts annual Equine Welfare Town Hall events for key stakeholders and ensures that experts in this field are available to speak to members at events such as Inside Headquarters Live.

The VRC's activities in this space are underpinned by its Equine Wellbeing Fund, which has supported 14 initiatives to date. The Club kickstarted this fund with \$1 million in 2019, which included 10% of proceeds from ticket sales from that year's Melbourne Cup Carnival, as well as a contribution from membership fees each year – ensuring that members are supporting good equine welfare outcomes for thoroughbreds every time they renew their annual membership.

The VRC continues to champion the cause of improving equine welfare across the racing industry and awareness to the broader community.



MEMBERSHIP

The 2022/23 season marked a significant milestone in the history of the VRC when we proudly set a new record with a total of 33,120 members to become the largest member-based racing club in the world. With elite thoroughbred racing at our core, new and existing members are also drawn to the world-class facilities, dining, entertainment, and exclusive event experiences presented every year – plus, of course, Australia’s most iconic social and sporting event, the Melbourne Cup Carnival.

The Club is incredibly grateful for the loyalty and ongoing support of our members, and we remain focused on providing value and premium experiences both on and off the track.

In 2022/23 our VRC members enjoyed a variety of race day specials, season-long benefits and exclusive events – some of which are listed on the following page.

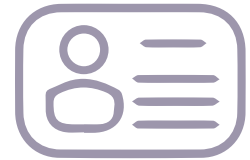
MEMBERS

The largest membership-based racing club in the world

33,120 MEMBERS

40%
female
members

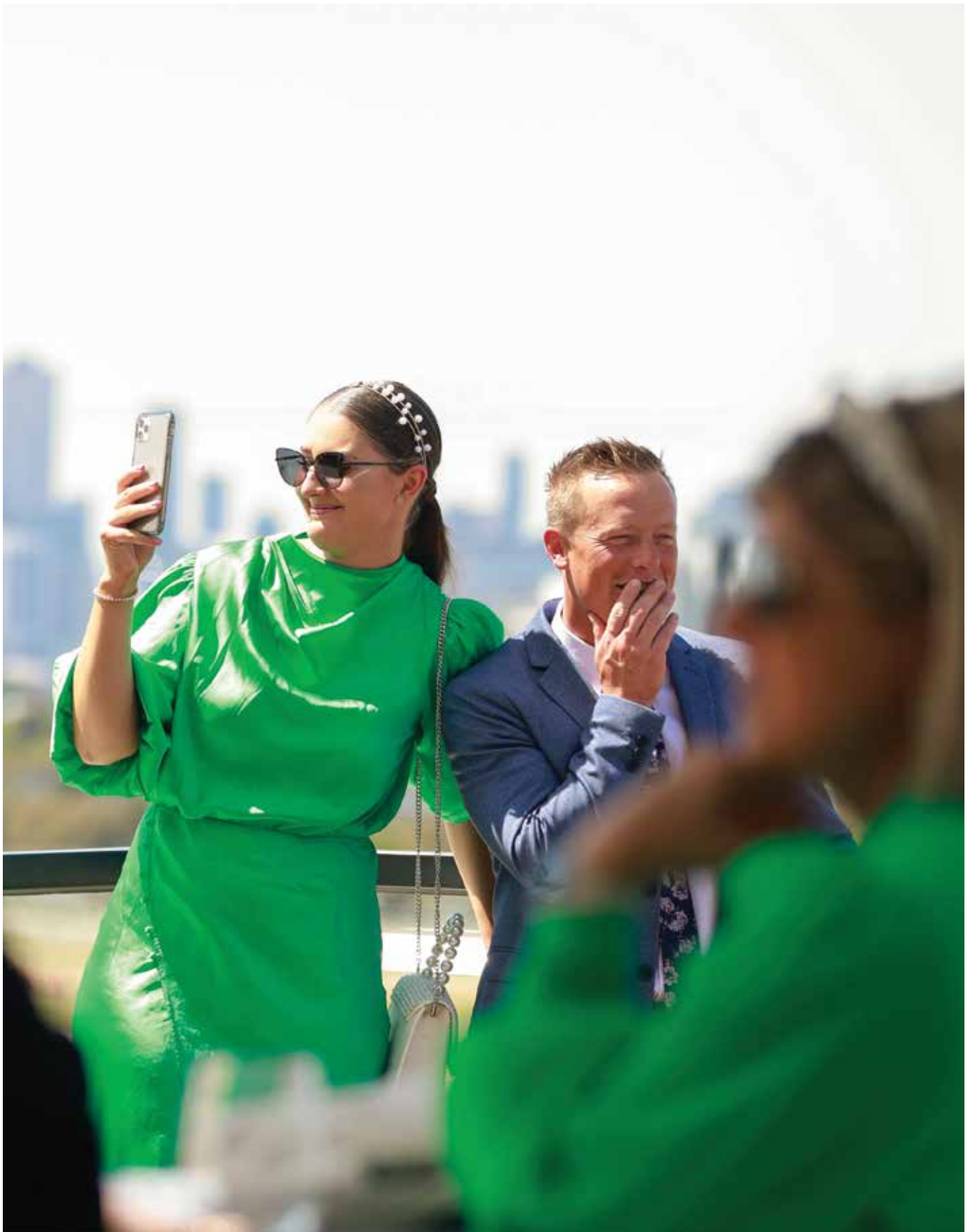
88%
Victorian
members



As at 21 February 2023







Flemington Racing Spectacular: Members attending all three days of the Flemington Racing Spectacular in March were eligible to enter a prize draw for a chance to win one of ten spectacular prizes.

VRC Members Race Day: To close out a wonderful season of racing we celebrated our members on the final Flemington meeting of the 2022/23 racing season at VRC Members Race Day. Members who attended VRC Members Race Day enjoyed happy hours, prize draws, and surprise and delights throughout the day.

Member Events: In the 2022/23 racing season members enjoyed an exciting calendar of non-race day events including popular events, Inside Headquarters Live, Rose Pruning workshops and a lunch in the MCC Committee room where members enjoyed a thrilling day of AFL at the iconic MCG. The annual NGV event provided members and their guests with an exclusive viewing of the Alexander McQueen exhibition. A new addition was the exclusive Racing Hearts experience on the Mornington Peninsula, where members had the opportunity to experience how an equine therapy session works.

Other exclusive benefits/events: Members received exclusive presales and discounted ticket offers to concerts, festivals, and comedy shows. And for the first time, members and their guests were invited to an exclusive pre-show Cocktail Party on the Roof Garden ahead of the live show by RÜFÜS DU SOL at Flemington Racecourse. Nearly 200 members and guests enjoyed cocktails, canapés, and beverages prior to the Grammy Award-winning group's performance.

Since its introduction in 2021/22 our new Young Member category has grown year on year as we continue to drive engagement and value with exclusive events and race day specials. Phar Lap Club members were again treated to various race day surprises and activities – especially during the Flemington Racing Spectacular in February/March and the plentiful outdoor entertainment and activities of the Fareground.



MEMBERSHIP

INTRODUCTION OF THE FULL MEMBER CAP

It is the VRC's commitment that we maintain the standards, value and world-class experiences to our members each and every year. To deliver on this commitment and as we continue to see growth in overall membership numbers, we introduced a Full Membership Cap of 30,000 members in December 2022. This Cap includes Full, Life, Pre79 and Young members.

Based on the current Full Membership number, we expect to reach this cap within the next 12 months. Once this cap is reached, Restricted Membership will be the future pathway to Full Membership at the VRC and a waiting list based on the date joined will be in place to manage elevation from Restricted Membership to Full Membership.

MEMBER ADVISORY GROUP

The 2022/23 season was the first year for the VRC Member Advisory Group – initiated in May 2022, ahead of the new season to provide a formalised forum for member feedback to improve overall member experience, identify opportunities and inform decision making. The Group met four times during the season with nominated Club representatives to discuss topics and convert insights into actions.

The Group comprised a diverse cross-section of the membership base. Areas of focus ranged from the membership offering and growth opportunities for different member segments; driving attendance and enhancements to the race day experience; adding value and engaging with members away from a race day; new food and beverage offerings through our Crown partnership; and more Melbourne Cup Carnival opportunities.

The new Member Advisory Group for the 2023/24 season has been selected and will again support the Club in finding ways to evolve the VRC membership experience.

Applications to join the 2024/25 season Advisory Group will open in May 2024.



MEMBERSHIP RENEWALS FOR THE 2023/24 SEASON

Membership renewals for the 2023/24 season opened on Monday 3 July 2023. With the VRC set to host 22 premium race days including 10 Group 1 race days, another year of elite thoroughbred racing awaits.

The member events calendar, race day activities and member-only exclusives have all been planned with our members' love of racing, dining, and socialising in mind.

The season will see an enhanced offering for VRC Members (excl. Phar Lap and Junior), including:

- New exclusive member pricing for food and beverage across course every race day.
- Ten complimentary Members Enclosure Daily Guest Tickets (up from six in 2022/23).
- Complimentary \$7 Pin & Win pin.
- Cash-on-card tenure bonus, of up to \$60.
- Access to an elevated member exclusive events calendar.



NEW LIFE MEMBERS

For the 2021/2022 and 2022/23 racing seasons the following Pre 1979 Members have met the criteria of 50 seasons of continuous Full Membership and therefore elevated to Life Membership.

We recognise and congratulate the following members and thank them for their continued loyalty.

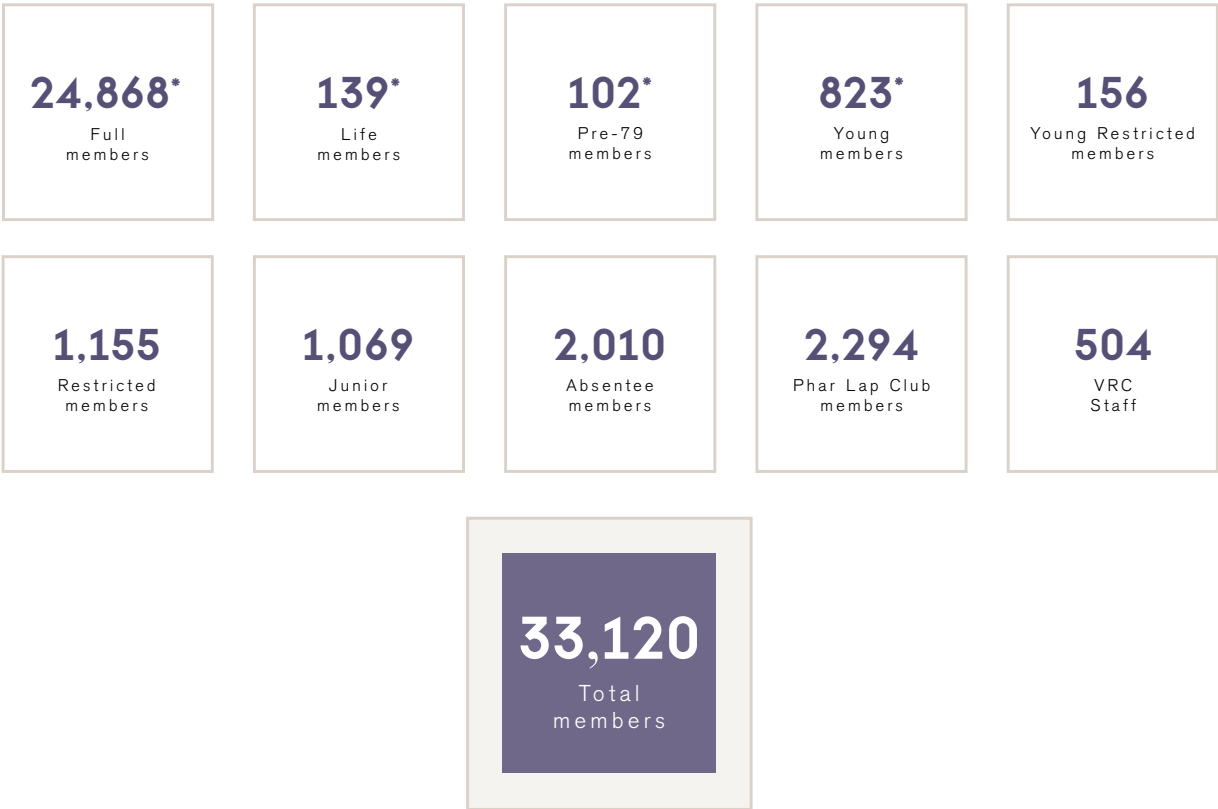
2021/2022

- Francis Ford
- Robert Davis
- Peter Byrne
- Patrick Barry
- Tim Ingram
- John Langley
- David Mattei
- James Weatherly

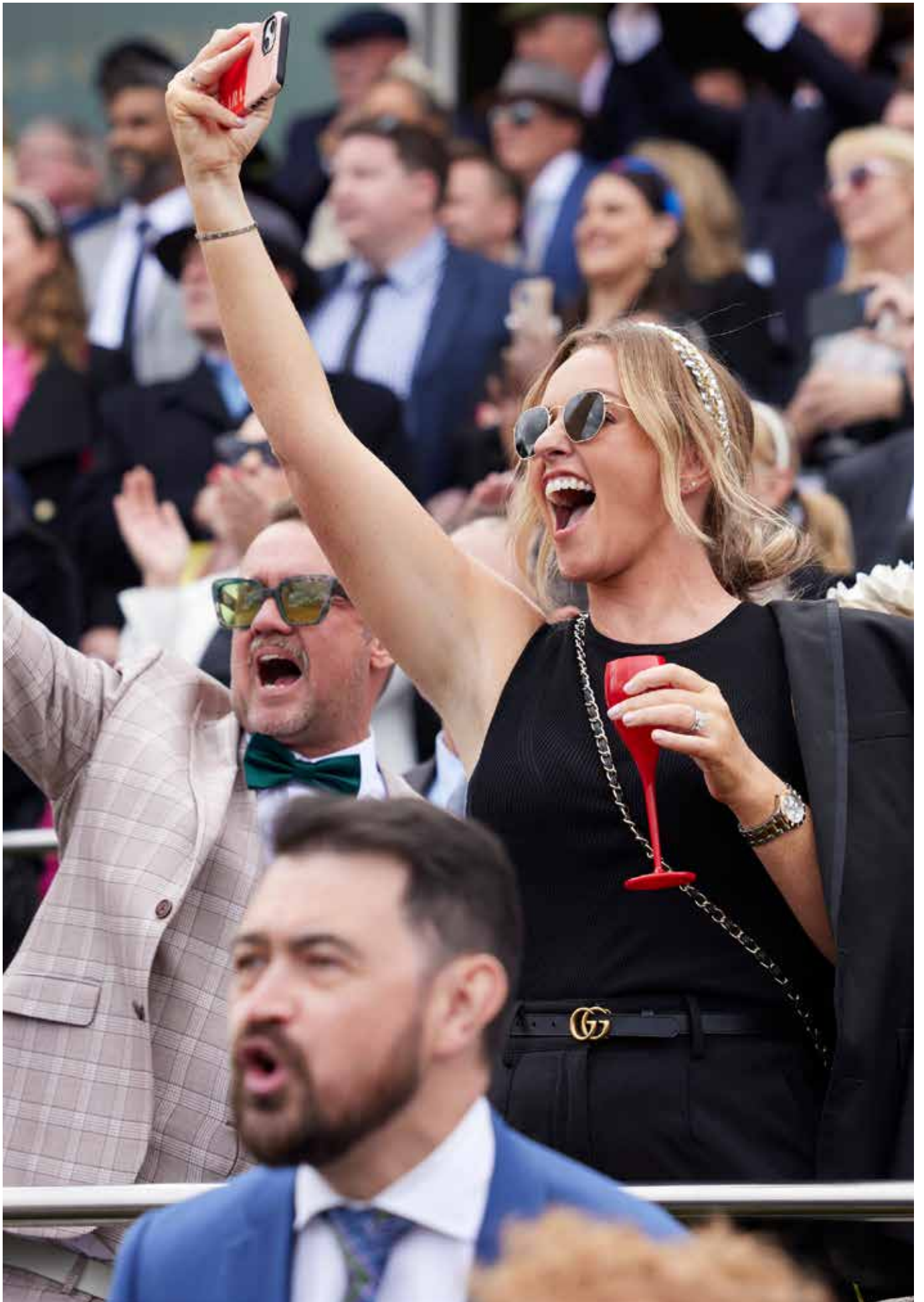
2022/2023

- John Adams
- Anthony Chamberlain
- David Dickson
- John Elliott
- William Gurry
- Alistair Minson
- John Rule
- Geoffrey Withers

MEMBERSHIP CATEGORIES



* Members in full membership cap of 30,000.



Being a member of the VRC goes beyond merely attending the races; it's about being part of a passionate and inclusive community. Your membership offers a front-row seat to the thrilling world of horse racing, and exclusive access to some of the most prestigious events at Flemington. As a member you are not just a spectator, you are an integral part of the story, contributing to the rich tapestry of the VRC's legacy while creating memories that will last a lifetime.

THE YEAR THAT WAS





THE YEAR THAT WAS





THE YEAR THAT WAS





THE YEAR THAT WAS





THE YEAR THAT WAS





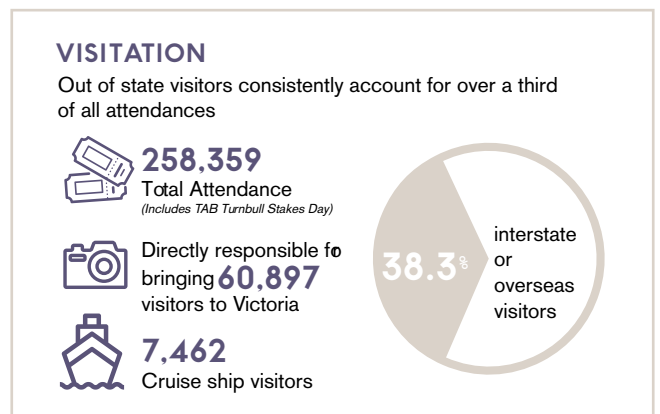
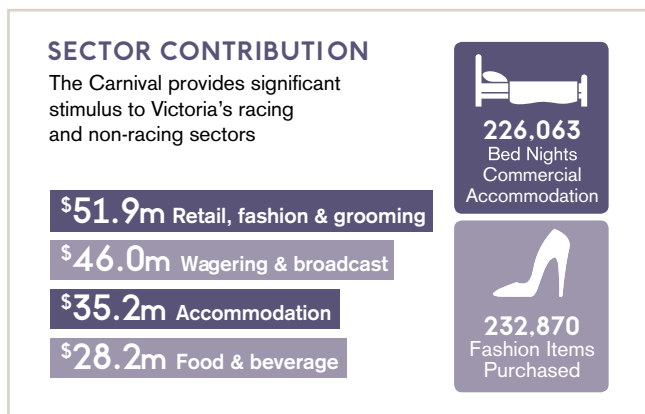
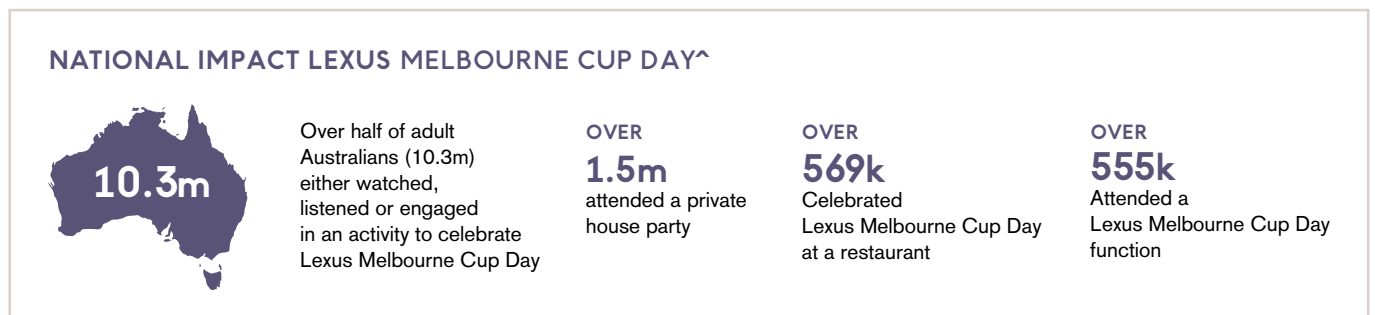
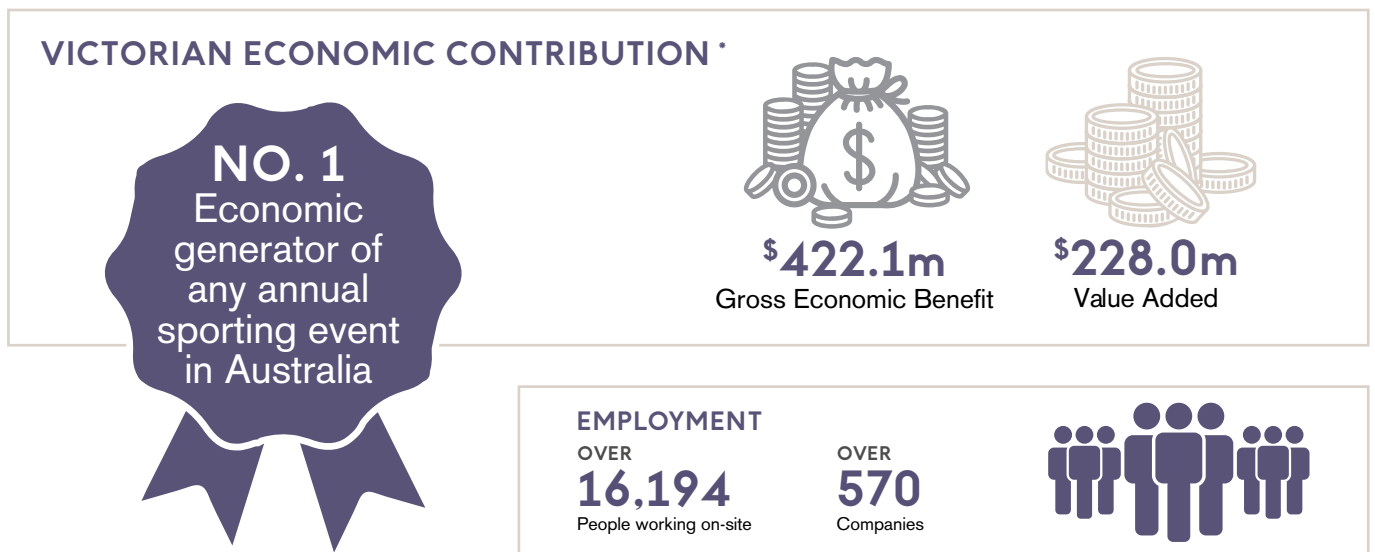
ECONOMIC IMPACT

The 2022 Melbourne Cup Carnival confirmed its status as the number one economic generator of any annual sporting event in Australia with \$422.1 million in gross economic benefit delivered to the state of Victoria – benefitting industries across retail, accommodation, fashion, hospitality and entertainment.

More than \$3.6 billion in gross economic impact has been delivered to Victoria in the past decade thanks to Cup Week – nearly \$1 billion more than the Australian Open reported for the same period.

Cup Week continues to make an important contribution to the wider community, with the event helping to raise more than \$1 million for various charities and supporting more than 16,000 jobs.

The Lexus Melbourne Cup truly is ‘the race that stops a nation’™ with 10.3 million adult Australians – or one in every two adults – engaged in Lexus Melbourne Cup Day through watching, listening or participating in an activity to celebrate the day. On a global scale, the Lexus Melbourne Cup was broadcast to around 209 territories in 2022 with a potential reach of 750 million people.



*MCC2022 Economic Impact Study, IER Pty Ltd. ^MCD2022 National Impact Study 2022, IER Pty Ltd.



MEDIA PARTNERSHIPS

In 2022, the VRC not only welcomed patrons back to the course but also hosted our broadcast and media partners in a full outdoor-broadcast capacity.

As official broadcast partner of the Melbourne Cup Carnival, Network 10 delivered over 30 hours of racing, fashion, and entertainment coverage over the four days of the 2022 Melbourne Cup Carnival.


Network 10 welcomed the return of international racing talent Francesca Cumani to the broadcast who joined Eddie McGuire in his first year as host. The Paramount marquee in the Birdcage took centre stage on the front row, designed with a broadcast studio inside, it was the location for the Studio 10 broadcast throughout Cup Week.

Racing.com also delivered a highly engaging coverage to a racing audience and benefited from dual hosting locations both in the Mounting Yard and from a purpose-built studio which showcased Flemington and crowds in all its glory.

Longstanding publishing partner News Corp provided enormous coverage in both print and publishing across all pillars of racing, food and fashion. 'Herald Sun House' located on the front row of The Birdcage welcomed guests and celebrities over Cup Week.

Radio partners 3AW, Nova, ARN, Triple M, SEN and RSN all pre-promoted Cup Week and drove strong awareness to the Melbourne and interstate market. 3AW, 2GB, 6PR, SEN and ABC radio all hosted outdoor broadcasts at Flemington.

BROADCAST
The Lexus Melbourne Cup is one of the most widely watched races in the world.



750m
global audience

209
broadcast territories worldwide


VIEWING



2.5M
people tuned in to watch the Lexus Melbourne Cup across all platforms

LIVE STREAMING

650,000
people live streamed the Cup across digital platforms including:



RADIO

369
radio stations broadcast the Lexus Melbourne Cup across Australia



TELLING THE STORIES OF FLEMINGTON TO AUSTRALIA AND THE WORLD

Flemington, and in particular, the Melbourne Cup Carnival has created sporting and cultural memories that will live on for generations.

VRC Media was established to not only preserve these great stories but also to produce outstanding video and broadcast content to be shared and aired on our digital and social platforms as well as through our domestic and international rights holders.

In 2022, VRC Media took a significant step, not only in serving the Club's PR, marketing, and content requirements but also in creating a wide range of live programming.

VRC Media produced 4 x 30min *Road To The Cup* shows for Network 10 in the lead-up to Carnival as well as Network 10's one hour Cup preview show.

Internationally, VRC Media produced 2 x 30min Carnival and Cup previews shows as well as 4 x 2hr live broadcasts across all days of the Carnival. This was the first time all four days of the Cup Carnival have been produced and sold for an international market.

We also contracted Francesca Cumani to feature on these broadcasts as well as on Ten's domestic coverage. Francesca has also presented a one-hour Official Film of the 2022 Carnival that will air on Ten and internationally prior to the 2023 Cup Carnival.

Such extensive broadcast opportunities are giving the VRC an extremely valuable promotional vehicle to drive engagement with the Melbourne Cup Carnival.

MEDIA ASSET MANAGEMENT SYSTEM

In its first full year of operation, the Club's Media Asset Management System (MAM) has provided unprecedented access to the valuable visual history of Flemington and the Cup Carnival.

More than 15,000 assets have been loaded into the MAM since its inception and this is growing considerably by the month. It is not only preserving our history but also opening up tremendous opportunities to create content and tell incredible stories that were not previously possible.

It is also a valuable resource to our marketing, brand, sales and content teams as well as our broadcast partners in accessing the best vision and photography available.

The MAM plays a vital role in the evolution of VRC Media into a substantial content and production business.



DIGITAL EVOLUTION

The Victoria Racing Club continues to deliver on its Digital Strategy. From Digital Membership Cards to harnessing the power of AI technology in our racing endeavours, the development and offering of immersive 'LIVE' streaming experiences to strategically commercialising our digital assets, and updating our merchandise offering, this year's accomplishments demonstrate our dedication to innovation and enhancing the experience of our valued members and partners.

We have developed and delivered 'VRC Digital Membership Cards' combined with a 'Digital Card Management Platform'. This grants our members the convenience of carrying a Digital Membership card on their latest mobile device. This is paired with a 'Digital Card Management System' to support the ongoing delivery, updates and changes to cards as needed.

Inside Run has evolved to provide racing fans with a combined digital race guide, race tips and AI-powered predicting platform, paired with track reports, field, race day news integrated with TAB race data. Our AI-driven system meticulously gathers and analyses vast volumes of data on each horse, providing race enthusiasts with expertly predicted winners for each round. While data can quantify aspects of performance, the inclusion

of a full-time experienced punter and a lucky member each race day adds to the fun experience of racing. Inside Run remains steadfast in delivering the Flemington racing experience, now enhanced with the introduction of the 'Racing-Your-Way' platform for the Melbourne Cup Carnival 2023 and beyond. Accessible via your smartphone, this pioneering platform will provide a first-person perspective through multi-camera coverage, extending its accessibility to all internet-ready devices and smart TVs.

As part of the maturing of all digital platforms, a strategic initiative to commercialise all our digital products was delivered this year. This forward-thinking approach includes serving ads on our website vrc.com.au, our premier fashion platform mccfashionsonthefield.com.au and our cutting-edge racing product InsideRun.com.au. By offering these digital advertising opportunities, we not only develop further revenue streams but also facilitate mutually beneficial brand collaborations.

This past year we have also been developing the new VRC Merchandise Platform. This platform allows members and the public to purchase VRC merchandise with one-click access from anywhere on vrc.com.au, and an automated and integrated pick and pack system for ease of transaction and speed to delivery.



The 2022/23 racing season saw the creation of a newly formed Content Team, with the key purpose to drive reach, engagement, and revenue across VRC's owned and operated communication channels.

The execution of our strategy showcased everything Flemington and the VRC has to offer to a diverse audience across editorial (website and publications), social media, and race day audio-visual experiences – with a focus on video production and distribution in conjunction with VRC Media.

The strategy saw the introduction of four core content pillars: Racing, Entertainment, Fashion and Equine Welfare – each underpinned by an always-on approach to community management and engagement.

The team delivered exceptional results across our key success metrics, with strong double-digit growth compared to the 2021/22 racing season.

2022/2023 RACING SEASON

(YOY GROWTH)

VRC.COM.AU



▲ **58%** EDITORIAL VIEWS



▲ **78%** VIDEO VIEWS

SOCIAL MEDIA



▲ **91%** IMPRESSIONS AND ▲ **202%** VIDEO VIEWS

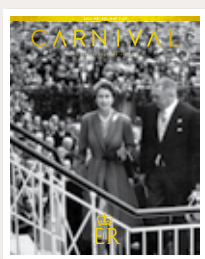
PUBLICATIONS

RACEBOOKS



150,000 RACEBOOKS
DISTRIBUTED ACROSS
23 RACE DAYS

CARNIVAL MAGAZINE



166 PAGES,
DISTRIBUTED TO
30,000 PEOPLE

INSIDE HEADQUARTERS



THREE EDITIONS,
EXCLUSIVELY FOR
VRC MEMBERS

VICTORIA RACING CLUB PARTNERS 2022/23 SEASON

Principal Partner



Major Partners



Official Partners



OFFICIAL VENUE
PRESENTATION PARTNER



OFFICIAL SPIRIT
PARTNER



OFFICIAL CHAMPAGNE
PARTNER



OFFICIAL PRINT MEDIA
PARTNER



OFFICIAL COFFEE
PARTNER



OFFICIAL NON-ALCOHOLIC
BEVERAGE PARTNER



OFFICIAL BROADCAST
PARTNER

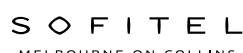


The Creative Life
OFFICIAL TELEVISION
PARTNER

Race Sponsors



Event and Program Partners



Media Partners



Community Partners



ACKNOWLEDGEMENTS

The VRC would like to thank all of our commercial partners for their support during the 2022/23 racing season. In particular our Principal Partner, Lexus, and our Major Partners Kennedy, Lion, Myer, Tabcorp, and Treasury Wine Estates. We also extend our thanks to our Melbourne Cup Carnival Broadcast Partner Network 10. The ongoing support of all our partners is crucial to the success of the Club.

We would like to acknowledge and thank the VRC's Director's, management and staff for their commitment to the professional, innovative and efficient running of the Club. It would not be possible for the Club to operate successfully without the co-operation and assistance of these organisations and individuals.

Accordingly, we record our appreciation and thanks to:

- The State Government and the Office of the Premier – The Hon Daniel Andrews MP
- Minister for Police, Minister for Crime Prevention, Minister for Racing – The Hon Anthony Carbines MP
- Minister for Tourism, Sport and Major Events, and Minister for Creative Industries – The Hon Steve Dimopoulos MP
- Racing Victoria Limited
- The Melbourne Racing Club and Moonee Valley Racing Club
- Country Racing Victoria Ltd and all country racing clubs
- The industry's wagering joint venture partner – Tabcorp Holdings Limited
- Racing Australia
- Visit Victoria
- City of Melbourne

And not least – thank you to all of our VRC Members for your continued loyalty and support.



TRACKS, TRADES AND GARDENS

The past 12 months have seen several important projects across our Tracks, Trades and Gardens division as we ensure Flemington consistently operates and presents as a world-leading racecourse.

Naturally, the weather is a major factor upon how the teams navigate each project and particularly the impact it has on the different tracks during the season. Despite a very wet spring and early summer, both the course proper and the training tracks performed exceptionally well, and it was pleasing to see this reflected in a successful racing season.

The training centre is in operation throughout the entire year supporting up to 600 horses who train at Flemington nearly every day on the big sand track – and in August 2022 the sand was

fully replaced in a significant project. Similarly, the polytrack on the in-field underwent a full profile re-wax in February 2023 – again a significant project that rejuvenates the profile and provides a better surface for the horses to gallop on for the next few years.

The VRC was delighted to help bring RDA Pakenham's vision for a new all-weather arena to life in August – via a donation worth almost \$60,000 and providing re-purposed materials from the Flemington training track. RDA is a voluntary, non-profit organisation which provides opportunities for anyone with a disability to enjoy safe, healthy, therapeutic, horse-related activities in Australia. Some of our Tracks, Trades and gardens team headed down to the property to lend a hand with jobs such as painting, mowing and weeding.





TRACKS, TRADES AND GARDENS

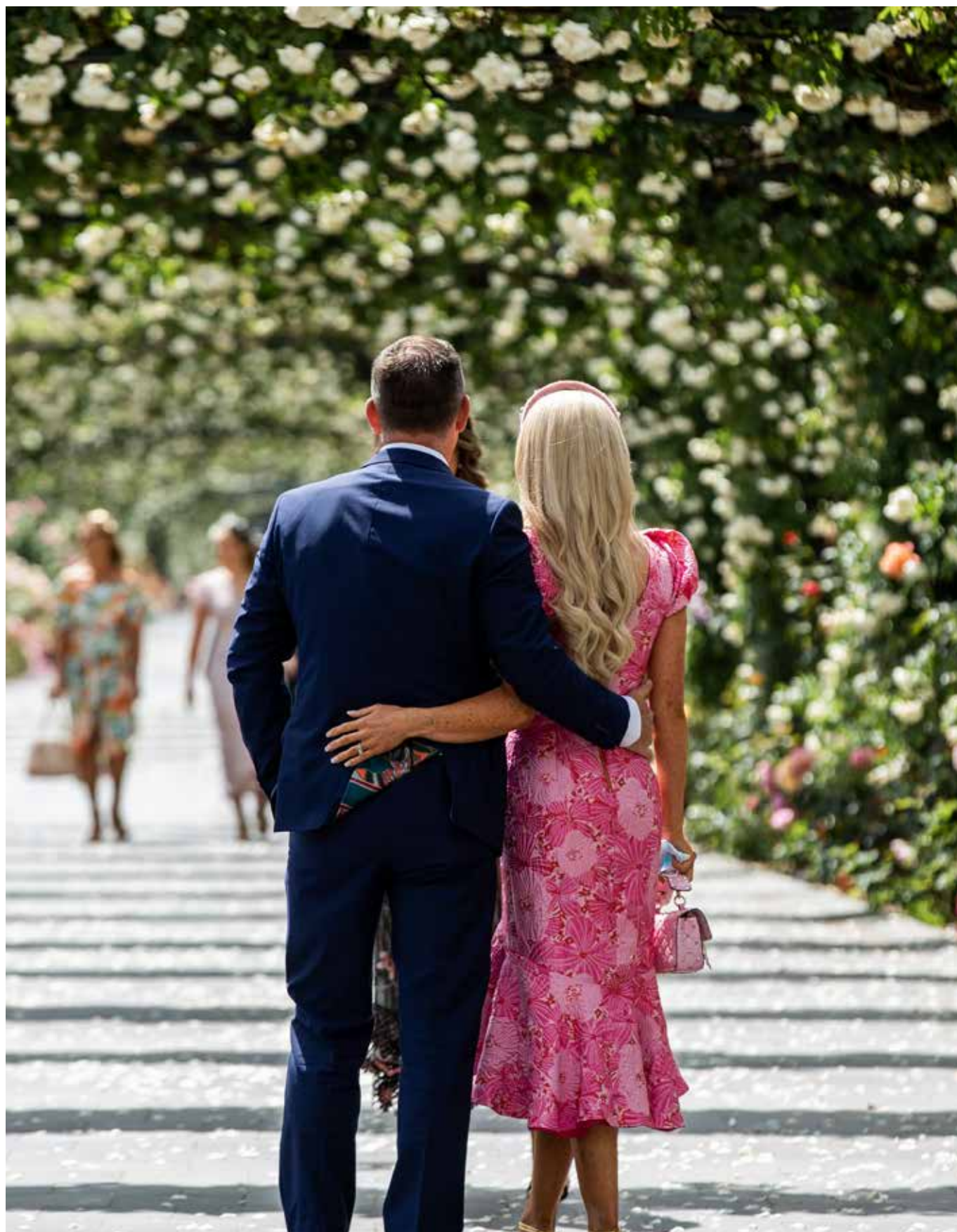
The VRC welcomed two new apprentice turf managers this past year who joined the team including our first female apprentice sports turf manager, Katie Allen.

It has been a big 12 months for the gardens team also at Flemington with the changeover of several rose beds – and none bigger than the famous Flemington Rose Arbour which comprises 80 arches spanning 360 metres in length.

The project took four weeks to complete with 400mm of soil replaced and 2,250 new roses planted. These roses were ordered 24 months in advance to ensure they were appropriately mature.

The gardens team also had the exciting news that Steven Courts and Mark Cooper were given the opportunity to progress their careers and become qualified arborists. Both began their training with flying colours under the watchful eye of David Da Silva, Manager of Arboriculture, and are expected to finish their apprenticeship mid-2024.





SUSTAINABILITY

The VRC is steadfast in its pledge to create a sustainable future for racing and event entertainment. We place enormous focus on mitigating the environmental impact of our vision to be a world leader in racing and events through a number of initiatives and behaviours including:

- Host sustainable events that balance operations with the needs of the community.
- Implement internal sustainability activities, such as maintaining beehives on course and harvesting the honey for use in our kitchens.
- Support external environmental initiatives in line with our pillars of water, waste, energy, emissions and other sustainability pillars.
- Partner with leading businesses and suppliers to integrate considerations of total value into procurement and decision making.
- Continue to engage our stakeholders and the wider community to understand and meet their aspirations for a sustainable VRC.

HIGHLIGHTS

The Club enlisted the services of Cirka as a new venue presentation partner who immediately helped deliver the Melbourne Cup Carnival Waste Management project.

Landfill diversion rate 85.2%, which is the total amount of all waste diverted from landfill including but not limited to:

- General waste
- Timber
- Cardboard
- Glass
- Organic food waste.

Recycling outcomes – the circular economy

266.7 tonnes of timber were segregated by Planet Recovery and channelled for reuse for the local community.

28.9 tonnes of organic food waste were diverted to Yarra Valley Water's ReWaste facility generating enough power to sustain 660 homes. A large portion of the leftover food from the Melbourne Cup Carnival was sent to OzHarvest – Australia's leading food rescue organisation that delivers to people in need.

29.9 tonnes of cardboard and mixed paper were segregated and taken to the Australian Paper Recovery for further distribution to local recycling plants such as VISY.

69.5 tonnes of glass were recycled at All Glass Recycling where it is then reused into new materials such as new bottles, jars, fibreglass insulation, and road surfaces.



2022/23 SUSTAINABILITY SNAPSHOT

Melbourne Cup Carnival 2022 resulted in 85.2% recovered waste diverted from landfill which included:



85.2% = **605.9**
 recovered waste tonnes

WASTE



266.7
tonnes



69.5
tonnes



29.9
tonnes

OUR SUSTAINABILITY FUTURE
BY 2025

- 50% reduction in waste generated across the site.
- 0% food waste going to landfill.
- 85% diversion rate from landfill.

- Reduce potable water usage.
- Investigate recycled water usage (stormwater harvesting or sewer mining).
- Net positive impact on water recycling in the supply chain.

- 6 star energy rating on new construction.
- Carbon neutral.
- 100% renewable energy via a Power Purchase Agreement.

COMMUNITY

Since the VRC was founded in 1864, the Club has played an important role in the community, bringing people together for the benefit of local organisations, charities, and individuals as a force for good.

More than \$1 million was raised for charity during the 2022 Melbourne Cup Carnival, a new milestone in the Victoria Racing Club's long and proud history of supporting the community.

Pin & Win has been the VRC's flagship charity endeavour since 1995 and has raised more than \$7.4 million for charities through the sale of Lexus Melbourne Cup souvenir pins, helping to change lives and support the community. It has supported the establishment of the Guide Dog training facility in Melbourne, Starlight Express rooms for 16,000 sick children and families, and provided over 1.5 million meals through SecondBite, amongst other achievements.

Last year Pin & Win raised \$493,000 for the club's 2022-23 Pin & Win partner, Australian Childhood Foundation, whose CEO Dr Joe Tucci said the 2022 Pin & Win campaign was one of the Foundation's most successful fundraising events in its 35-year history.

For the first time last year, the Melbourne Cup Carnival also partnered with not-for-profit donation platform GIVIT to support people affected by devastating flooding across the country in late 2022, raising more than \$500,000.

Building on the success of Cup Week, the Club was also active across summer and autumn. Christmas Race Day saw the Club supporting the UnBox Joy Christmas Appeal for Variety which aimed to provide toys to 4,500 kids in need, while more than \$16,000 was raised for Australian Childhood Foundation on Black Caviar Lightning Race Day.

On Australian Guineas Day more than \$9,000 was raised for the Childhood And Racehorse Movement (CARM) while \$41,000 was donated to the Good Friday Appeal from fundraising initiatives on Super Saturday and TAB Australian Cup Day.

There were also a plethora of smaller things done throughout the season such the donation of computer infrastructure and furniture to local charities, staff volunteering at local community organisations, donations of tickets and hospitality packages for third party fundraising efforts, donations of flower arrangements to local hospitals and nursing homes following race days, and members events like the one held at Racing Hearts helping to bring awareness to the organisation.

Investing in our communities, industry, and environment will continue to be a core focus of the VRC, and we are grateful to our members for being part of it.

+\$7.4M

raised through Pin & Win since 1995

28

years of the Pin and Win Program

\$1.09M

raised for charity over MCC 2022

2

years of partnership with
Australian Childhood Foundation

\$493K

raised for Australian Childhood Foundation

+\$500K

raised for flood affected communities
with GIVIT



LEXUS MELBOURNE CUP TOUR

In 2022, the Lexus Melbourne Cup Tour celebrated its milestone 20th edition when the iconic trophy travelled to 33 destinations both nationally and internationally. This included visiting towns and communities in Australia, New Zealand and even a trip to Singapore.

The \$600,000 18 carat gold trophy began its four-month journey in Tullibigeal in July before travelling through regional New South Wales visiting a number of small communities within the Riverina region.

The Cup also travelled to New Zealand in July, where the VRC presented the 2021 Melbourne Cup Breeders Award to Don Goodwin, breeder of Verry Elleegant. With the victory of Verry Elleegant in the 2021 Lexus Melbourne Cup, there have been 44 New Zealand-bred horses win the Melbourne Cup in the 161-year history of the race.

The coveted trophy visited Singapore at the start of August before continuing its epic journey throughout Australia during August, September and October, visiting locations as diverse as Newman in the Pilbara region of Western Australia; Cloncurry in outback Queensland, Echuca and Moama in the flood-impacted northern Victoria region. Throughout the Cup's four-month journey, the iconic trophy travelled over 45,000 kilometres, visited 32 schools, 13 hospitals and aged care facilities and engaged with over 45,000 people. Since its 2003 inception, the Tour has now travelled over 900,000 kilometres and visited 599 destinations.

At each destination the Cup was joined by a racing legend, with 19 Lexus Melbourne Cup Tour Ambassadors taking part in the 2022 Tour. These included first-time ambassadors Glen Boss (2003-2005 Melbourne Cups) and Michael Rodd (2007 Melbourne Cup). Principal Partner Lexus continued to show support throughout the Tour through the provision of a Lexus for 14 destinations and hosting the Cup at 13 dealerships across the country.

The VRC is extremely proud of the Lexus Melbourne Cup Tour and all that it represents when taking the People's Cup back to the people of Australia. For over 20 years, the Tour has united communities far and wide, assisted with fundraising efforts across the land, promoted social inclusion and brought immense joy to everyone it reaches.

MELBOURNE CUP PARADE

The Lexus Melbourne Cup Parade was conducted in Swanston Street leading into Federation Square the day before the 2022 Lexus Melbourne Cup. While an adaptation of previous parades conducted through the city centre, the annual parade attracted all of the regular participants profiling jockeys and trainers engaged in the following day's main attraction. Weather was kind on the day and generated additional promotion leading into Australia's greatest horse race.

NATIONAL SWEEP

The Lexus Melbourne Cup Tour National Sweep returned for a fourth year, with 24 rural and regional tour destinations across Australia allocated a barrier for the 2022 Lexus Melbourne Cup.

The town that drew the barrier of the Lexus Melbourne Cup-winning horse was presented with a cash prize of \$50,000 to put towards a charity for a local community initiative. The barrier draw for the Lexus Melbourne Cup Tour was held on Tuesday 25th October at Flemington Racecourse. Hosted by Victoria Racing Club (VRC) Racing Engagements and Cup Tour Manager Joe McGrath, each of the 24 destinations was allocated a barrier, with VRC Chairman Neil Wilson assisting in the proceedings. Lexus Melbourne Cup Tour Ambassador Des Gleeson was also on hand as part of the event to facilitate the barrier draw on the town's behalf.

Gold Coast in Queensland was the eventual winner when Gold Trip stormed home to win the 162nd Lexus Melbourne Cup. Gold Coast Turf Club and Women In Racing combined forces as a Lexus Melbourne Cup Tour destination and drew barrier 14 to be allocated to Ciaron Maher and David Eustace-trained Gold Trip, subsequently winning the sweep. The Cup visited Gold Coast on tour in September when the iconic trophy celebrated women in the racing industry at the annual Women In Racing luncheon.

The People's Cup also attended the 15th annual Pink Ribbon Cup Race Day which raises vital funds for the National Breast Cancer Foundation and enjoyed a day with the local community.

The \$50,000 will be split between the Griffith University Institute for Glycomics, a not-for-profit organisation which aims to produce ground-breaking research, and the National Breast Cancer Foundation, a charity which aims to fund world-class breast cancer research.

The National Sweep provides an opportunity for strong community engagement through a once-in-a-lifetime experience to watch the Lexus Melbourne Cup at Flemington.

This aspect of the Cup Tour continues to gain momentum allowing the VRC to connect with local communities throughout Australia. It also provides an additional layer of storytelling to the whole program largely played out this year via social media platforms and on the website.

LEXUS MELBOURNE CUP TOUR IN NUMBERS

20 year

milestone celebration

4

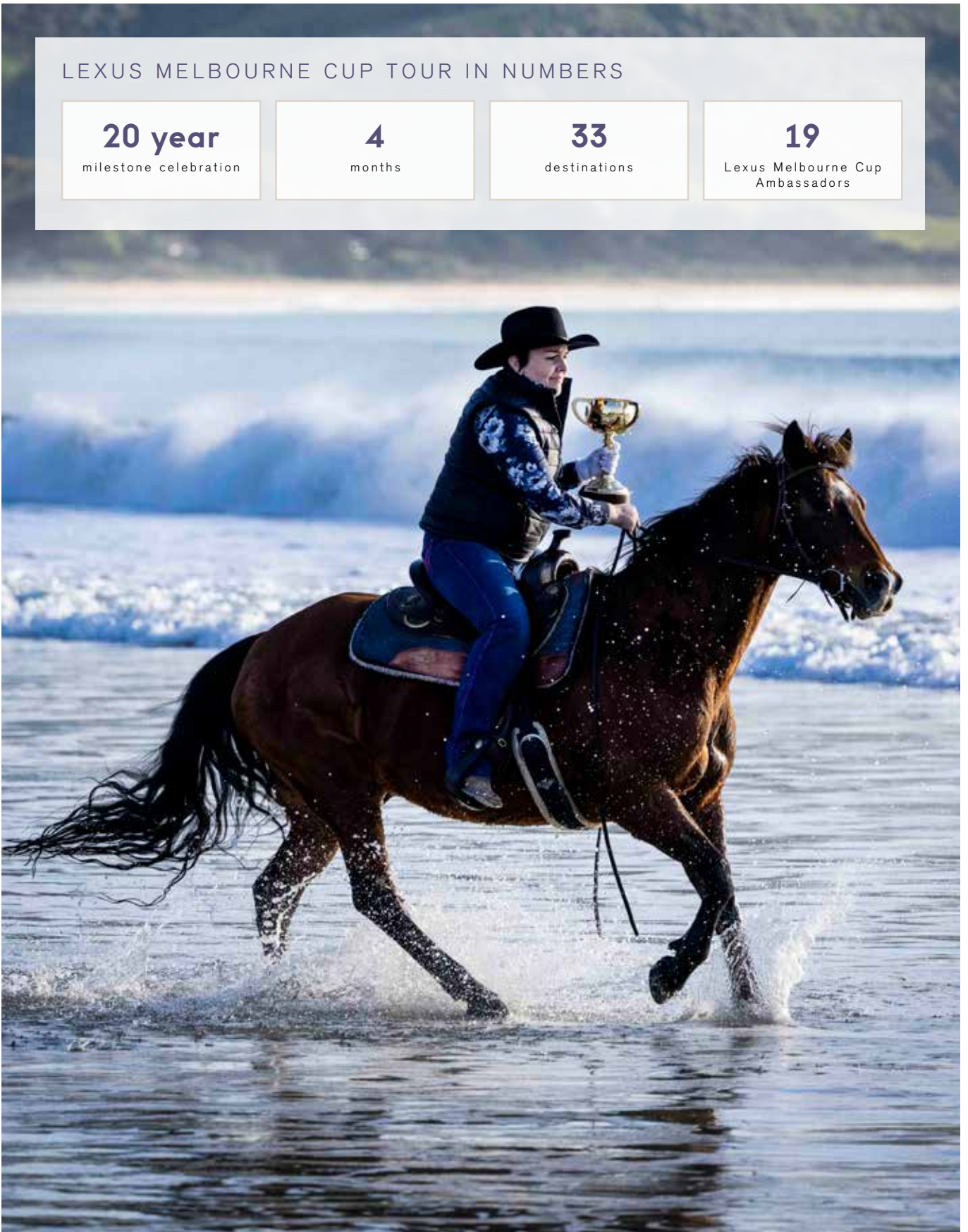
months

33

destinations

19

Lexus Melbourne Cup
Ambassadors



THE MELBOURNE CUP FOUNDATION

Launched in 2022 by the Victoria Racing Club (VRC), The Melbourne Cup Foundation is intended to be a catalyst for positive change within the racing industry and the wider community. Under the leadership of Chair Sophie O’Kane and guided by its dedicated Board of Directors, the Foundation’s mission transcends the racetrack, encompassing diverse programs focused on three pivotal pillars: Heritage and History, People and Horses, and Community and Education.

The Melbourne Cup Foundation’s creation is rooted in the VRC’s recognition of its influential community role and its aspiration to make a positive impact on the lives of the people of Melbourne, Victoria, and Australia. The iconic Lexus Melbourne Cup serves as an avenue for global brand recognition, opening doors to potential worldwide philanthropic engagement.

“Internationally respected organisations such as the Hong Kong Jockey Club and the Wimbledon Foundation are working with a dual purpose to support community and to develop a love of sport. The Melbourne Cup Foundation will be a story book of who we are and represent the values and qualities of the world’s best membership club,” said Chair Sophie O’Kane. Ms O’Kane, also a VRC Director, is supported on The Melbourne Cup Foundation Board by former VRC Chairman Amanda Elliott, current VRC Chairman Neil Wilson, and VRC Director Glenn Carmody.

Much like the iconic Melbourne Cup trophy, with its three handles representing owner, trainer, and jockey, the Foundation’s three pillars hold equal significance.

Pillar I: Heritage and History - supporting the acquisition, preservation, and celebration of the horse, and what it has meant to the formation of Australia, including thoroughbred racing, its history, heritage, and culture.

Pillar II: Horses and People - supporting the care and wellbeing of the horse, together with the people who make up the very fabric of racing.

Pillar III: Community and Education - supporting the creation of career pathways into, and within, racing; foster inclusiveness and diversity; and partner with local community and national organisations especially those that are connected to the horse.

The Melbourne Cup Foundation is not only an affirmation of the VRC’s commitment to the community, but also a testament to the enduring legacy of the Melbourne Cup itself.

As the Foundation embarks on this journey, it carries forward the spirit of champions – horses, trainers, jockeys, and enthusiasts – to make a lasting difference in the lives of individuals, the racing industry, and society at large. You will hear more about the Foundation in 2024.



The Art and Heritage Collection preserves and illustrates the rich history of the Victoria Racing Club and Flemington Racecourse. Premier artworks and historical objects are displayed throughout the Club's facilities to share perspectives of our significant history with our members and guests and the Heritage Archive is an invaluable research resource supporting the Club and stakeholder communications.

The key project for the season was the refit and reorganisation of the Club's Art & Heritage Collection storage area. The installation of compactus and additional customised artwork racking has added significant storage, increased accessibility, and improved preventative conservation conditions for this important collection.

In preparation for the 2022 Melbourne Cup Carnival, several of Flemington's permanent facilities were refreshed with new artworks, including the Bookies Bar, Forum Pit and Committee Room. A selection of photographic works was also installed in Headquarters Tavern later in the year.

Art and Heritage content was again on display at external Melbourne Cup Carnival events including the Government House Cup Eve Reception, Chairman's Lunch and Chairman's Dinner. Highlights include Lillian Franks' Melbourne Cup Millinery on loan from the Australian Racing Museum, historic Fashions on the Field winning ensembles and the 1910 Melbourne Cup trophy won by Comedy King.

On the passing of Her Majesty Queen Elizabeth II and Champion jockey Harry White, displays honouring the life and contribution to racing of each were developed and installed on course for public viewing.

Mr White generously gifted a significant amount of important personal racing related material to the Club in 2012. Included in the Harry White Collection are his four Melbourne Cup jockey trophies, and these treasured items were included in the funeral service for Harry held at Flemington Racecourse.



BOARD OF DIRECTORS



**MR NEIL
WILSON**
Chairman



**MR MICHAEL
RAMSDEN**
Vice Chairman



**MR GLENN
CARMODY**
Honorary Treasurer



**MR STEVE
ROSICH**
Chief Executive
Officer

BOARD OF DIRECTORS



MR DAVE
BARHAM



JUDGE KATHERINE
BOURKE*



MR VIN COX



MS SOPHIE
O'KANE



ANN PEACOCK



ALLISON PURDEY



MR MICHAEL
SAADIE



MR NEIL WERRETT

*Judge Katherine Bourke until 28 October 2022.
Vicki Canning until 14 December 2022.

EXECUTIVE LEADERSHIP TEAM



JACINTA ALEXANDER
Membership, Ticketing
and Customer Operations



NADIA ANGELO
Legal, Risk and
Governance



DAVID CAMPBELL
Media



LEIGH JORDON
Racing



JO KING
Brand, Marketing and
Communications



LUKE KINNIBURGH
Experience
and Events



MEGAN LOVE
People, Capability
and Development



PETER MINEO
Commercial
Operations



JAMES REID
Operations



SAM WHATMORE
Finance and
Information
Technology

Deirdre McGuane, Executive General Manager – Events and Experience until November 2022.

The Club is committed to strong corporate governance practices as an essential pillar of the Club's strategy and long-term success.

The VRC Board is ultimately responsible for the proper management, administration, and success of the VRC, in both the management of Flemington Racecourse and the conduct of the VRC's race meetings and other VRC activities. The directors are guided by a Directors' Code of Conduct and Board Charter to assist them in carrying out their duties effectively and in accordance with the highest possible ethical and professional standards.

BOARD COMPOSITION AND TERM

The Board can consist of up to ten non-executive independent directors and the Chief Executive. Each non-executive director must seek re-election every three years with the intention that Directors should not serve for more than 4 terms or 12 years. The Chairman, Vice-Chairman and Honorary Treasurer appointed by the Board and may serve in these roles for a maximum of eight consecutive years.

COMMITTEES OF THE BOARD

The Board establishes committees, as required, to assist in carrying out its primary functions. These committees meet on a regular basis and act in an advisory capacity, making recommendations to the Board. They are populated by representatives of the Board and management. During the 2022/2023 year, committees were in place for Audit & Risk Management, Disciplinary, Grounds & Gardens, Strategy & Masterplan, Racing, Remuneration & Nominations and VRC Media.

AUDIT AND RISK MANAGEMENT

The Audit and Risk Management Committee comprises the Honorary Treasurer (as Chair) and at least two other directors. This committee meets on at least four occasions throughout the year and on further occasions as the need arises. The committee receives regular reports from the Club's auditors and management, working with them to review the Club's risk profile, risk appetite, financial accounts, financial position and regulatory compliance. The committee makes recommendations to the Board in relation to key financial, governance, compliance and policy items. The Senior Risk Manager works with the management team to review the Club's risk appetite and keep the risk register current. This includes reviewing enterprise-level and critical risks, and the effectiveness of controls. This process gives input and ownership to people at all levels and in all departments of the Club, while providing greater visibility and confidence to senior management and the Board.

REMUNERATION

A Remuneration and Nominations Committee, comprising the Chairman, Vice-Chairman and Honorary Treasurer, approves the Club's remuneration principles and practices on an annual basis. The Chief Executive and EGM People, Capability and Development also attend these meetings. With the exception of the Chief Executive, VRC's directors act as volunteers, but they receive certain reimbursements and compensation for costs incurred while fulfilling their role.

CORPORATE REPORTING

The Board receives reports from management on a monthly basis and otherwise as required.

SAFETY AND RISK

Given the VRC's racing and events focus, work health and safety requires constant focus, review and training, and is of the highest priority for our team. Our internal WH&S unit works with the management team, our people, our contractors, our partners, the industry and WorkSafe to continually review and reinforce good safety practice and improve our systems of work.

LEGAL

The VRC's in-house team are involved in the negotiation of contracts and provide advice and support on a wide range of matters affecting the Club. Processes and training are implemented, as required, to ensure a consistent approach to contracts, privacy, intellectual property protection and legal compliance to best protect the VRC's interests. External legal advice is also sought where appropriate.



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DIRECTORS' REPORT

The Directors of Victoria Racing Club Limited and its subsidiary (collectively referred to as 'the Club' or 'VRC') submit herewith the annual financial report of the Club for the financial year ended 31 July 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors Report is as follows:

The Club became a registered company under the Corporations Act 2001 on 10 April 2006. The Club is a public company limited by guarantee, incorporated and operating in Australia.

If the Club is wound up, the Constitution states that each current Member, and each person who ceased membership within the preceding 12 months, is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the Club. At 31 July 2023, the number of Members was 33,120 (2022: 29,121), therefore the total contribution required by Members is equal to \$331,200.

The Directors of the Club during or since the end of the financial year are as follows. Unless stated otherwise, each Director was in office for the entirety of the financial year up to the date of this report.

Directors	Appointed	Qualifications	Current roles
Dave Barham	June 2020	<ul style="list-style-type: none"> Graduate, Australian Institute of Company Directors (GAICD) 	Information for former directors was current at time of ceasing with VRC unless stated otherwise. President – Essendon Football Club Managing Director – Vuecast Media (Sport Media and Rights Management Consultancy) Member, Audit and Risk Management Committee – Essendon Football Club Chairman, VRC Media Sub-Committee – VRC
Katherine Bourke (ceased on 28 October 2022)	Club Committee July 2004 Incorporated entity April 2006	<ul style="list-style-type: none"> Bachelor of Laws, University of Melbourne Master of Laws, University of Melbourne Bachelor of Arts, University of Melbourne 	Judge – County Court of Victoria Chair – Disciplinary Sub-Committee
Vicki Canning (ceased on 14 December 2022)	October 2022	<ul style="list-style-type: none"> Registered Nurse Graduate Diploma Hospital Management 	Chief Executive Officer – Hobson Healthcare Pty Ltd Member, Hobson Bay Endoscopy Medical Advisory Committee
Glenn Carmody	October 2017	<ul style="list-style-type: none"> Bachelor of Business (Accounting), Swinburne University of Technology Chartered Accountant (CAANZ) Registered Company Auditor 	Director – The Melbourne Cup Foundation Pty Ltd ATF The Melbourne Cup Foundation Managing Partner Assurance Oceania – Ernst & Young Member and Chair – Foundation for Very Special Kids Chairman, Audit & Risk Management Sub-Committee – VRC Member, Strategy & Master Plan Sub-Committee – VRC Member, Remuneration & Nominations Sub-Committee – VRC
Vin Cox	June 2020	<ul style="list-style-type: none"> None of relevance 	Managing Director – Godolphin Australia Proprietor & Director – Vin Cox Bloodstock Pty Ltd Director – Alto Group Director – Thoroughbred Industry Careers Board Member – Thoroughbred Breeders Association, NSW Proprietor & Director – Burrundulla Wines Committee Member – Bligh Amateur Racing Club Chairman, Grounds & Gardens Sub-Committee – VRC Member, Racing Sub-Committee – VRC
Sophie O'Kane	December 2015	<ul style="list-style-type: none"> Bachelor of Laws, Deakin University Bachelor of Arts, Deakin University Admitted as an Australian legal practitioner 	Chairman – The Melbourne Cup Foundation Pty Ltd ATF The Melbourne Cup Foundation Commercial Development Director – JLL Technologies Member, Strategy & Master Plan Sub-Committee – VRC
Ann Peacock	December 2022	<ul style="list-style-type: none"> None of relevance 	Member, Million Dollar Lunch – Children's Cancer Centre Foundation Ambassador – Motherless Daughters Ambassador – Ovarian Cancer Australia Ambassador – Fiona Elsey Cancer Research Foundation Life Member – Victorian Australian Day Ambassador Member, Strategy & Master Plan Sub-Committee – VRC
Allison Purdey	October 2022	<ul style="list-style-type: none"> Bachelor of Laws, Monash University Bachelor of Arts, Monash University Admitted as an Australian legal practitioner 	Chairman, Disciplinary Sub-Committee – VRC Member, Maribyrnong River Flood Sub-Committee – VRC
Michael Ramsden	December 2012	<ul style="list-style-type: none"> Bachelor of Economics, Monash University Bachelor of Laws, Monash University Fellow of the Financial Services Institute of Australasia Admitted as an Australian legal practitioner 	Managing Director – Terrain Capital Ltd (<i>Corporate Advisory</i>) Chairman – Cremorne Capital Ltd (<i>Funds management</i>) Chairman – Australian Mines Ltd (<i>Metals & mining</i>) Chairman – African Mahogany (Aust) Pty Ltd (<i>Agribusiness</i>) Director – Racelab Pty Ltd Member, Strategy & Master Plan Sub-Committee – VRC Chairman, Racing Sub-Committee – VRC Member, Remuneration & Nominations Sub-Committee – VRC Chairman, Maribyrnong River Flood Sub-Committee – VRC

DIRECTORS' REPORT CONTINUED

Directors	Appointed	Qualifications	Current roles
Steve Rosich	November 2020	<ul style="list-style-type: none"> Bachelor of Commerce, University of Western Australia Chartered Accountant (CAANZ) 	Information for former directors was current at time of ceasing with VRC unless stated otherwise. Chief Executive Officer – VRC Director – World Horse Racing Limited (<i>Horse racing industry joint venture incorporated in the United Kingdom</i>) Non-Executive Director – BioEye Pty Ltd Member, Melbourne Cup Foundation Pty Ltd Member, Audit & Risk Management Sub-Committee – VRC Member, Racing Sub-Committee – VRC Member, Disciplinary Sub-Committee – VRC Member, Grounds & Gardens Sub-Committee – VRC Member, Strategy & Master Plan Sub-Committee – VRC Member, Remuneration & Nominations Sub-Committee – VRC Member, VRC Media Sub-Committee – VRC Member, Maribyrnong River Flood Sub-Committee – VRC
Michael Saadie	June 2020	<ul style="list-style-type: none"> Graduate Management Qualification, University of NSW Senior Executive Program, London Business School Chartered Banker F Fin Fellow of FINSIA FFIN 	Executive NAB Private Wealth and Chief Executive Officer – JBWere Limited Director – JBWere Limited Director – JBWere (NZ) Pty Ltd Director – Invia Custodian Pty Ltd Advisory Board Member – Deasel Family office Finance Committee Member – Brighton Grammar School Member, Audit & Risk Management Sub-Committee – VRC
Neil Werrett	April 2018	<ul style="list-style-type: none"> Bachelor of Economics, Monash University Diploma of Land Valuation, RMIT 	Director – Various Galileo and Werret Investment Companies Director – Werrett Bloodstock Director – Food Equity Group Director – Evirobank Director – Oracle Healthcare Part-owner – Vinery Stud, Hunter Valley Member, Racing Sub-Committee – VRC Member, Strategy & Master Plan Sub-Committee – VRC
Neil Wilson	December 2012	<ul style="list-style-type: none"> Bachelor of Business (Accounting), (MIS) Fellow Certified Practising Accountant (FCPA) 	Chairman – VRC Director – The Melbourne Cup Foundation Pty Ltd ATF The Melbourne Cup Foundation Chairman – Nexon Pty Ltd Chairman – CharterX Pty Ltd Chairman – Infocentric Pty Ltd Non Executive Director – Knosys Limited (ASX:KNO) Advisory Board Member – Clipboard Australia Pty Ltd Chairman – Dubber (ASX:DUB) Chairman, Strategy & Master Plan Sub-Committee – VRC Member, Audit & Risk Management Sub-Committee – VRC Member, Racing Sub-Committee – VRC Member, Grounds & Gardens Sub-Committee – VRC Member, VRC Media Sub-Committee – VRC Chairman, Remuneration & Nominations Sub-Committee – VRC Member, Maribyrnong River Flood Sub-Committee – VRC

COMPANY SECRETARY

Details of the Club's Company Secretaries during and since the end of financial year, including qualifications and experience, are set out below. Unless stated otherwise, each Company Secretary was in office for the entirety of the financial year up to the date of this report.

Company Secretary	Appointed	Qualifications	Current roles
Nadia Angelo	August 2021	<ul style="list-style-type: none"> Bachelor of Laws, University of Melbourne Bachelor of Arts, University of Melbourne Admitted as an Australian legal practitioner Graduate, ARITA Insolvency Education Program, Queensland University of Technology Graduate, Australian Institute of Company Directors (GAICD) 	Company Secretary – VRC Executive General Manager – Legal, Risk & Governance Member, VRC Media Sub-Committee – VRC

PRINCIPAL ACTIVITIES

The principal activities of the Club during the year were the conduct of thoroughbred racemeetings and the provision of training facilities for horses that are stabled and trained at Flemington Racecourse.

DIRECTORS' REPORT CONTINUED

OBJECTIVES, STRATEGIES AND KEY AREAS OF FOCUS

The Club's vision is for Flemington to be the leader in world class racing and experiences and this is the aspiration as reconfirmed in the 2023 to 2025 Strategic plan update.

There are five key focus areas that guide the strategic and operational planning for the Club:

- Racing
- Customers/Partners
- Content and Media
- People and Community
- Governance and Finance

The Club monitors various metrics to assess performance across the organisation. These include:

Racing – Wagering turnover, track quality, meeting quality and international participation

Customers/Partners – Membership, attendance, brand health, sponsorship and non race day event revenues

Content and Media – Content and media revenue, range and reach and international activities

People and Community – Employee engagement and retention, corporate social responsibility, environment and governance activities

Governance and Finance – Ongoing refinement of governance activities, revenue, profitability and debt levels.

REVIEW OF OPERATIONS

For the year ended 31 July 2023, the Club reported an EBITDA profit of \$2.1 million and a net loss of \$14.9 million, compared with a net loss of \$17.0 million for the year ended 31 July 2022. The following factors were key contributors to the financial performance:

- Revenue increased by \$44.6 million (26%) to \$216.9 million for the year, with expenses (excluding financing costs, depreciation and amortisation) of \$214.4 million being \$41.6 million (24%) higher than the prior year.
- There were no COVID-19 restrictions impacting the Club during the year, with a 2022 Melbourne Cup Carnival attendance of 244,000 being a significant increase on the restricted attendance cap of 35,000 across the four days of the 2021 Melbourne Cup Carnival.
- There was no grant funding assistance received from Racing Victoria Limited during the year (2022: \$20.2 million).
- Financing costs increased by \$1.7m (119%) to \$3.1 million for the year, due to a combination of increased applicable interest rates and increased debt levels.
- Depreciation and amortisation costs of \$14.3 million were expensed for the year, compared with \$14.9 million for the prior year.

The Club invested \$7.3 million in capital projects during the year, compared with \$7.7 million for the prior year.

CHANGES IN STATE OF AFFAIRS

During the financial year, there was no significant change in the state of affairs of the Club, other than that referred to in the financial statements or notes thereto.

SUBSEQUENT EVENTS

There have been no matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

FUTURE DEVELOPMENTS

Disclosure of information regarding likely developments in the operations of the Club in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Club. Accordingly, this information has not been disclosed in this Directors' Report.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Club paid a premium of \$66,125 (2022: \$57,500) in respect of a policy insuring the Directors, officers and employees of the Club against a liability incurred as such a Director, officer or employee to the extent of all losses which the Club becomes legally obligated to pay on account of any claim, including defence costs. Directors are indemnified by the Club under its constitution and individual deeds with each Director, in a manner consistent with the Club's insurance policy and the provisions of the *Corporations Act 2001*. The Club has not during or since the financial year indemnified or agreed to indemnify an auditor of the Club against a liability incurred as such an auditor.

DIVIDENDS

Under the Club's constitution, no dividends may be declared or paid.

DIRECTORS' REPORT CONTINUED

DIRECTORS' MEETINGS

The following table sets out the number of Directors' Board meetings and meetings of the Audit and Risk Management Committee held during the financial year, and the number of meetings attended by each Director (during their tenure). During the financial year, ten Board meetings and three Audit and Risk Management Committee meetings were held.

DIRECTORS	DIRECTORS BOARD MEETINGS		AUDIT AND RISK MANAGEMENT COMMITTEE	
	HELD	ATT'D	HELD	ATT'D
Dave Barham	10	10	-	-
Katherine Bourke	2	2	-	-
Vicki Canning	2	2	-	-
Glenn Carmody	10	10	3	3
Vin Cox	10	10	-	-
Sophie O'Kane	10	10	-	-
Ann Peacock	5	5	-	-
Allison Purdey	7	7	-	-
Michael Ramsden	10	10	-	-
Steve Rosich	10	10	3	3
Michael Saadie*	10	9	3	3
Neil Werrett	10	10	-	-
Neil Wilson	10	10	3	3

* Unable to attend August Board meeting due to late change of date.

AUDITOR

Pricewaterhouse Coopers continues in office as the Club's auditor. The auditor's Independence Declaration is included in the financial statements on page 76.

Signed in accordance with a resolution of Directors made pursuant to Section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors,



Neil Wilson
Chairman

Melbourne, 22 November 2023



Glenn Carmody
Honorary Treasurer

INDEPENDENCE DECLARATION



Auditor's Independence Declaration

As lead auditor for the audit of Victoria Racing Club Limited for the year ended 31 July 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Victoria Racing Club Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Paul Lewis'.

Paul Lewis
Partner
PricewaterhouseCoopers

Melbourne
22 November 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICTORIA RACING CLUB LIMITED



Independent auditor's report

To the members of Victoria Racing Club Limited

Our opinion

In our opinion:

The accompanying financial report of Victoria Racing Club Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 July 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 31 July 2023
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICTORIA RACING CLUB LIMITED



Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 July 2023, 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 through our opinion on the financial report.

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 on the other information that we obtained prior to the date of this auditor's report, 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 ability of the Group 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 Group 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 the financial report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VICTORIA RACING CLUB LIMITED



A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Paul Lewis'.

Paul Lewis
Partner

Melbourne
22 November 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 July 2023

	NOTES	2023 \$000	2022 \$000
Revenue			
Thoroughbred Racing Industry Distributions		53,013	73,216
Catering, Dining, Hospitality and Events		63,423	18,441
Marketing, Sponsorship and Broadcast Rights		52,063	42,955
Ticketing and Member Subscriptions		24,937	13,559
Wagering and Other Racing Revenue		12,402	12,509
Racecourse, Facilities and Grants		7,410	8,951
Interest		267	9
Net Gain on Disposal of Fixed Assets		28	22
Net Gain on Disposal of Investments		514	136
Other Revenue		2,796	2,429
Total Revenue		216,853	172,227
Expenditure			
Prizemoney and Other Returns to Owners		62,553	62,345
Catering, Dining, Hospitality and Events		63,566	31,951
Marketing, Sponsorship and Broadcast Rights		26,242	24,969
Members' Services and Administration		35,128	29,223
Racecourse and Facilities		24,882	22,063
Financing Costs		3,089	1,408
Depreciation and Amortisation	7	14,259	14,923
Other Expenditure		2,060	2,304
Total Expenditure		231,779	189,186
PROFIT/(LOSS) FOR THE YEAR	4	(14,926)	(16,959)
Other Comprehensive Income			
Gain on Revaluation of Land	5	-	13,335
Actuarial Profit/(Loss) on Defined Benefit Plan	16	(189)	367
Other Comprehensive Income/(Loss) for the Year		(189)	13,702
Total Comprehensive Income/(Loss) for the Year		(15,115)	(3,257)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 July 2023

	NOTES	2023 \$000	2022 \$000
Assets			
<i>Current Assets</i>			
Cash and Cash Equivalents	17	4,524	3,462
Trade and Other Receivables	8	11,255	12,855
Inventories		2,533	1,621
Prepayments		2,183	582
Total Current Assets		20,495	18,520
<i>Non-current Assets</i>			
Investments Accounted for using the Equity Method	9	607	257
Intangibles	10	12,440	8,363
Other Financial Assets	11	927	1,157
Property, Plant and Equipment	12	293,492	302,848
Right-of-use Assets		195	60
Total Non-current Assets		307,661	312,685
TOTAL ASSETS		328,156	331,205
Liabilities			
<i>Current Liabilities</i>			
Trade and Other Payables	13	10,800	11,621
Revenue in Advance		29,450	28,143
Borrowings	14	1,000	-
Provisions	15	5,018	4,705
Lease Liabilities		113	64
Total Current Liabilities		46,381	44,533
<i>Non-current Liabilities</i>			
Trade and Other Payables	13	1,137	-
Revenue in Advance		500	5,438
Borrowings	14	72,500	58,500
Provisions	15	319	385
Lease Liabilities		85	-
Total Non-current Liabilities		74,541	64,323
Total Liabilities		120,922	108,856
NET ASSETS		207,234	222,349
Equity			
Retained Earnings	4	99,762	114,877
Reserves	5	107,472	107,472
TOTAL EQUITY		207,234	222,349

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 July 2023

	PROPERTIES REVALUATION RESERVE \$000	INVESTMENTS REVALUATION RESERVE \$000	RETAINED EARNINGS \$000	TOTAL \$000
Balance as at 1 August 2021	94,137	172	131,297	225,606
Profit/(Loss) for the year	-	-	(16,959)	(16,959)
Transfers	-	(172)	172	-
Other comprehensive income/(loss) for the year	13,335	-	367	13,702
Balance as at 31 July 2022	107,472	-	114,877	222,349
Profit/(Loss) for the year	-	-	(14,926)	(14,926)
Other comprehensive income/(loss) for the year	-	-	(189)	(189)
Balance as at 31 July 2023	107,472	-	99,762	207,234

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 31 July 2023

	NOTES	2023 \$000	2022 \$000
Cash Flows from Operating Activities:			
Receipts from Customers (inclusive of GST)		151,000	109,223
Payments to Suppliers and Employees (inclusive of GST)		(143,787)	(98,526)
Payments for Prizemoney and Other Returns to Owners		(9,540)	(9,359)
Interest Received		267	9
Interest and Other Costs of Finance Paid		(3,080)	(1,408)
Net Cash Used in Operating Activities	17(c)	(5,140)	(61)
Cash Flows from Investing Activities:			
Payments for Property, Plant and Equipment		(3,574)	(3,546)
Payments for Intangibles		(5,311)	(4,201)
Payments for Investments		(350)	(257)
Proceeds from the Sale of Property, Plant and Equipment		33	46
Proceeds from Other Financial Assets		514	1,210
Net Cash Used in Investing Activities		(8,688)	(6,748)
Cash Flows from Financing Activities:			
Drawdown of Borrowings		15,000	5,000
Repayment of Borrowings		-	(801)
Principal Repayment of Lease Liabilities		(110)	(77)
Net Cash Provided by Financing Activities		14,890	4,122
Net Increase/(Decrease) in Cash and Cash Equivalents		1,062	(2,687)
Cash and Cash Equivalents at Beginning of the Financial Year		3,462	6,149
Cash and Cash Equivalents at End of the Financial Year	17(a)	4,524	3,462

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

1. General information

Victoria Racing Club Limited's principal place of business and registered office is 448 Epsom Road, Flemington 3031, Tel (03) 8378 0888. Victoria Racing Club Limited ('the Club') is a public company limited by guarantee, incorporated and operating in Australia.

2. Significant accounting policies

Statement of compliance

These financial statements are general purpose financial statements, which have been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities as issued by the AASB.

For the purposes of preparing the financial statements, the Club is a not-for-profit entity.

The financial statements were authorised for issue by the Directors' on 22 November 2023.

Basis of preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Club is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Class Order, amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The principal accounting policies are set out below.

Application of new and revised Australian Accounting Standards

The Club has applied the following standards and amendments for the first time in their annual reporting period commencing 1 August 2022:

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141]

The amendment listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Going concern

As at 31 July 2023, the Club had current liabilities that exceeded its current assets by \$25.9 million (2022: \$26.0 million), had generated a loss for the year of \$14.9 million (2022: \$17.0 million) and had operating cash outflows of \$5.1 million (2022: operating cash outflow of \$0.1 million). The Club's current liability position includes revenue in advance of \$29.5 million (2022: \$28.1 million), largely attributable to sponsorship revenue and prepaid membership fees for the 2023/24 racing season. This balance will be realised in the ordinary course of business and is therefore not expected to be settled in cash. Current assets therefore exceed current cash settlement liabilities. The Club has access to existing ANZ Bank finance facilities of \$63.5 million until November 2025.

The Club has undertaken a comprehensive analysis of its liquidity and going-concern position, by considering its financial forecast for the 31 July 2024 financial year, together with its debt facilities and proposed capital projects. The analysis comfortably outlines that it will be able to meet all its obligations as and when they fall due, being at least twelve months from the date these financial statements are authorised for issue. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Principals of consolidation and equity accounting

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Victoria Racing Club ('company' or 'parent entity') as at 31 July 2023 and the results of all subsidiaries for the year ended 31 July 2023. Victoria Racing Club and its subsidiary together are referred to in this financial report as the Club or the consolidated entity. Subsidiaries are all entities (including special purpose entities) over which the Club has the power to govern the financial and operating policies, generally accompanying a shareholder of more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Club. The acquisition method of accounting is used to account for business combinations by the Club. Intercompany transactions, balances and unrealised gains on transactions between Club companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. The subsidiary of Victoria Racing Club has nil balances (2022: nil) and is non-trading. Accordingly, the consolidated financial statements of the Parent and the Consolidated Group are identical.

(ii) Associates

Associates are all entities over which the Club has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Club's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. The Club's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment. When the Club's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Club does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. Unrealised gains on transactions between the Club and its associates are eliminated to the extent of the Club's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are consistent with the policies adopted by the Club.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

2. Significant accounting policies > continued

(a) Cash and cash equivalents

Cash comprises cash on hand and term deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition. Where applicable, bank overdrafts will be shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

(b) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

(c) Financial assets

Other financial assets

Gains and losses arising from changes in fair value are recognised in Other Comprehensive Income and are never recycled to profit and loss, even if the asset is sold.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments, that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially measured at fair value, net of transaction costs. Loans and receivables are subsequently measured at amortised cost using the effective interest method less any allowances under the expected credit losses ("ECL") model. Impairment allowances for receivables (other than those measured at fair value through profit and loss) is assessed at each reporting period and is measured using the simplified approach based on its lifetime ECL.

(d) Other financial liabilities

Other financial liabilities, including trade and other payables and borrowings, are initially measured at fair value, net of transaction costs. Trade and other payables are recognised when the Club becomes obliged to make payments resulting from the purchase of goods and services.

(e) Property, plant and equipment

Freehold land is measured at fair value. Fair value is determined on the basis of an independent valuation prepared by external valuation experts every two years, unless material change exists, and is based on an analysis of the size and position of the land, and of sales of land within close proximity over the past number of years. Fair values are recognised in the financial statements and are reviewed regularly by the Directors to ensure that the carrying values of freehold land are not materially different from their fair values.

Any revaluation increase arising from the revaluation of land is credited to the properties revaluation reserve. A decrease in carrying amount arising on the revaluation of land is charged as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Plant and equipment and buildings are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on plant and equipment, including buildings and infrastructure, but excluding capital work in progress, and is calculated on a straight line basis, so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The following estimated useful lives are used in the calculation of depreciation:

- Buildings and Infrastructure – 10 to 40 years
- Plant and Equipment – 1 to 20 years

Capital Work In Progress

Assets in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Club's accounting policy. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

(f) Leases

The Club assesses whether a contract is or contains a lease, at inception of the contract. The Club recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Club recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- 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; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

The lease liability is presented as a separate line in the Consolidated Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Club remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in the floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Club incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Club expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the Consolidated Statement of Financial Position.

The Club applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described at note 3.

(g) Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Club reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset the Club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation increase.

(h) Provisions

Provisions are recognised when the Club has a present obligation (legal or constructive) as a result of a past event, it is probable that the Club will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(i) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Club in respect of services provided by employees up to reporting date.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

2. Significant accounting policies > continued

Defined benefit plans

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest) is reflected immediately in the Consolidated Statement of Financial Position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Club presents the first two components of defined benefit costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the line item Members' Services and Administration expenses. Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the Consolidated Statement of Financial Position represents the actual deficit or surplus in the Club's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(j) Revenue

Revenue is measured at the fair value of consideration received or receivable to the extent it is probable that the economic benefits will flow to the Club, net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Thoroughbred Racing Industry Distributions

Revenue from Thoroughbred Racing Industry Distributions is recognised at a point in time, per each racemeeting and when the performance obligations in the contract have been met.

Catering, Dining, Hospitality and Events

Catering, dining, hospitality and events includes food and beverage revenue, which is recognised at the point in time the goods are provided and payment is collected. Venue hire revenue is also recognised at a point in time, when the control passes to the customer and they are able to utilise the venue space they have hired.

Marketing, Sponsorship and Broadcast Rights

Sponsorship and broadcast rights revenue are recognised at a point in time, when the conditions of the contract have been met.

Ticketing and Member Subscriptions

Ticketing revenue is recognised at a point in time, when the ticket is provided to the customer and payment is collected. Membership subscription revenue is recognised over time, when the membership services have been provided.

Wagering and Other Racing Revenue

Wagering commission revenue is recognised at a point in time, per each racemeeting. Nominations and acceptances revenue is also recognised at a point in time, per each racemeeting and when the managing owner is invoiced.

Training Facility Revenue

Training facility revenue is recognised over the lease term, as the payments become receivable.

Interest

Interest revenue is recognised over time when it becomes receivable on a proportional basis taking in to account the interest rates applicable to the financial assets.

Government Grants

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

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

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

- Recognises the asset in accordance with the requirements of other relevant applicable Australian Accounting Standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138)
- Considers whether any other financial statement elements should be recognised ('related amounts') in accordance with the relevant applicable Australian Accounting Standard
- Recognises income immediately in profit or loss for the excess of the initial carrying amount of the asset over any related amounts recognised.

(k) Goods and Services Tax

Revenues, 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 taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables that are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the taxation authority is included as part of receivables or payables.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

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

(l) Intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

The following estimated useful lives are used in the calculation of amortisation:

- Gaming Entitlements – 10 years
- Software and Digital Assets – 4 to 6 years
- Rebrand Costs – 3 years

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan, to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates. Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Club's accounting policies, which are described in note 2, management is required to make judgements, estimates and assumptions about carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Fair value of investments

Management uses their judgement in selecting the most appropriate valuation technique in deriving fair value. For investment and other financial assets, a combination of commonly used valuation techniques are applied.

Expected credit loss provision

The Club measures any loss allowance for Trade Receivables at an amount equal to lifetime expected credit losses. Management uses their judgement to calculate expected credit losses using a provision matrix, based on reasonable and supportable information that is available.

Revaluation of land

A Directors' valuation of freehold land was performed as at 31 July 2023. Fair value of the land was determined using the market comparable method, based on active market prices, adjusted for differences in the nature, location or condition of the specific property (refer note 5).

Estimation of useful lives of assets

The Club determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of assets

To determine the extent of an impairment loss, Management either estimates the recoverable amount of an individual asset or the recoverable amount of the cash-generating unit to which the asset belongs, by assessing its future cash flows.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through inflation have been taken into account.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

4. Retained earnings

	2023	2022
	\$000	\$000
Balance at 1 August	114,877	131,297
Actuarial profit/(loss) on defined benefit plan	(189)	367
Transfer from Investment revaluation reserve	-	172
Net profit/(loss)	(14,926)	(16,959)
Balance at 31 July	99,762	114,877

5. Reserves

	2023	2022
	\$000	\$000
Properties revaluation	107,472	107,472
Balance at 31 July	107,472	107,472
Properties revaluation reserve		
Balance at 1 August	107,472	94,137
Revaluation increments	-	13,335
Balance at 31 July	107,472	107,472

The properties revaluation reserve arises from the revaluation of land. Where revalued land is sold, that portion of the properties revaluation reserve which relates to that asset is effectively realised and transferred directly to retained earnings. Distributions from the properties revaluation reserve can be made where they are in accordance with the requirements of the Club's constitution, the *Corporations Act 2001* and relevant case law.

6. Income Tax

The Club is exempt from income tax under section 50–45SS9.1(a) of the Income Tax Assessment Act 1997 (as amended).

7. Depreciation and amortisation

	2023	2022
	\$000	\$000
Property, plant and equipment depreciation expense	12,925	13,785
Intangible assets amortisation expense	1,234	1,060
Right-of-use assets depreciation expense	100	78
TOTAL	14,259	14,923

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

8. Trade and other receivables

	2023 \$000	2022 \$000
<i>Current</i>		
Trade receivables (i)	5,184	7,012
Expected credit loss provision	(125)	(175)
	5,059	6,837
Other receivables	5,454	5,402
Industry funding	742	616
TOTAL	11,255	12,855

(i) The average credit period on sales made by the Club is 30 days.

9. Investments accounted for using the equity method

	2023 \$000	2022 \$000
Investments in associates	607	257
TOTAL	607	257

Name of entity	Principal activity	Country of incorporation	2023 %	2022 %
Investments in associates				
World Horse Racing Limited (i)	Promotion of elite Group 1 thoroughbred horse racing worldwide	United Kingdom	26.0	26.0

(i) The Club acquired a 26% interest in World Horse Racing Limited ("WHR") on 6 October 2021. Additional investment in the current period did not change the percentage interest held by the Club.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

10. Other intangible assets

	2023 \$000	2022 \$000
Cost	16,371	12,393
Accumulated amortisation	(3,931)	(4,030)
TOTAL	12,440	8,363

Cost	Gaming entitlements (i) \$000	Software and digital assets \$000	Rebrand Costs \$000	Total \$000
Balance at 1 August 2021	1,333	6,514	345	8,192
Additions	-	4,201	-	4,201
Balance at 31 July 2022	1,333	10,715	345	12,393
Additions	1,597	3,714	-	5,311
Disposals	(1,333)	-	-	(1,333)
Balance at 31 July 2023	1,597	14,429	345	16,371
Accumulated amortisation				
Balance at 1 August 2021	1,194	1,431	345	2,970
Amortisation expense	133	927	-	1,060
Balance at 31 July 2022	1,327	2,358	345	4,030
Amortisation expense	153	1,081	-	1,234
Disposals	(1,333)	-	-	(1,333)
Balance at 31 July 2023	147	3,439	345	3,931
Net book value				
As at 31 July 2022	6	8,357	-	8,363
As at 31 July 2023	1,450	10,990	-	12,440

(i) On 16 August 2022, the Club's gaming venue commenced operation under a new gaming machine entitlement arrangement to operate 80 gaming machines over a further 10-year period until 15 August 2032.

11. Other financial assets

	2023 \$000	2022 \$000
Superannuation assets:		
<i>Non-current</i>		
Defined benefit plan	927	1,157
TOTAL	927	1,157

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

12. Property, plant and equipment

	Freehold land at fair value \$000	Capital W.I.P at cost \$000	Buildings and infrastructure at cost \$000	Plant and equipment at cost \$000	Total \$000
Gross carrying amount					
Balance at 1 August 2021	92,400	739	232,418	158,723	484,280
Additions	-	3,546	-	-	3,546
Transfers	-	(3,012)	-	3,012	-
Net revaluation increments	13,335	-	-	-	13,335
Disposals	-	-	-	(287)	(287)
Balance at 31 July 2022	105,735	1,273	232,418	161,448	500,874
Additions	-	3,574	-	-	3,574
Transfers	-	(4,348)	44	4,304	-
Disposals	-	-	-	(93)	(93)
Balance at 31 July 2023	105,735	499	232,462	165,659	504,355
Accumulated depreciation and impairment					
Balance at 1 August 2021	-	-	82,433	102,071	184,504
Depreciation expense	-	-	5,253	8,532	13,785
Disposals	-	-	-	(263)	(263)
Balance at 31 July 2022	-	-	87,686	110,340	198,026
Depreciation expense	-	-	4,937	7,988	12,925
Disposals	-	-	-	(88)	(88)
Balance at 31 July 2023	-	-	92,623	118,240	210,863
Net book value					
As at 31 July 2022	105,735	1,273	144,732	51,108	302,848
As at 31 July 2023	105,735	499	139,839	47,419	293,492

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

13. Trade and other payables

	2023 \$000	2022 \$000
<i>Current</i>		
Trade payables (i)	3,847	2,865
Other payables	6,736	8,756
Gaming licence payable	217	-
	10,800	11,621
<i>Non-current</i>		
Gaming licence payable	1,137	-
	1,137	-
TOTAL	11,937	11,621

(i) The average credit period on purchases is 30 days. No interest is charged on trade payables.

14. Borrowings

	NOTES	2023 \$000	2022 \$000
<i>Current</i>			
ANZ (i)	17(b)	1,000	-
		1,000	-
<i>Non-current</i>			
ANZ (i)	17(b)	62,500	48,500
Racing Victoria (ii)	17(b)	10,000	10,000
		72,500	58,500
TOTAL		73,500	58,500

(i) The Club first entered into a Facility Agreement with ANZ Bank on 14 October 2016, which has been subsequently revised on 18 September 2020 and then again on 4 October 2022. The Club has access to finance facilities of \$63.5 million until November 2025 that are secured by a mortgage over the freehold land owned by the Club and are interest bearing, with interest charged on drawn funds at a variable interest rate plus a margin.

(ii) The Club entered into a Facility Agreement with Racing Victoria Limited on the 14 October 2016, with a maturity date of 31 July 2028. These borrowings are unsecured, interest free and are subordinated to the ANZ borrowings.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

15. Provisions

	2023	2022
	\$000	\$000
<i>Current</i>		
Employee benefits	5,018	4,705
	5,018	4,705
<i>Non-current</i>		
Employee benefits	319	385
TOTAL	5,337	5,090

The employee benefits expense relating to annual leave and long service leave for the year was \$0.8 million (2022: \$0.6 million). The expense has been included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income within the Members' Services and Administration expenditure line.

16. Defined benefit superannuation plan

A significant number of employees of the Club are members of the Victorian Racing Industry Superannuation Fund (the sub-plan) of AMP Signature Super. The sub-plan has a combination of defined benefit and accumulation membership. The following information relates to the defined benefit membership. The defined benefit segment of the sub-plan is closed to new members.

The defined benefit members are entitled to retirement benefits based on a multiple of their deemed final salary upon attainment of a retirement age of 60. No other post-retirement benefits are provided to these employees.

The defined benefit superannuation segment is a funded segment of the sub-plan. The net surplus determined in the sub-plan's most recent financial report, for the year ended 31 July 2023, was \$0.9 million (2022: \$1.2 million).

The Club has a legal liability to make up a deficit in the defined benefit segment of the sub-plan, but no direct legal right to withdraw any surplus from the sub-plan.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

16. Defined benefit superannuation plan > continued

		2023	2022
		%	%
Key assumptions used for the purpose of the actuarial valuation were as follows (expressed as weighted averages):			
Discount rate gross of tax		5.3	4.3
Expected return on plan assets		6.1	5.7
Expected rate of salary increase		4.0	4.0
Amounts recognised in profit or loss in respect of the defined benefit plan are as follows:	NOTES	2023	2022
		\$000	\$000
Expense recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income		41	95
Actuarial gains/(losses) incurred during the year		189	(367)
Cumulative actuarial gains		(1,996)	(2,185)
The amount included in the Consolidated Statement of Financial Position arising from the Club's obligations in respect of its defined benefit sub-plan is as follows:			
Present value of defined benefit obligation at end of year		3,657	6,185
Fair value of plan assets at end of year		(4,584)	(7,342)
Net asset arising from defined benefit	11	(927)	(1,157)
Movements in the present value of the plan assets in the current period were as follows:			
Opening fair value of plan assets		7,342	7,984
Employer contributions		-	-
Member contributions		47	57
Benefits paid		(3,088)	(453)
Other		283	(246)
Closing fair value of plan assets		4,584	7,342
Fair value of plan assets			
The analysis of the plan assets at the Consolidated Statement of Financial Position date are as follows:		2023	2022
		\$000	\$000
Equity instruments		2,292	3,377
Debt instruments		1,490	2,056
Property		596	477
Other		206	1,432
TOTAL		4,584	7,342

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

17. Notes to the Consolidated Statement of Cash Flows

	2023 \$000	2022 \$000
(a) Reconciliation of cash and cash equivalents		
Cash at Bank	4,524	3,462
	4,524	3,462
(b) Financing facilities		
<i>Unsecured facility</i>		
Amount used	10,000	10,000
Amount unused	-	-
	10,000	10,000
<i>Secured facility</i>		
Amount used	63,500	48,500
Amount unused	20	5,020
	63,520	53,520
(c) Reconciliation of profit/(loss) for the year to net cash flows from operating activities		
Profit/(loss) for the year	(14,926)	(16,959)
Depreciation and amortisation expense	14,259	14,923
Gain on sale of investments	(514)	(136)
Gain on disposal of fixed assets	(28)	(22)
Non-cash movements in defined benefit superannuation expense	41	95
Leased assets interest expense	9	-
<i>Changes in operating assets and liabilities</i>		
Decrease/(increase) in trade and other receivables	1,600	(1,009)
Decrease/(increase) in inventories	(912)	48
Decrease/(increase) in prepayments	(1,601)	625
(Decrease)/increase in trade and other payables	316	1,478
(Decrease)/increase in revenue in advance	(3,631)	1,158
(Decrease)/increase in employee benefit provisions	247	(262)
Net operating cash flow	(5,140)	(61)

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

18. Remuneration of auditors

	2023 \$	2022 \$
Auditors of Victoria Racing Club Limited – Pricewaterhouse Coopers and related network firms		
– Audit of the financial report	115,000	115,000
– Audit of the Community Benefit Statement	3,000	3,000
Total services provided by Auditors of Victoria Racing Club Limited	118,000	118,000

19. Key management personnel compensation

The key management personnel of the Club include the Chief Executive Officer, ten Executive General Managers (2022: ten) and members of the Board. During the year, the compensation of the key management personnel is set out below and includes remuneration and allowances, payments for accrued annual and long service leave and post employment benefits in the form of superannuation. Directors of the Board are not remunerated by the Club; however, do receive certain benefits, reimbursements and travel allowances while fulfilling their role as a Director.

	2023 \$	2022 \$
Compensation to key management personnel of the Club	3,633,850	3,828,345

20. Related parties

The following parties are considered to be related parties to the Club:

- Members of the Board who held office in the year ended 31 July 2023 (as detailed on page 72 of this Report), and their employers
- World Horse Racing Limited in which the Club has a 26% interest (note 9)

All members of the Board act in an honorary capacity and receive no remuneration for their services; however they do receive certain reimbursements and compensation for costs incurred while fulfilling their role as a Director. Certain members of the Board participate in the Thoroughbred Racing Industry via means of ownership of racehorses. This involvement is on terms and conditions no more favourable than other participants in the Thoroughbred Racing Industry. Directors are occasionally nominated by the Club to serve on thoroughbred industry Boards and Committees. Those Directors are remunerated in accordance with the remuneration practices of that entity, and are expected to return any amounts received for their service to the Club unless an alternative arrangement has been approved by the Board.

The Club paid Directors' and Officers' Liability Insurance on behalf of the Board and officers of the Club.

The Club indemnifies each officer of the Club against any liability that may be instituted against them or any of them in the exercise of their office or performance of their duties.

The Club has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Club or any related organisation against liability incurred as such an officer or auditor.

The Club engaged Ernst & Young, in which Glenn Carmody is a Partner, to provide brand health tracking research on commercial terms and conditions.

The Club leased stable complexes to Godolphin Australia, in which Vin Cox is a Managing Director, on commercial terms and conditions.

The Club engaged CharterX Pty Ltd, in which Neil Wilson is the Chairman, to provide project consulting services on commercial terms and conditions.

The Board approved the continued use of a Lexus vehicle, including operating costs, to Neil Wilson as a benefit of the role of Chairman. This vehicle is provided under the sponsorship agreement with the Club's Principal Partner, Lexus.

All other material transactions and balances with related parties have been disclosed in this Report.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS OF THE VICTORIA RACING CLUB LIMITED

for the year ended 31 July 2023

21. Subsidiaries

The Club's principal subsidiaries at 31 July 2023 are set out below. Unless otherwise stated they have share capital consisting of ordinary shares and the proportion of ownership held equals the voting rights held by the Club. There were no changes to these subsidiaries in 2023.

Name of entity	Principal activity	Date of incorporation	Country of incorporation	Ownership interest held by the Club
The Melbourne Cup Foundation Pty Ltd (as Trustee for The Melbourne Cup Foundation)	Charitable Purposes	14 May 2019	Australia	100%

22. Parent entity financial information

The subsidiary of Victoria Racing Club has nil balances (2022: nil) and is non-trading. Accordingly, the consolidated financial statements of the Parent and the Consolidated Group are identical.

23. Capital commitments

The Club has capital commitments for capital expenditure on the sand training track replacement at 31 July 2023 of \$0.6 million (2022: \$nil).

24. Concessionary leases

The Club leases Crown land from the State Government with significantly below-market terms and conditions principally to enable it to further its objectives, as it utilises the land to run its operations to deliver its services. The Club is restricted on the use of the land as agreed with the State Government. The lease is a long term lease, expiring on 19 August 2057, and the annual lease payment is One Shilling if demanded.

As outlined in the Club's accounting policy in note 2, the Club has elected to measure this lease at cost.

25. Comparative balances

Some comparatives have been restated for presentation purposes in order for the balances to remain comparable.

26. Subsequent events

There have been no matters or circumstances occurring subsequent to the end of the financial year that have significantly affected, or may significantly affect, the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

DIRECTORS' DECLARATION

The Directors declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.
- (b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities and giving a true and fair view of the financial position and performance of the Club.

Signed in accordance with a resolution of the Directors made pursuant to Section 295 (5) of the *Corporations Act 2001*.

On behalf of the Directors,




Neil Wilson
Chairman



Glenn Carmody
Honorary Treasurer

Melbourne, 22 November 2023



The horses are at the heart of all we do, and are at the forefront of every decision. Caring for their wellbeing across all stages of their lives has always been a focus of the VRC.



VICTORIA
RACING CLUB



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