

Melbourne Racing Club

Note 1: Summary of Significant Accounting Policies for the Community Benefit Statement

This note provides a list of all significant accounting policies adopted by the Melbourne Racing Club (the Club) in the preparation of the Community Benefit Statement for Caulfield Glasshouse (the Venue).

Class A (a) expenditure

Class A expenditure consists of donations, gifts and sponsorships paid for by the Club for either:

- Any educational purpose
- The provision of health services or care
- Services for the prevention and treatment of problem gambling and drug and alcohol addictions
- Housing assistance
- The relief of poverty
- The provision of services and assistance for the aged and young people
- The provision of advice, support and services to ex-service personnel, their careers and families
- Any other philanthropic, benevolent, educational purpose
- Any sporting or recreational purpose, excluding any club that holds a venue operator's

Class A(b) expenditure

Class A(b) expenditure consists of costs of providing and maintaining sporting facilities. The nature of these expenses include:

(i) *Employment Expenditure*

Employment expenditure consists of employment costs directly attributable to the ongoing maintenance of the Club racetrack, as well as those directly incurred in the operation of the gaming venue. Employment expenditure is recognised on a cash accounting basis when payments are made. Employment expenditure includes all salary related costs, excluding payroll tax, fringe benefits tax and employee benefit provisions such as annual leave and long service leave. These costs are allocated to the venue using a practical and sensible method of allotment.

(ii) *Other expenditure*

Expenditure consists of costs directly attributable to the ongoing maintenance of the Club racetrack for the use of the Club's primary activity, thoroughbred horse racing (other than employment expenditure as detailed separately above). Expenditure is recognised on a cash accounting basis when payments are made. These costs are allocated to the venue using a practical and sensible method of allotment.

Class B (a)(d) Capital expenditure

Capital expenditures are stated at cost whereby cost includes expenditure that is directly attributable to the acquisition of the asset (excluding assets used for gaming purposes). 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.

Class B (e) Operating costs

Operating costs relate to direct expenses incurred and paid by the venue that relate to the non-gaming activities for the year. These expenses relate to but are not limited to:

(i) Employment expenditure

Employment expenditure is recognised on a cash accounting basis when payments are made. Employment expenditure includes all salary related costs, excluding payroll tax, fringe benefits tax and employee benefit provisions such as annual leave and long service leave.

(ii) Head office expenditure

Head office expenditures relating to non-gaming activities are allocated to the venue using a practical and sensible method of allotment.

(iii) Other direct operating costs

These costs include rent, utilities, outgoings, cleaning, security and repairs and maintenance.

Goods and Services Tax (GST)

Expenses and fixed assets are recognised net of the amount of associated GST.



Independent auditor's report

To the Committee of the Melbourne Racing Club

Our opinion

We have audited the Community Benefit Statement (the Statement) of the Melbourne Racing Club in respect of Caulfield Glasshouse for the year ended 30 June 2025. In our opinion the accompanying Statement is prepared, in all material respects, in accordance with the requirements of Section 3.6.9(2)(a) and (b) of the Gambling Regulation Act 2003.

What we have audited

The Statement comprises:

- the income and expenditure for the year ended 30 June 2025
- Note 1 to the Statement, which includes a summary of significant accounting policies.

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 Statement* 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 Melbourne Racing Club in accordance with 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 Statement in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Emphasis of matter - basis of accounting and restriction on distribution and use

We draw attention to Note 1 of the Statement, which describes the basis of accounting. The Statement has been prepared to assist the Committee of the Melbourne Racing Club to fulfil the requirements of Section 3.6.9(2)(a) and (b) of the Gambling Regulation Act 2003. As a result, the Statement may not be suitable for another purpose. Our report is intended solely for the Committee of the Melbourne Racing Club and the Victorian Gambling and Casino Control Commission and should not be distributed to or used by parties other than the Committee of the Melbourne Racing Club and Victorian Gambling and Casino Control Commission. Our opinion is not modified in respect of this matter.

Responsibilities of the Committee for the Statement

The Committee of the Melbourne Racing Club is responsible for the preparation of the Statement in accordance with the requirements of Section 3.6.9(2)(a) and (b) of the Gambling Regulation Act 2003, and for such internal control as management determine is necessary to enable the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Committee of the Melbourne Racing Club is responsible for assessing the ability of the Melbourne Racing Club to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the Statement unless the Committee either intend to liquidate the Melbourne Racing Club or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.



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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Melbourne Racing Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

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

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink, likely belonging to Andrew Cronin.

Andrew Cronin
Partner

Melbourne
18 September 2025