

**Albury Racing
Club Limited**

ABN 61 053 857 819

**Annual Financial Statements
30 June 2015**

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President's Report 14/15

On behalf of your Committee, I have pleasure in presenting the Annual Report of the Albury Racing Club Ltd activities for the year ending 30 June 2015. The club made a profit of \$247,271 before depreciation/amortisation and consideration of associated grants.

During the year the Club conducted 17 race meetings, distributing \$1,933,127 in prize money and trophies.

The Commercial Club Albury Gold Cup meeting was again the highlight of the year and despite some inclement weather in the lead up to the event, a great crowd of 15,778 saw the Tony McEvoy trained Kourkam win the Albury Cup.

I would like to thank the Commercial Club for their support of the event and of the Club throughout the year. They have again recently committed to extend the partnership into 2017 and it is a partnership we hope continues for a long time.

This year we were fortunate to have the Managing Director of Darley Australia, Henry Plumtre attend the Commercial Club Albury Gold Cup Carnival launch as the special guest and he was well received by all in attendance.

Barlens sponsored the City Handicap and they have been major supporters of the Racing Club and racing in the district and we thank them greatly for their support.

The Club continues to work closely with Albury City Council and I thank them for all their support during the year particularly with the Albury Cup Carnival.

In recent news we have been fortunate to secure \$1.2 million in Racing NSW funding towards the upgrade of the course proper. A new irrigation system, course drainage and improvements to camber will bring the track up to standard with other regional centres and provide our local trainers with a far superior surface. Thank you to Peter V'landys and the team at Racing NSW for supporting this much needed project.

MEDIA

We thank all the wonderful staff at the Border Mail, who again had a major influence on the success of this year's carnival, with a fantastic coverage of our cup meeting. There has been some changes at the Border Mail recently and we have lost some of our experienced friends at the paper so we move into a new era and look forward to continuing the strong relationship with the Border Mail. Thanks also goes to Southern Cross TEN and Macquarie Radio, Radio 2AY, WIN television, Prime TV and the dedicated staff at 107.3FM and the Wagga Wagga Daily Advertiser.

Thank you also to Sydney racing journalist Chris Scholtz for his dedicated support of the Club which is greatly appreciated.

STAFF

Thank you to CEO John Miller for producing some excellent results during the year and always looking towards future growth opportunities.

A special thanks once again to Carol Broadfoot in the office who does a remarkable job and works tirelessly to support all levels of the business.

Amy Collins continues to do a great job managing hospitality and events and has worked very hard to accommodate sponsors and clients.

Thank you to Aidan Kilroy and Wayne Osteraas for their hard work throughout the year and presenting the track and facilities in great order.

VALE

Unfortunately during the year we lost some great supporters of the Albury Racing Club. I would like to acknowledge Bill Penney, a former Committee member of the club and Lorna Hynes who worked at the club for many years. Both will be sadly missed by all at the club.

RACE CLUB AWARDS

The Club congratulates local trainer Brett Cavanough in winning the Albury Trainers premiership, Simon Miller for winning the Albury Jockeys premiership and the Jim Scobie stable for the win of Zero to Ten for Horse of the Year honours.

COMMITTEE

During the year we had new members join the Committee and I would like to welcome Glenn Chapman, Wayne Matsinos, Ann McHardy and Rod Mullavey and hope they enjoy their time on the Committee.

In conclusion, I would like to thank my fellow Committee members for donating their time and effort in attending race meetings and Committee meetings and for their continued support throughout the year.

David Wallace
President



Chief Executive's Report

As we close out the 2014/15 season and head into the Spring Racing Carnival, it is a very exciting time ahead for everyone involved at the Albury Racing Club with some significant funding arrangements announced.

On the back of taking out the Racing NSW award for the 'Country Race Club of the Year' in 2014, the Club has been fortunate to secure \$1.2 million in funding towards a major upgrade of the racecourse. This upgrade will see the installation of a new irrigation system, track drainage and improvements to camber and track alignments.

These track upgrades will be the first time in the Club's history that big money has been spent on the course proper and will bring the track in line with other regional centres and create a high quality racing and training surface for all local participants.

In the past season the Club has undertaken more improvements to the facilities including a new draught beer system in the Members Lounge, an extension of the main deck and bar area, new televisions and sound system in the betting ring and a new winning post.

A new set of starting barriers has arrived on course in time for the new racing season. Thank you to the Country Racecourse Development Fund for providing these.

The 2015 Commercial Club Albury Gold Cup Carnival offered \$543,100 in prize money and trophies. This would not have been possible without the support of our corporate partners including major sponsor Commercial Club Albury and we thank you all for the continued support.

Once again the Club worked closely with AlburyCity and Destination NSW to further grow the tourism markets and consolidate the Cup Carnival as the premier country racing event in NSW. This marketing program would not be possible without their support and so a big thank you to the team at AlburyCity for driving this initiative.

Thanks again to the local media who play a big part in promoting the Club and racing in the district. The Gold Cup coverage is phenomenal and plays a major part in the success of the carnival. It is also pleasing to see with the introduction of new social media platforms the interaction with racing fans and media has been very positive.

Thank you to SDRA stewards John Davidson, Troy Vassallo and their team for their support throughout the year.

We are very lucky to have strong support from trainers, owners and jockeys to continue to grow the racing product in the area. I thank all of our participants for racing at Albury during the season.

Aidan Kilroy and Wayne Osteraas have done a good job in very testing weather conditions throughout the year to prepare and present the racecourse and facilities in fine order. The recent announcement of the funding for track drainage and a new irrigation system was of course well received by the track staff!

Amy Collins and Carol Broadfoot have done an amazing job during the season managing hospitality and administration functions. With a team of highly dedicated casual staff, everyone has done a great job working towards improving the Albury Racing Club for members and guests.

John Miller
Chief Executive



Sponsors

The Committee of the Albury Racing Club greatly appreciates the support of our many sponsors who enable the Club to maintain a high standard of racing and who greatly assist those involved in the industry. We thank you.

Our Major Sponsors, Platinum and Corporate Sponsors throughout 2014/15 included:

Ace Radio 2AY	Jayco Albury Wodonga
Avis	Jindera Park Stud
Albury Demolitions	Johnsons MME
Armada Hospitality Group	Just Safes Australia
Baileys Removals & Storage	KDEC Data & Electrical
Barlens	Laser Electrical
Baxters Concrete	Leigh Martin Marine
Blacklocks Wodonga	Lexus of Wodonga
Border Bandag	Martins Travel Albury
Border Mail	Morris Wines
Boss Better Living Systems	M & S Graham Plumbing
Boudoir	Myer
Canville Holdings Electrical Contractors	Myer Centrepoint
Chapman, Gould & May	Pinners Refrigeration
Choices Wodonga	Pogson Cronin Solicitors
City Central Finance	Protector Alsafe
Coca Cola	Riverina Horizontal Boring
Commercial Club Albury	Rydges Albury
Community Radio 107.3FM	Slickpix
Conway Printing	Smiths Ice
CUB	Somerset Rise
Dahlsens	Southern Asset Services
Daro Twin City	Southern Cross Media
Davidson White Accountants	Springdale Heights Tavern
Destination NSW	Stuart Gordon Landscaping & Paving Specialist
Elders	Tabcorp
Garry Purtell Purjen Couriers	The Bird Cage Fashions
Gazebo & Shade Centre	The Essential Utensil
GPE Electrical & Communications	The Newmarket Hotel
Greener Grass	Tom Wright Bookmaking
Greens Garden & Ag	Trade Secret
HIB Insurance Brokers	Twin City Truck Centre
High Rollers Limousines	Vision Screenprinting
Hi-Tech Antenna's	Wilson Transformer Company

The Directors present their report together with the financial statements of the Albury Racing Club Limited (the Club), for the year ended 30 June 2015 and the auditor's report thereon.

Directors

The Directors of the Club at any time during or since the end of the financial year are:

DA Wallace OAM President Age 77 Member for 50 years Committee for 48 years Occupation – Grazier	MA Cronin Vice President Age 59 Member for 24 years Committee for 24 years Occupation – Solicitor	GJ Miller Treasurer Age 63 Member for 43 years Committee for 30 years Occupation – Chartered Accountant
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GW Alexander Age 68 Member for 26 years Committee for 17 years Occupation – Insurance Broker	GW Judd Age 57 Member for 25 years Committee for 13 years Occupation – Company Director	JD Ervin Age 66 Member for 36 years Committee for 23 years Occupation – Sales
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R Sloane Age 59 Member for 25 years Committee for 10 years Occupation – Grazier	C Sheather Age 36 Member for 9 years Committee for 3 years Occupation – Public Servant	R Mullavey Age 60 Member for 7 years Committee for 1 year Occupation – Chartered Accountant Appointed September 2014
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A McHardy Age 57 Member for 5 years Committee for 1 year Occupation – CEO Appointed September 2014	W Matsinos Age 57 Member for 6 years Committee for 1 year Occupation – Business Owner Appointed September 2014	G Chapman Age 52 Member for 6 years Committee for 1 year Occupation – Company Director/Electrician Appointed September 2014
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R Mathews
Age 59
Member for 36 years
Committee for 10 years
Occupation – Grazier
Retired September 2014

All Directors are considered independent, non executive Directors of the Club.

Company secretary

Mr John Miller, Chief Executive Officer of the Club, was appointed to the position of Company Secretary in October 2004 and continues to act in this capacity subsequent to year end.

Qualifications

- Bachelor of Commerce - Majors: Marketing & Human Resource Management.

Experience

- 19 years employment in the Racing industry, including 15 years management experience.

Principal activities

The principal activities of the Club during the course of the financial year were those of conducting and promoting Thoroughbred Horse Racing. There were no significant changes in the nature of the activities of the Club during the year.

Directors' report (continued)

State of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Club that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

Operating and financial review

The operating profit for the year was \$134,566 (operating profit in 2014: \$54,331).

Short & long term objectives

- Consolidate the Commercial Club Albury Gold Cup Carnival as the premier country NSW racing event.
- Establish the Melbourne Cup Meeting as the second largest meeting conducted by the Albury Racing Club behind the Albury Cup.
- Continue to grow the Functions & Events division and develop new non-wagering revenue streams.
- Invest in the improvement of facilities and hospitality services on course for Albury Racing Club Members.

Dividends

The Club is a company limited by guarantee and therefore has not declared or paid any dividend during the financial year, nor is it recommended that any dividend should be declared or paid from the operating result disclosed in the accounts.

Membership

The Club is a company limited by guarantee and without a share capital. The number of members as at 30 June 2015 were as follows:

Type of member	Number of members	Guarantee amount
Life members	9	-
Honorary members	12	-
Standard members	487	\$2
Corporate members	29	\$2
Platinum members	23	\$2
Club Festivus members	47	\$2

If the Company is wound up, the Memorandum of Association states that each member is required to contribute as indicated above towards meeting any outstanding obligations of the Club.

Environmental regulation

The Club's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Directors believe that the Club has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Club.

Events subsequent to balance date Funding announcement

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations of the Club, the results of those operations, or the state of affairs of the economic entity, in subsequent financial years, other than the following:

- On 29 August 2015 the NSW government announced funding from Racing NSW of \$1.2M towards a major upgrade of the Albury Racing Club Ltd racecourse.

Likely developments

There are no significant likely developments not otherwise disclosed in this report or the financial statements.

Directors' report (continued)

Indemnification and insurance of directors and officers

The Club has indemnified all Directors and certain Executive Officers in respect of liabilities to other persons (other than the Club or a related body corporate) that may arise from their position as Director or Executive Officer of the Club, except where the liability arises out of conduct involving a lack of good faith. The policy agreement stipulates that the Thoroughbred Racing Board will meet the relevant liability. The premium paid in respect of this policy is \$110.

The Club has not indemnified its auditors, Crowe Horwath Albury.

Auditors' independence declaration

A copy of the auditors' independence declaration as required by section 307C of the *Corporations Act 2001* is set out on page 9.

Directors' benefits

Since the end of the previous financial year no Director of the Club has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the accounts, or the fixed salary of a full time employee of the Club or related corporation) by reason of a contract made by a company or a related corporation with the Director or with a firm of which the Director has a substantial financial interest, other than entities associated with G Chapman, who supplied goods and services on a commercial basis.

Directors' meetings

The number of Directors' and race meetings attended by each of the Directors of the Club during the financial year are:

	No. of Directors' Meetings Attended	No. of Directors' Meetings Held*	No. of Race Meetings Attended	No. of Race Meetings Held*
Mr DA Wallace OAM	12	12	17	17
Mr MA Cronin	11	12	16	17
Mr GJ Miller	11	12	17	17
Mr GW Alexander	9	12	16	17
Mr R Mathews	0	2	0	1
Mr G Judd	10	12	16	17
Mr R Sloane	12	12	15	17
Mr J Ervin	7	12	12	17
Mr C Sheather	12	12	15	17
Ms A McHardy	9	10	14	16
Mr G Chapman	9	10	14	16
Mr W Matsinos	10	10	10	16
Mr R Mullavey	8	10	10	16

* reflects the number of meetings held during the time the Director held office during the year.

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



DA Wallace
Director

Date: 17th day of September 2015



GJ Miller
Director

Date: 17th day of September 2015

**LEAD AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To: the Directors of Albury Racing Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2015 there have been:

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

**CROWE HORWATH ALBURY****BRADLEY D BOHUN**

Partner

Dated at Albury this 17th day of September 2015

Statement of profit or loss and other comprehensive income for the year ended 30 June 2015

	Note	2015 \$	2014 \$
Revenue	3	4,112,791	3,925,925
Expenses			
Cost of goods sold		399,491	382,861
Prize money and rebates		1,933,127	1,982,517
Raceday expenses		724,042	712,140
Racecourse maintenance		410,637	327,559
Administration expenses		503,164	454,843
Result from operations		142,330	66,005
Financing income		4,042	3,916
Financing expenses		(11,806)	(15,590)
Net financing costs		(7,764)	(11,674)
Profit/(loss) before tax		134,566	54,331
Income tax expense	1(e)	-	-
Net profit/(loss)		134,566	54,331
Other comprehensive income			
Net gain on revaluation of property plant equipment		-	-
Total comprehensive income for the year		134,566	54,331

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 14 to 26.

Statement of changes in equity for the year ended 30 June 2015

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2013	<u>2,935,868</u>	<u>2,935,868</u>
Total comprehensive income for the period		
Profit or (loss)	54,331	54,331
Other comprehensive income	-	-
Total comprehensive income	<u>54,331</u>	<u>54,331</u>
Transactions with owners recorded directly in equity	-	-
Balance at 30 June 2014	<u>2,990,199</u>	<u>2,990,199</u>

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2014	<u>2,990,199</u>	<u>2,990,199</u>
Total comprehensive income for the period		
Profit or (loss)	134,566	134,566
Other comprehensive income	-	-
Total comprehensive income	<u>3,124,765</u>	<u>3,124,765</u>
Transactions with owners recorded directly in equity	-	-
Balance at 30 June 2015	<u>3,124,765</u>	<u>3,124,765</u>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 14 to 26.

Statement of financial position As at 30 June 2015

	Note	2015 \$	2014 \$
Current assets			
Cash and cash equivalents	5	152,252	75,725
Trade and other receivables	6	77,892	59,963
Inventories		49,170	40,315
Total current assets		279,314	176,003
Non-current assets			
Property, plant and equipment	7	3,141,965	3,109,305
Total non-current assets		3,141,965	3,109,305
Total assets		3,421,279	3,285,308
Current liabilities			
Trade and other payables	8	131,231	160,196
Loans and borrowings	9	32,200	42,412
Employee benefits	10	74,882	28,154
Total current liabilities		238,313	230,762
Non-current liabilities			
Loans and borrowings	9	54,717	28,899
Employee benefits	10	3,484	35,448
Total non-current liabilities		58,201	64,347
Total liabilities		296,514	295,109
Net assets		3,124,765	2,990,199
Equity			
Retained profits	18	3,124,765	2,990,199
Total equity		3,124,765	2,990,199

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 14 to 26.

Statement of cash flows For the year ended 30 June 2015

	Note	2015 \$	2014 \$
Cash flows from operating activities			
Cash receipts in the course of operations		4,524,070	4,318,518
Cash payments in the course of operations		(4,306,492)	(4,149,318)
		217,578	169,200
Interest received		4,042	3,916
Borrowing costs paid		(11,806)	(15,590)
Net cash from/ (used in) operating activities	16	209,814	157,526
Cash flows from investing activities			
Proceeds from sale of non current assets		21,363	-
Payments for property, plant and equipment		(101,042)	(99,978)
Net cash from/(used in) investing activities		(79,679)	(99,978)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		(53,608)	(40,900)
Net cash from/ (used in) financing activities		(53,068)	(40,900)
Net (decrease) in cash held		76,527	16,648
Cash and cash equivalents at beginning of the financial year		75,725	59,077
Cash and cash equivalents at end of the financial year	5	152,252	75,725

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 14 to 26.

Notes to and forming part of the financial statements For the year ended 30 June 2015

1 Statement of significant accounting policies

Albury Racing Club Ltd (the "Club") is a public company limited by guarantee domiciled in Australia.

The financial statements were authorised for issue by the Directors on 17th day of September 2015.

(a) Statement of compliance

The Club has adopted the Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010-2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*. As a consequence, the Club has also adopted AASB 2011-2: *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements*. This is because the reduced disclosure requirements in AASB 2011-2 relate to Australian Accounting Standards that mandatorily apply to annual reporting periods beginning on or after 1 July 2011.

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. The Club is a not-for-profit entity for financial reporting purposes under the Australian Accounting Standards.

(b) Basis of preparation

The financial statements are presented in Australian dollars.

Not-for-profit status

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The Club has analysed its purpose, objectives and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the Club has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

The financial statements are prepared on the basis of historical costs and except where stated, do not take into account changing money values or current valuations of non-current assets.

Critical accounting estimates

The preparation of the financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Club.

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.

Judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 2.

The accounting policies set out below have been applied consistently to all periods presented in the financial statements.

Notes to and forming part of the financial statements For the year ended 30 June 2015

1 Statement of significant accounting policies (continued)

(c) Revenue

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sales revenue

Sales revenue comprises revenue earned from the provision of products or services to customers outside the Club. Sales revenue is recognised when the goods are provided, or when the fee in respect of the services provided is receivable. Non-refundable function deposits are recognised as revenue when received.

No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

Asset sales

The profit or loss on disposal of assets is brought to account at the date an unconditional contract of sale is signed and is accounted for as other income.

Other revenue

Other revenue comprises nominations and acceptance fees, sponsorships, admissions and other sundry revenue.

Grants & commissions

A significant portion of revenue is obtained via the track maintenance scheme which is based predominately on the number of local trained starters.

From time to time the Club receives grant funding for various miscellaneous purposes.

(d) Expenses

Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method and interest receivable on funds invested.

Interest income is recognised in the statement of profit or loss and other comprehensive income as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the statement of profit or loss and other comprehensive income using the effective interest method.

Operating lease payments

Payments made under operating leases are recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of profit or loss and other comprehensive income as an integral part of the total lease expense and spread over the lease term.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(e) Income tax

The income tax laws exempt Racing Clubs from income tax liability.

Notes to and forming part of the financial statements For the year ended 30 June 2015

1 Statement of significant accounting policies (continued)

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash balances, call deposits and highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Club's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(g) Trade and other receivables

Trade and other receivables are stated at their cost less impairment losses (refer Note 1(k)). Receivables are due for settlement no more than 30 days from the date of recognition unless specific payment arrangements have been approved.

(h) Inventory

Inventories are stated at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

(i) Property, plant and equipment

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation/amortisation and impairment losses. The cost of self-constructed assets includes the cost of materials and direct labour and an appropriate proportion of production overheads.

Certain items of property, plant and equipment that had been revalued to fair value on or prior to 1 July 2004, the date of transition to Australian Accounting Standards – AIFRSs, are measured on the basis of deemed cost, being the revalued amount at the date of the transition.

Depreciation/ amortisation

Depreciation/Amortisation is charged to the statement of profit or loss and other comprehensive income over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The depreciation rates and methodology applied in the current and comparative periods are as follows:

Leasehold improvements	2.5% - 10%
Plant and equipment	5% - 40%
Furniture and fittings	10%

Subsequent costs

The Club recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Club and the cost of the item can be measured reliably. All other costs are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included as other income in the statement of profit or loss and other comprehensive income.

(j) Trade and other payables

Trade and other payables are stated at cost, which approximates amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

Notes to and forming part of the financial statements For the year ended 30 June 2015

1 Statement of significant accounting policies (continued)

(k) Impairment

The carrying amounts of the Club's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its value in use. Value in use in respect of a not-for-profit entity is the depreciated replacement cost of an asset when the future economic benefits of the asset are not primarily dependent on the assets ability to generate net cash inflows. Impairment losses are recognised in the statement of profit or loss and other comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(l) Employee benefits

Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Club expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Long-term service benefits

The Club's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attaching to Commonwealth Government bonds at balance date which have maturity dates approximating the terms of the Club's obligations. Where the Club does not have the unconditional right to defer settlement beyond twelve months, the liability is recognised as a current liability.

Defined contribution plans

The Club contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are incurred.

(m) Provisions

A provision is recognised in the statement of financial position when the Club has a present legal, equitable or constructive obligation as a result of a past event, and it is probable (more likely than not) that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognised for future operating losses.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is treated as an expense as part of borrowing expenses related to the particular provision.

Notes to and forming part of the financial statements For the year ended 30 June 2015

1 Statement of significant accounting policies (continued)

(n) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of the GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated without the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

(o) Interest bearing loans and borrowings

Interest bearing loans and borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest bearing loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss and comprehensive income over the period of the borrowings on an effective interest basis.

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 date.

(p) Leases

Leases of property, plant and equipment where the Club has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Lease payments are accounted for as described in Note 1(d).

Notes to and forming part of the financial statements For the year ended 30 June 2015

2 Accounting estimates & judgements

Management has been involved in, and discussed with Directors the development, selection and disclosure of the Albury Racing Club Ltd's critical accounting policies and estimates and the application of those policies and estimates. There are no critical accounting judgements which require specific disclosure.

	2015 \$	2014 \$
3 Revenue		
Sale of goods	558,898	563,917
Subscriptions, sponsorship & packages	813,233	713,401
Admissions	209,408	203,780
Grants and commissions	2,338,160	2,275,172
Other	193,092	169,655
Total revenue	4,112,791	3,925,925
4 Expenses		
Depreciation of:		
Plant and equipment	61,457	53,605
Furniture & fittings	4,815	4,984
Amortisation of:		
Leasehold improvements	46,433	44,667
Total depreciation and amortisation	112,705	103,256
Bad and doubtful trade debts	-	-
a) Personnel expenses		
Wages and salaries	605,528	518,794
Other associated personnel expenses	6,240	4,091
Superannuation	40,216	33,076
Increase / (Decrease) in liability for annual leave	10,374	(1,000)
Increase / (Decrease) in liability for long service leave	4,390	8,891

**Notes to and forming part of the financial statements
For the year ended 30 June 2015**

	2015	2014
	\$	\$
5 Cash and cash equivalents		
Cash on hand	769	1,486
Cash at bank	151,483	74,239
Cash and cash equivalents in the statement of cash flows	<u>152,252</u>	<u>75,725</u>
6 Trade and other receivables		
Trade debtors	77,892	59,963
	<u>77,892</u>	<u>59,963</u>
7 Property, plant and equipment		
<i>Land</i>		
At cost	1,200,000	1,200,000
<i>Plant and equipment</i>		
At cost	858,661	788,059
Less: accumulated depreciation	(487,686)	(467,273)
	<u>370,975</u>	<u>320,786</u>
<i>Leasehold improvements</i>		
At cost	2,309,799	2,276,080
Less: accumulated amortisation	(782,131)	(735,698)
	<u>1,527,668</u>	<u>1,540,382</u>
<i>Furniture and fittings</i>		
At cost	90,354	90,354
Less: accumulated depreciation	(47,032)	(42,217)
	<u>43,322</u>	<u>48,137</u>
Work in progress	-	-
Total property, plant and equipment	<u>3,141,965</u>	<u>3,109,305</u>

Notes to and forming part of the financial statements For the year ended 30 June 2015

7 Property, plant & equipment (continued)

Asset reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	Land \$	Plant and equipment \$	Leasehold improvements \$	Furniture and fittings \$	Total \$
Balance at 1 July 2013	1,200,000	327,168	1,563,778	33,150	3,124,096
Additions	-	49,269	30,062	20,647	99,978
Revaluations	-	-	-	-	-
Internal transfers	-	-	-	-	-
Disposals	-	(2,046)	(8,791)	(676)	(11,513)
Depreciation	-	(53,605)	-	(4,984)	(58,589)
Amortisation	-	-	(44,667)	-	(44,667)
Balance at 30 June 2014	1,200,000	320,786	1,540,382	48,137	3,109,305
Balance at 1 July 2014	1,200,000	320,786	1,540,382	48,137	3,109,305
Additions	-	136,537	33,719	-	170,256
Revaluations	-	-	-	-	-
Internal transfers	-	-	-	-	-
Disposals	-	(24,891)	-	-	(24,891)
Depreciation	-	(61,457)	-	(4,815)	(66,272)
Amortisation	-	-	(46,433)	-	(46,433)
Balance at 30 June 2015	1,200,000	370,975	1,527,668	43,322	3,141,965

8 Trade and other payables

	2015 \$	2014 \$
Trade payables	30,563	51,027
Other creditors and accruals	100,668	109,169
	131,231	160,196

Notes to and forming part of the financial statements For the year ended 30 June 2015

	2015 \$	2014 \$
9 Loans and borrowings		
<i>Current</i>		
Lease liability	32,200	42,412
<i>Non-current</i>		
Lease liability	54,717	28,899

Facilities available at balance date

- Esanda Finance Corporation Ltd
- National Australia Bank – Corporate Visa Credit Card
- Kubota Australia Finance
- Westpac

Facilities used at balance date

Esanda Finance Corporation Ltd

The Club has finance lease arrangements for the purchase of furniture and fittings and plant. The lease liabilities are secured by the leased assets.

- Tractor – Principal and interest payments are made over 48 equal instalments. The facility will be fully repaid in December 2015. Refer to note 17.
- Corporate Box Refurbishment – Principal and interest payments are made over 36 equal instalments. The facility will be fully repaid in November 2016. Refer to note 17.
- Ford Territory – Principal and interest payments are made over 47 equal instalments and one final lump sum payment. The facility will be fully repaid in May 2019. Refer to note 17.

Corporate Visa Credit Card

The Club has one card linked to a corporate credit card facility. The facility limit at 30 June 2015 is \$10,000 and the applicable interest rate is 15.50%. \$1,835 of the facility was used at 30 June 2015 (2014: \$10,000; \$911 used).

Kubota Australia Finance

The Club has finance lease arrangements for the purchase of a mower and a utility vehicle. The lease liabilities are secured by the leased assets.

- Mower – Principal and interest payments are made over 47 equal instalments. The facility will be fully repaid in July 2015. Refer to note 17.
- Utility vehicle – Principal and interest payments are made over 35 equal instalments. The facility will be fully repaid in February 2018. Refer to note 17.

Westpac

The Club has finance lease arrangements for the purchase of utility vehicles. The lease liabilities are secured by the leased assets.

- Utility vehicle – Principal and interest payments are made over 36 equal instalments. The facility will be fully repaid in March 2018. Refer to note 17.

Notes to and forming part of the financial statements For the year ended 30 June 2015

	2015 \$	2014 \$
10 Employee benefits		
<i>Current</i>		
Annual leave	38,528	28,154
Long service leave	36,354	-
	74,882	28,154
<i>Non-current</i>		
Long service leave	3,484	35,448
		35,448
Number of full time equivalent employees at year end	6.00	4.95

11 Segments

Geographical segment

The Club operates within the Albury-Wodonga region of Australia.

Business segment

The Club operates predominantly in the racing industry of NSW.

12 Key management personnel

The following were key management personnel of the Club at any time during the reporting period, and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors

The names of each person holding the position of director of Albury Racing Club Limited during the financial year are DA Wallace, MA Cronin, GJ Miller, GW Alexander, GW Judd, JD Ervin, R Sloane, C Sheather, R Mullavey (appointed 1 November 2014), A McHardy (appointed 1 November 2014), W Matsinos (appointed 1 November 2014), G Chapman (appointed 1 November 2014) and R Mathews (retired 1 November 2014).

Apart from the details disclosed in this note, no director has entered into a material contract with the Club since the end of the previous financial year and there were no material contracts involving directors' interests subsisting at year end.

Executive

J Miller – Chief Executive Officer

Key management personnel compensation and expenses inclusive of non executive and executive key management personnel for the 2015 year were \$146,887 (2014: \$142,073).

Notes to and forming part of the financial statements For the year ended 30 June 2015

12 Key management personnel (continued)

Other transactions with the Club

From time to time the directors of the Club may make purchases from the Club. These purchases are on the same terms and conditions as those entered into by other members. During the year, the Club was supplied with goods and services from entities associated with G Chapman. The terms and conditions of the transactions with the above mentioned directors and their director related entities were on an arms length basis.

13 Statutory status

The Club is incorporated as a Company limited by Guarantee. In accordance with the Memorandum of Association of the Club, every member of the Club undertakes to contribute an amount limited to \$2 per member in the event of winding up the Club during the time he or she is a member or within one year thereafter.

14 The Trustees of Albury Racecourse

The Trustees of Albury Racecourse hold tenure to certain land on which the Albury Racecourse is situated. This land which was included in the statement of financial position of The Trustees Albury Racecourse on 30 June 1999 was transferred to Albury Racing Club Ltd on 1 July 1999. The Trustees of the Albury Racecourse are the directors of Albury Race Club Ltd from time to time.

15 Contingent liabilities

There were no material contingent liabilities as at balance date (2014: nil).

16 (a) Reconciliation of cash flows from operating activities

	2015 \$	2014 \$
Profit for the period	134,566	54,331
Adjustments for:		
Depreciation	66,272	58,589
Amortisation	46,433	44,667
Loss on Sale of Assets	3,527	
Write off of assets		11,512
Amounts set aside for provisions:		
Long service leave	4,390	8,890
Annual leave	10,374	(1,000)
Net cash provided by operating activities before changes in assets and liabilities	265,562	176,989
Change in operating assets and liabilities:		
(Increase)/decrease in trade & other receivables	(17,929)	(14,629)
(Increase)/decrease in inventories	(8,854)	(9,493)
Increase/(decrease) in trade & other payables	(28,965)	4,659
Net cash provided by operating activities	209,814	157,526

Notes to and forming part of the financial statements For the year ended 30 June 2015

(b) Non Cash Financing and Investing Activities

During the financial year the Club acquired property, plant and equipment with an aggregate fair value of \$69,214 (2014: \$nil) by means of finance leases. These acquisitions are not reflected in the statement of cash flows.

17 Commitments

a) Finance leases

Esanda Finance Corporation Ltd, Westpac and Kubota Australia Finance, finance lease payments are payable in the normal course of events as follows:

	2015 \$	2014 \$
Within one year	36,652	46,300
One year or later and no later than five years	58,054	29,881
	<u>94,706</u>	<u>76,181</u>
Less: future lease finance charges	(7,789)	(4,870)
	<u>86,917</u>	<u>71,311</u>
Amounts provided for in the financial statements:		
Current	32,200	42,412
Non-current	54,717	28,899
	<u>86,917</u>	<u>71,311</u>
b) Other commitments		
Facility developments	<u>-</u>	<u>22,359</u>

18 Retained profits

Retained profits at beginning of year	2,990,199	2,935,868
Net profit/(loss)	134,566	54,331
Retained profits at year end	<u>3,124,765</u>	<u>2,990,199</u>

Notes to and forming part of the financial statements For the year ended 30 June 2015

19 Financial Risk Management

Financial Risk Management Policies

The Club's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and lease facilities.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies of these financial statements are as follows:

	Note	Carrying Amount	
		2015 \$	2014 \$
Financial Assets			
Cash and cash equivalents		152,252	75,725
Trade and other receivables		77,892	59,963
		230,144	135,688
Financial Liabilities			
Finance lease liabilities		89,917	71,311
Trade and other payables		131,231	160,196
		221,148	231,507

20 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club in subsequent financial years, other than the following:

- On 29 August 2015 the NSW government announced funding from Racing NSW of \$1.2M towards a major upgrade of the Albury Racing Club Ltd racecourse.

Directors' declaration

In the opinion of the directors of Albury Racing Club Limited (the "Club"):

- (a) the financial statements and notes, set out on pages 10 to 26, are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of the Club as at 30 June 2015 and of its performance, for the year ended on that date; and
 - (ii) complying with Australia Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

Signed in Albury in accordance with a resolution of the directors:



DA Wallace
Director

Date: 17th day of September 2015



GJ Miller
Director

Date: 17th day of September 2015

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ALBURY RACING CLUB LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Albury Racing Club Limited (the Club), which comprises the statement of financial position as at 30 June 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 1 to 20 and the directors' declaration set out on page 27.

Directors' responsibility for the financial statements

The directors of the Club are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We performed the procedures to assess whether in all material respects the financial statements presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards - Reduced Disclosure Requirements, a view which is consistent with our understanding of the Club's financial position and of its performance.

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



AUDITOR'S OPINION

In our opinion the financial statements of Albury Racing Club Limited are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Club's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

A handwritten signature in blue ink that reads "Crowe Horwath".

CROWE HORWATH ALBURY

A handwritten signature in blue ink that reads "Bradley D Bohun".

BRADLEY D BOHUN
Partner

Dated at Albury this 17th day of September 2015