



# **Albury Racing Club Limited**

**ABN 61 053 857 819**

**Annual Financial Statements**

**30 June 2020**

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## **President's Report 19/20**

The current racing season has been an extremely challenging one for the Albury Racing Club, the racing industry generally, and, of course, the community. All businesses have had to deal with the numerous issues thrown up by the restrictions imposed as a result of the COVID-19 virus. The racing industry has been no exception. Nonetheless, thankfully, horse racing has continued, in spite of those challenges. On behalf of the members and sponsors of the Albury Racing Club, I must extend my sincere thanks and appreciation to Racing NSW for its strong leadership ensuring this vital industry has been able to continue to operate and, in some cases, thrive, in spite of the restrictions imposed upon it and the broader community, since March of this year. It would be trite of me to say that, without that leadership and without the continuation of racing, the Albury Racing Club and, indeed, nearly every racing club in NSW, would be in a dire financial situation.

Last year, as we are all aware, an unseasonal downpour caused the cancellation of the Albury races on Cup Day. This year the races proceeded but without a crowd. Hopefully, in 2021, we can combine the crowd, which was able to attend in 2019, with a race meeting which was able to take place in 2020 and conduct a "normal" Albury Cup Carnival. As to what "normal" will be, as of March 2021, only time will tell.

## **Financial**

The Financial Report submitted with this annual report accurately details our financial position. The Club remains in secure financial position and has no current financial concerns. Very importantly, the Club has enjoyed very substantial financial support of Racing NSW and, for that, the directors of the Albury Racing Club are immensely grateful. Without that very strong support, there is no doubt that the Albury Racing Club would not be in its current viable position. The loss of crowds at race meetings, the loss of revenue from functions, the loss of sponsorship in certain areas, all combined to create a potentially disastrously financial situation for the Club. However, following strong representations by the Albury Racing Club Limited, Racing NSW has provided significant compensation and financial support to enable the Albury Racing Club to continue to move forward and to build on the strong financial foundation it has created over the past decade.

## **Sponsors**

On behalf of the directors, I would like to take this opportunity of sincerely thanking the Commercial Club Albury for its ongoing sponsorship and very strong support. The Commercial Club has agreed to again to provide the major sponsorship for our 2021 Cup Carnival and we look forward to our long association continuing well into the future. Specifically, I acknowledge the sponsorship of the Commercial Club Albury through the 2019 and 2020 Cup Carnivals, both of which did not proceed as was anticipated in the sponsorship agreement.

I also sincerely thank our Cup Day and Carnival sponsors for their continuing support in spite of the issues faced during our Cup Carnivals in 2019 and 2020. Almost everyone of those very significant sponsors have retained their sponsorship and have pledged their ongoing support to the Albury Racing Club Limited. We are extremely grateful. Similarly, I extend my thanks to our Platinum and Corporate Sponsors and look forward to their ongoing, and very important support through 2021 and beyond. Those sponsors provide the Albury Racing Club with a very solid and secure base upon which we can plan and implement strategies with a view to continuing to improve racing and our facilities.

## **Staff**

What an extremely difficult and challenging year it has been for our staff. Firstly, might I thank our Racecourse and Facilities Manager, Luke Garland, his deputy Joe Bolton, Gary Dennis and our apprentice Callum Barrows for their efforts throughout the current racing season. The Albury racecourse, and surrounds, continue to be presented in a magnificent fashion. The state of the track and surrounds is a credit to Luke and his staff. It is clear that the track renovations which were undertaken several years ago have now well and truly and settled and, further, there can be no doubt that the sand grooving has assisted with drainage. Further works have been undertaken near the 1800 metre mark to try and address what has been a problem area in the past and we will continue to work with Racing NSW to fund and implement improvements to the Albury race track and surrounds.

To Carol Broadfoot and Jackie Morgan, I extend my sincere thanks. Carol is an absolute mainstay within our office. Carol bears the brunt of all the issues which has arisen in relation to the COVID-19 restrictions. She, at times, must wonder what she has done to deserve the events of the past two years. Hopefully, for Carol, and all our sakes, it is smooth sailing ahead. Jackie has also endured a very difficult time given the inability to conduct

functions and the restrictions on persons attending the races. Due to those restrictions, Jackie is currently operating on a part-time basis at the moment, however, we are hopeful, as restrictions ease, more and more people will be able to attend the races, more and more functions will be able to be conducted, and Jackie will be back in "full swing".

Our Chief Executive Officer Steve Hetherton is completing his second year "at the helm". What an introduction to the racing industry for Steve! Firstly, he was confronted by the 2019 abandonment of our Cup Day and, just when things were back on track, he has been confronted with all the issues surrounding the coronavirus restrictions. Steven has operated magnificently right throughout his current tenure. He has dealt with the numerous issues confronting the Club in a timely and effective fashion. He has developed a strong relationship with our stakeholders including our industry participants, sponsors, members, as well as the community. On behalf of the directors of the Albury Racing Club Limited, I congratulate Steve on his performance throughout the current racing season and we look forward to Steve continuing in his current role well into the future.

## **Vale**

To the families of our members and industry participants who have passed away during the past 12 months, on behalf of the Club, I extend my deepest sympathies. Amongst others, we lost one of our great supporters, Barry Walker, unexpectedly and sadly, in recent months. To Cate and the family, I extend my sincerest sympathies. We will miss Barry's presence at the AGM.

We also acknowledge the passing of John Cossor, who held the position of Clerk of the Course for many years.

## **Milestones**

Might I take this opportunity, firstly, to congratulate Richard Sloane on being awarded life membership of the Albury Racing Club Limited. Richard has been an extremely hardworking and passionate director of the Club for the past 16 years. It was unfortunate that his life membership could not have been presented at the Committee Luncheon, on Albury Cup Day, earlier this year, which is normally what occurs. Nonetheless, Dick was extremely pleased and humble in receiving his life membership. I look forward to receiving Dick's energetic input and support over the ensuing years.

Secondly, and very importantly, might I take this opportunity of recognising the service of Geoff Miller to the Albury Racing Club Limited. The Miller family, of course, have provided generational service to the Club. Geoff has been a committee member of the Albury Racing Club Limited for nearly 40 years. He is a past President of the Club. He is a long-term Treasurer of the Club. His experience, expertise and knowledge of the Albury Racing Club, specifically, and the racing industry, in general, is second to none. He will be impossible to replace on the Board, as he and Anne move to the next phase of their life. Geoff will be sorely missed but on behalf of all stakeholders, sponsors, members and the community, please accept our sincerest thanks for your magnificent contribution to the Albury Racing Club.

## **Board of Directors**

I extend my sincerest thanks to the very hard-working directors of the Albury Racing Club Limited, including the two persons to whom I referred above. The Board is a diverse group who bring to the table talents and expertise in a variety of areas. Each director is passionate about developing and promoting the Albury Racing Club to ensure it holds its status as one of the premier regional clubs in country NSW. The Board is currently working with Racing NSW on a strategic plan with a view to making very significant improvements to both the racing and hospitality areas.

I note that an election was required this year and I thank those who nominated for the election. I note the election result will be announced at this AGM.

## **Members**

As always, I thank our members for their ongoing support. There has been very little "spillage" of membership, in spite of the real difficulties faced by the Club and the conduct of race meetings and the fact that members, for some time, had been excluded from attending the races and, currently, whilst they can attend, numbers remain somewhat limited and there is a process which must be undertaken to enable members to attend.

In the face of those issues, it is gratifying that the vast majority of our membership continues to support the Club, no doubt understanding that without such support, the Club would face real difficulty.

### **Local Racing Industry**

Of course, our trainers, jockeys and owners have been faced with the numerous challenges thrown up by the coronavirus situation. They have worked very closely with the Club, and our local stewards, to ensure that racing continues in this area and, in particular, at Albury. I thank them for going "above and beyond" to ensure that we continue to race and to continue to provide the industry with essential employment and other income it requires.

I am pleased to announce the recipients of the 2019/2020 Albury Racing Club Racing Awards and I congratulate the following: -

- Leading Trainer: Mitchell Beer
- Leading Jockey: Blaike McDougall
- Horses of the Year: Straover (Geoff Duryea), Falling Waters (Norm Loy) and Hazel's Diary (Donna Scott)

Each of those awards is extremely well deserved and I note the announcements were made at our corporate sponsors function on Cox Plate Day.

Our heartiest congratulations also go to Ron Stubbs who achieved a local victory in the Albury Gold Cup with Spunlago.

In conclusion, might I take this opportunity to sincerely thank all those who have devoted their time, energy and effort on behalf of the Albury Racing Club.

I look forward to that support continuing well into the future.

**Mark Anthony Cronin**

**President**

**Albury Racing Club Limited**

## 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 2019/20 included:

Ace Radio 2AY	Leigh Martin Marine
Albury Demolitions Pty Ltd	Level One Wine Bar
AVIS	Martins Travel Albury
BARLENS	MLM Electrical Contractors
Baxters Concrete	Naughtin Developments
Border Bandag	Peter Dempsey Plumbing & Gas
Boss Better Living Systems	Pogson Cronin
Buller Wine	Purgen Couriers
Chapman, Gould & May	Signarama
Choices Wodonga	Skin Logics Ella Bache Albury
COMMERCIAL CLUB ALBURY	Smiths Ice
Conway Printing	Southern Asset Services
Daro Twin City	Springdale Heights Tavern
DLG Aluminium & Glazing	Star Hotel Albury
EBA Hire	Straight Up It
GPE Electrical & Communications Contractor P/L	Stuart Gordon Landscaping
Hi Tech Antennas	The Essential Utensil
HIB Insurance	The Newmarket Hotel
Jayco Albury Wodonga	Timber Cafe
Johnsons MME	Tonkin Group
Just Safes Australia	Twin City Truck Centre
Kiewa Valley Spring Water	Vision Screenprinting
Laser Electrical	Wellos Plumbing

## Directors' report

The Directors present their report together with the financial statements of the Albury Racing Club Limited (the Club), for the year ended 30 June 2020 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:

MA Cronin  
Age 64  
Member for 29 years  
Committee for 29 years  
Occupation – Solicitor

GJ Miller  
Age 68  
Member for 48 years  
Committee for 35 years  
Occupation – Chartered  
Accountant

GW Judd  
Age 63  
Member for 30 years  
Committee for 18 years  
Occupation – Club Director

A McHardy  
Age 63  
Member for 10 years  
Committee for 6 years  
Occupation – CEO

R Sloane  
Age 64  
Member for 30 years  
Committee for 15 years  
Occupation – Grazier

R Mullavey  
Age 66  
Member for 12 years  
Committee for 6 years  
Occupation – Chartered  
Accountant

M Dyordyevic  
Age 47  
Member for 4 years  
Committee for 4 years  
Occupation – Executive Manager

G Chapman  
Age 57  
Member for 11 years  
Committee for 6 years  
Occupation – Club  
Director/Electrician

S Stewart  
Age 54  
Member for 4 years  
Committee for 4 years  
Occupation – Real Estate Agent

P Spencer  
Age 60  
Member for 18 years  
Committee for 11 years  
Occupation – Finance Broker

All Directors are considered non-executive Directors of the Club.

### Club secretary

Mr Steve Hetherton, Chief Executive Officer of the Club, was appointed to the position of Club Secretary in January 2019 and acts in this capacity subsequent to year end.

## Directors' report (continued)

### 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.

### 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 deficit for the year was \$214,572 (operating profit in 2019: \$41,265).

### Short & long term objectives

- Continue to identify opportunities and enhance the Commercial Club Albury Gold Cup Carnival brand as the premier country NSW racing event.
- Grow revenue across our other annual race days and continue to attract special event race days such as The Country Championships.
- Identify and attract major events to develop new non-wagering revenue streams.
- Invest in the improvement of facilities and hospitality services on course for Albury Racing Club Members.
- Improve and expand the clubs on course training facilities for current and future local trainers and owners.

### Dividends

The Club is a Club 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 Club limited by guarantee and without a share capital. The number of members as at 30 June 2020 were as follows:

Type of member	Number of members	Guarantee amount
Life members	11	-
Honorary members	8	-
Standard members	357	\$10
Corporate members	22	\$10
Platinum members	27	\$10
Club Festivus members	28	\$10

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



## **Directors' report (continued)**

### **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**

No transaction or event has arisen 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.

### **Likely developments**

No material likely developments are foreseen at this time that may affect the Club's operations, other than the ongoing impacts of COVID-19.

Further information about likely developments in the operations of the Club and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would likely to result in unreasonable prejudice to the Club.

### **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 Club has not indemnified its auditors, Crowe 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 Club 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 and G Judd, who supplied goods and services on a commercial basis.

## Directors' report (continued)


### 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 G Judd	11	12	10	16
Mr MA Cronin	10	12	13	16
Mr GJ Miller	10	12	9	16
Mr R Sloane	9	12	7	16
Mr R Mullavey	3	4	4	5
Ms A McHardy	8	12	3	16
Mr M Dyordyevic	11	12	13	16
Mr G Chapman	10	12	7	16
Mr S Stewart	12	12	8	16
Mr P Spencer	11	12	8	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, pursuant to section 298(2)(a) of the Corporations Act 2001.

  
\_\_\_\_\_  
M Cronin  
Director

Date: 17 November 2020

  
\_\_\_\_\_  
G Judd  
Director

Date: 17 November 2020

**Crowe Albury**

ABN 16 673 023 918  
Member Crowe International

Audit and Assurance Services

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Albury NSW 2640 Australia

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Albury NSW 2640 Australia

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**AUDITOR 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 2020 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 ALBURY****BRADLEY D BOHUN**

Partner

Dated at Albury this 17<sup>th</sup> day of November 2020

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Albury, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

## Statement of profit or loss and other comprehensive income for the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Revenue</b>			
Revenue	3	4,027,880	4,444,738
Other income		293,336	220,858
		<u>4,321,216</u>	<u>4,665,596</u>
<b>Expenses</b>			
Cost of goods sold		(184,619)	(261,057)
Prize money and rebates		(2,950,957)	(2,699,953)
Raceday expenses		(408,691)	(694,896)
Racecourse maintenance		(443,355)	(501,532)
Administration expenses		(548,147)	(469,548)
		<u>(4,535,769)</u>	<u>(4,626,986)</u>
<b>Result from operations</b>		(214,553)	38,610
Financing income		6,598	7,060
Financing expenses		(6,617)	(4,405)
Net financing costs		(19)	2,655
<b>Profit/(loss) before tax</b>		(214,572)	41,265
Income tax expense	1(e)	-	-
<b>Net profit/(loss)</b>		<u>(214,572)</u>	<u>41,265</u>
<b>Other comprehensive income</b>			
Net gain on revaluation of property plant equipment		-	-
<b>Total comprehensive income for the year</b>		<u>(214,572)</u>	<u>41,265</u>

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 31.

## Statement of changes in equity for the year ended 30 June 2020

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2018	3,061,428	3,061,428
<b>Total comprehensive income for the period</b>		
Profit or (loss)	41,265	41,265
Other comprehensive income	-	-
<b>Total comprehensive income</b>	3,102,693	3,102,693
Transactions with owners recorded directly in equity	-	-
<b>Balance at 30 June 2019</b>	3,102,693	3,102,693
	Retained Earnings \$	Total Equity \$
Balance at 1 July 2019	3,102,693	3,102,693
<b>Total comprehensive income for the period</b>		
Profit or (loss)	(214,572)	(214,572)
Other comprehensive income	-	-
<b>Total comprehensive income</b>	2,888,121	2,888,121
Transactions with owners recorded directly in equity	-	-
<b>Balance at 30 June 2020</b>	2,888,121	2,888,121

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 31.

## Statement of financial position As at 30 June 2020

	Note	2020 \$	2019 \$
<b>Current assets</b>			
Cash and cash equivalents	5	260,201	365,897
Trade and other receivables	6	144,150	134,404
Inventories		25,067	38,182
<b>Total current assets</b>		429,418	538,483
<b>Non-current assets</b>			
Property, plant and equipment	7	2,891,623	3,060,715
Right-of-use asset	8	54,240	-
<b>Total non-current assets</b>		2,945,864	3,060,715
<b>Total assets</b>		3,375,282	3,599,198
<b>Current liabilities</b>			
Trade and other payables	9	170,735	207,290
Contract liabilities (2020) / Income in advance (2019)	10	209,926	181,584
Lease liabilities	11	19,205	18,198
Employee benefits	12	41,559	31,392
<b>Total current liabilities</b>		441,425	438,464
<b>Non-current liabilities</b>			
Lease liabilities	11	38,627	57,832
Employee benefits	12	7,109	209
<b>Total non-current liabilities</b>		45,736	58,041
<b>Total liabilities</b>		487,161	496,505
<b>Net assets</b>		2,888,121	3,102,693
<b>Equity</b>			
Retained profits	20	2,888,121	3,102,693
<b>Total equity</b>		2,888,121	3,102,693

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 14 to 31.

## Statement of cash flows For the year ended 30 June 2020

	Note	2020 \$	2019 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		4,771,934	5,132,156
Cash payments in the course of operations		<u>(4,859,413)</u>	<u>(5,023,819)</u>
		(87,479)	108,337
Interest received		6,598	7,060
Borrowing costs paid		<u>(6,617)</u>	<u>(4,405)</u>
<b>Net cash from/ (used in) operating activities</b>	18	<u>(87,498)</u>	<u>110,992</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		-	<u>(6,882)</u>
<b>Net cash from/(used in) investing activities</b>		-	<u>(6,882)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		<u>(18,198)</u>	<u>(13,249)</u>
<b>Net cash from/ (used in) financing activities</b>		<u>(18,198)</u>	<u>(13,249)</u>
<b>Net (decrease) in cash held</b>		(105,696)	90,861
<b>Cash and cash equivalents at beginning of the financial year</b>		<u>365,897</u>	<u>275,036</u>
<b>Cash and cash equivalents at end of the financial year</b>	5	<u>260,201</u>	<u>365,897</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 14 to 31.

## Notes to and forming part of the financial statements For the year ended 30 June 2020

### 1 Statement of significant accounting policies

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

The financial statements were authorised for issue by the Directors on 17 November 2020.

#### (a) Statement of compliance

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 except where stated.

#### *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.

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 2020

### 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 is recognised at the amount that reflects consideration to which the Club is expected to be entitled in exchange for transferring goods or services on completion of the performance obligation. For each contract with a customer, the Club: identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price, allocates the transaction price to the separate performance obligations and recognises revenue when each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

##### *Asset sales*

The profit or loss on sale of an asset is recognised as other income and is determined when control of the asset has irrevocably passed to the buyer. This is primarily when the purchaser takes delivery of the asset. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of the disposal and the net proceeds on disposal.

##### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

##### *Grants & commissions*

Grant revenue is recognised in the statement of profit or loss and other comprehensive income when the Club satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the Club is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

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 profit or loss as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

##### *Operating lease payments (2019 only)*

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

##### *Finance lease payments (2019 only)*

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 the Club from income tax liability.

## Notes to and forming part of the financial statements For the year ended 30 June 2020

### 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 any allowance for expected credit losses. 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 profit or loss 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%

##### **Low value items**

Fixed assets with a cost in excess of \$5,000 are capitalised at historical cost and are depreciated over their estimated useful lives. Assets of less than \$5,000 are expensed as equipment purchases. Fixed assets are first depreciated in the year of acquisition using the prime cost method of depreciation.

##### **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 profit or loss 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 profit or loss.

## Notes to and forming part of the financial statements For the year ended 30 June 2020

### 1 Statement of significant accounting policies (continued)

#### (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.

#### (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 asset's ability to generate net cash inflows. Impairment losses are recognised in profit or loss, 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 corporate 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 2020

### 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

The Club has adopted AASB 16 *Leases* from 1 July 2019. The standard replaces AASB 117 *Leases* and for lessees eliminates the classification of operating leases and finance leases. Except for short term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position.

#### (q) Going concern

The Club reports a deficit in working capital (being the amount the current assets exceed current liabilities) of \$12,007 as at 30 June 2020 (2019: surplus of \$100,019). The Club reported a net loss of \$214,572 for the year ended 30 June 2020 (2019: net profit of \$41,265). It is noted that the Club reported negative net cash flows from operating activities of \$106,703 (2019: positive cash flows of \$110,992).

The following mitigating factors support the use of going concern assumption:

- The Club is expecting to receive additional COVID-19 funding from Racing NSW during the year ending 30 June 2021;
- The working capital deficit figure of \$12,007 includes \$209,926 of income in advance which will not generate a cash outflow; and
- The net assets held at 30 June 2020 is a surplus of \$2,888,121.

The financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The value attributed to the Club's assets represent true and fair values on the basis that the Club is a going concern.

The Club's ability to remain a going concern and to discharge its liabilities in the ordinary course of business is dependent upon the continuing financial support of Racing NSW.

## Notes to and forming part of the financial statements

### For the year ended 30 June 2020

#### 1 Statement of significant accounting policies (continued)

##### (r) New accounting standards

The Club has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Club:

##### *AASB 15 Revenue from Contracts with Customers*

The Club has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

##### *AASB 1058 Income of Not-for-Profit Entities*

The Club adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 Contributions in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

## Notes to and forming part of the financial statements For the year ended 30 June 2020

### (r) New accounting standards (continued)

#### *AASB 16 Leases*

The Club has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 Leases and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

#### *Impact of adoption*

AASB 15, AASB 1058 and AASB 16 were adopted using the modified retrospective approach and as such, comparatives have not been restated. There has not been an impact on opening retained earnings as at 1 July 2019 as a result of adopting these new standards.

## 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. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### *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 lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

#### *Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are 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 promotion and inflation have been taken into account.

## Notes to and forming part of the financial statements For the year ended 30 June 2020

	2020 \$	2019 \$
<b>3 Revenue</b>		
<i>Revenue from contracts with customers</i>		
Sale of goods	189,509	308,951
Subscriptions, sponsorship & packages	382,842	985,730
Admissions	27,861	99,691
Grants and commissions	3,427,668	3,050,364
<b>Total revenue</b>	<b>4,027,880</b>	<b>4,444,738</b>

### *Disaggregation of revenue*

The disaggregation of revenue from contracts with customers is as follows:

#### *Geographical regions*

Australia	4,027,880	-
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AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

	2020 \$	2019 \$
<b>4 Expenses</b>		
Depreciation of:		
Plant and equipment	55,818	67,400
Furniture & fittings	3,535	3,926
Right-of-use asset	16,460	-
Amortisation of:		
Leasehold improvements	39,039	40,639
Total depreciation and amortisation	<b>114,851</b>	<b>111,965</b>

Bad and doubtful trade debts	-	-
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	2020 \$	2019 \$
<b>a) Personnel expenses</b>		
Wages and salaries	500,015	563,624
Other associated personnel expenses	10,968	10,203
Superannuation	39,839	45,150
Increase / (Decrease) in liability for annual leave	5,288	(9,680)
Increase / (Decrease) in liability for long service leave	11,780	(6,220)

## Notes to and forming part of the financial statements For the year ended 30 June 2020

<b>5 Cash and cash equivalents</b>	<b>2020</b> \$	<b>2019</b> \$
Cash on hand	1,939	1,623
Cash at bank	258,262	161,015
Term deposit	-	203,259
	260,201	365,897
<b>6 Trade and other receivables</b>		
Trade debtors	144,150	134,404
	144,150	134,404
<b>7 Property, plant and equipment</b>	<b>2020</b> \$	<b>2019</b> \$
<i>Land</i>		
At cost	1,200,000	1,200,000
<i>Plant and equipment</i>		
At cost	1,177,389	1,249,488
Less: accumulated depreciation	(833,114)	(778,695)
	344,274	470,793
<i>Leasehold improvements</i>		
At cost	2,309,799	2,309,799
Less: accumulated amortisation	(994,009)	(954,971)
	1,315,790	1,354,828
<i>Furniture and fittings</i>		
At cost	99,768	99,768
Less: accumulated depreciation	(68,210)	(64,674)
	31,558	35,094
<b>Total property, plant and equipment</b>	<b>2,891,623</b>	<b>3,060,715</b>



## Notes to and forming part of the financial statements For the year ended 30 June 2020

### 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 2018	1,200,000	459,211	1,395,467	39,020	3,093,698
Additions	-	78,981	-	-	78,981
Revaluations	-	-	-	-	-
Internal transfers	-	-	-	-	-
Disposals	-	-	-	-	-
Depreciation	-	(67,399)	-	(3,926)	(71,325)
Amortisation	-	-	(40,639)	-	(40,639)
<b>Balance at 30 June 2019</b>	<b>1,200,000</b>	<b>470,793</b>	<b>1,354,828</b>	<b>35,094</b>	<b>3,060,715</b>
Balance at 1 July 2019	1,200,000	470,793	1,354,828	35,094	3,060,715
Additions	-	-	-	-	-
Revaluations	-	-	-	-	-
Internal transfers	-	-	-	-	-
ROU assets (Note 8)	-	(70,700)	-	-	(70,700)
Disposals	-	-	-	-	-
Depreciation	-	(55,818)	-	(3,535)	(59,353)
Amortisation	-	-	(39,039)	-	(39,039)
<b>Balance at 30 June 2020</b>	<b>1,200,000</b>	<b>344,274</b>	<b>1,315,790</b>	<b>31,558</b>	<b>2,891,623</b>

	2020 \$	2019 \$
<b>8 Right-of-use-assets</b>		
<i>Plant and equipment</i>		
At cost	72,099	-
Less accumulated depreciation	(17,859)	-
	54,240	-
<b>Reconciliations</b>		
Reconciliations of the carrying amounts for each class of right-of-use assets are set out below:		
Carrying amount at beginning of year	-	-
Impact of adoption of AASB 16 (reclassification from Note 7)	70,700	-
Depreciation	(16,460)	-
	54,240	-
	2020 \$	2019 \$
<b>9 Trade and other payables</b>		
Trade payables	44,869	24,403
Other creditors and accruals	125,866	182,887
	170,735	207,290
	2020 \$	2019 \$
<b>10 Contract liabilities (2020) / Income in advance (2019)</b>		
Contract liabilities (2020) / Income in advance (2019)	209,926	181,584
	209,926	181,584

## Notes to and forming part of the financial statements For the year ended 30 June 2020

	2020 \$	2019 \$
<b>11 Loans and borrowings</b>		
<i>Current</i>		
Lease liability	19,206	18,198
<i>Non-current</i>		
Lease liability	38,627	57,832

### ***Facilities available at balance date***

- Vehicle & Equipment Finance
- National Australia Bank – Corporate Visa Credit Card

### ***Facilities used at balance date***

#### **Vehicle & Equipment Finance**

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

- Ford Everest – Principal and interest payments are made over 48 equal instalments and one final lump sum payment. Refer to note 19.
- Kubota Mower – Principal and interest payments are made over 36 equal instalments. Refer to note 19.

#### **Corporate Visa Credit Card**

The Club has four cards linked to a corporate credit card facility. The facility limit at 30 June 2020 is \$30,000 and the applicable interest rate is 15.50%. \$3,351 of the facility was used at 30 June 2020 (2019: four cards; \$30,000; \$3,322 used).

## Notes to and forming part of the financial statements For the year ended 30 June 2020

	2020 \$	2019 \$
<b>12 Employee benefits</b>		
<i>Current</i>		
Annual leave	18,242	12,954
Long service leave	23,317	18,438
	41,559	31,392
<i>Non-current</i>		
Long service leave	7,109	209

### 13 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.

### 14 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 MA Cronin, GJ Miller, GW Judd, R Sloane, C Sheather, R Mullavey, G Chapman, A McHardy, S Stewart and M Dyordyevic and P Spencer.

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*

S Hetherton – Chief Executive Officer appointed 14 January 2019

L Garland – Track Manager appointed 2 January 2019

Key management personnel compensation and expenses inclusive of non-executive and executive key management personnel for the 2020 year was \$234,698 (2019: \$162,370).

## Notes to and forming part of the financial statements For the year ended 30 June 2020

### 14 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 and G Judd totalling \$8,927 (2019: \$24,859). The terms and conditions of the transactions with the above-mentioned directors and their director related entities were on an arms length basis.

### 15 Statutory status

The Club is incorporated as a Club limited by Guarantee. In accordance with the Constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$10 per member in the event of winding up the Club during the time he or she is a member or within one year thereafter.

### 16 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.

### 17 Contingent liabilities

In the prior year funding was provided to the Club by way of an interest free, interminable loan from Racing NSW for the purposes of the Racecourse Development project. This loan is only repayable if one of the following conditions is triggered:

- the Club conducts business activities in such a manner that it becomes financially unstable or insolvent;
- the Club ceases to operate as a race club;
- the Club disposes of land or other freehold property without the agreement of Racing NSW;
- the Club merges, amalgamates or otherwise associates with any other race club;
- the Club amends its governance structure; or
- the Club is in material breach of any of its obligations, duties and functions under the funding agreement.

The Directors are of the opinion that the circumstances outlined above are unlikely to occur in the ordinary course of business and accordingly, no liability has been made in the financial report at 30 June 2020. The maximum contingent liability at 30 June 2020 in respect of this loan, excluding GST, amounts to \$1,250,000 (2019: \$1,250,000).

There were no material contingent liabilities not considered remote as at balance date (2019: nil).

## Notes to and forming part of the financial statements For the year ended 30 June 2020

18 Reconciliation of cash flows from operating activities	2020 \$	2019 \$
Profit/(loss) for the period	(214,572)	41,265
Adjustments for:		
Depreciation	75,812	71,325
Amortisation	39,039	40,639
Amounts set aside for provisions:		
Employee benefits	17,068	(15,899)
<b>Net cash provided by operating activities before changes in assets and liabilities</b>	<b>(82,653)</b>	<b>137,330</b>
Change in operating assets and liabilities:		
(Increase)/decrease in trade & other receivables	(9,746)	22,248
(Increase)/decrease in inventories	13,114	4,694
Increase/(decrease) in trade & other payables	(55,760)	(53,280)
Increase/(decrease) in contract liabilities	28,342	-
<b>Net cash provided by operating activities</b>	<b>(106,703)</b>	<b>110,992</b>

## Notes to and forming part of the financial statement For the year ended 30 June 2020

### 19 Commitments

#### a) Finance leases

Vehicle & Equipment Finance lease payments are payable in the normal course of events as follows:

	2020 \$	2019 \$
Within one year	19,206	21,680
One year or later and no later than five years	38,627	62,344
	<u>57,833</u>	<u>84,024</u>
Less: future lease finance charges	(4,511)	(7,994)
	<u>53,322</u>	<u>76,030</u>
Amounts provided for in the financial statements:		
Current	19,206	18,198
Non-current	34,116	57,832
	<u>53,322</u>	<u>76,030</u>

### 20 Retained profits

Retained profits at beginning of year	3,102,693	3,061,428
Net profit/(loss)	(214,572)	41,265
Retained profits at year end	<u>2,888,121</u>	<u>3,102,693</u>

## Notes to and forming part of the financial statements For the year ended 30 June 2020

### 21 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 9 as detailed in the accounting policies of these financial statements are as follows:

	Note	Carrying Amount	
		2020 \$	2019 \$
<b>Financial Assets</b>			
Cash and cash equivalents		260,201	365,897
Trade and other receivables		144,150	134,404
		404,351	500,301
<b>Financial Liabilities</b>			
Finance lease liabilities		57,832	76,030
Trade and other payables		380,661	388,874
		438,493	464,904

### 22 Significant events

Albury Racing Club was required to restrict admissions to the annual Albury Gold Cup race in March 2020 due to COVID-19 restrictions. This had significant impact on the operating result for the year ended 30 June 2020.

### 23 Subsequent events

Subsequent to the end of the financial year, there have been considerable economic impacts in Australia and globally arising from the outbreak of COVID-19 virus, and Government actions to reduce the spread of the virus. The situation is rapidly developing and is dependent on measures imposed by the Australian Government. At the date of signing the financial statements, the Club is unable to determine what financial effects the outbreak of the virus could have on the coming financial period.



## 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 9 to 30, 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 2020 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:



M Cronin  
Director

Date: 17 November 2020



G Judd  
Director

Date: 17 November 2020

## Albury Racing Club Limited

### Independent Auditor's Report to the Members of Albury Racing Club Limited

#### Report on the Audit of the Financial Report

##### Opinion

We have audited the financial report of Albury Racing Club Ltd (the Club), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of the Club is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Club's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

##### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

##### Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to Note 1(q) in the financial statements which indicates that as of 30 June 2020 the Club's current liabilities exceeded its current assets by \$12,007. This condition, along with other matters set forth in Note 1(q) indicate the existence of a material uncertainty that may cast significant doubt about the Club's ability to continue as a going concern. The financial statements have been prepared on a going concern basis, given the mitigating factors discussed within Note 1(q).

*Liability limited by a scheme approved under Professional Standards Legislation.*

*The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.*

*Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Albury, an affiliate of Findex (Aust) Pty Ltd.*

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the ability of the Club 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 Club or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion.
- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Board 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 the audit.



**CROWE ALBURY**



**BRADLEY D BOHUN**

*Partner*

Dated at Albury this 17<sup>th</sup> day of November 2020