



Albury Racing Club Limited

ABN 61 053 857 819

Annual Financial Statements

30 June 2021

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President's Report 20/21

The racing industry has, yet again, faced enormous challenges throughout the 2020/2021 racing season. The industry, as a whole, deserves congratulations for its ability to continue to provide racing, for stakeholders, in these very difficult times. Unlike many other sporting and community events, racing was able to, with some exceptions, continue uninterrupted in spite of COVID-19 issues. Of course, a considerable amount of that racing has been conducted without crowds which has had an impact, not only on the financial situation of race clubs, but also, on the racing brand itself.

Bearing that in mind, the Albury Racing Club conducted a number of successful race meetings during the 2020/2021 season. Our Albury Cup Carnival proceeded with a limited crowd but was undoubtedly a success. Hopefully, the reintroduction of crowds, will positively impact upon the Cup Carnival moving forward.

Financial

The Financial Report submitted with this Annual Report accurately details our financial position. The Club remains in a stable and viable financial position.

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, again, agreed to continue its significant sponsorship through to the 2022 Cup Carnival and we remain confident that our very close relationship will continue well beyond that time.

On behalf of the Directors, I also take this opportunity to sincerely thank our Cup Day and Carnival sponsors for their continuing support, in spite of the issues faced during our recent Cup Carnivals. Almost everyone of those very significant sponsors have retained their sponsorship and have pledged their ongoing support to the Albury Racing Club Limited.

Similarly, we extend our thanks to Platinum and Corporate sponsors and look forward to their ongoing, and very important, support through 2022 and beyond. Those sponsors provide the Albury Racing Club with a very solid and secure base upon which we can plan and implement strategies. Those strategies include our Strategic Plan which is looking to improve our racing, training and related facilities.

Staff

Firstly, might I take this opportunity of welcoming Daniel Markham our Racecourse and Facility Manager, who replaced Luke Garland in that role earlier this year. He continues to present the Albury racecourse and surrounds in a fantastic condition. He is assisted by Harrison Weaver and Ian Anderson and we thank each of them for their efforts.

We also welcomed Scott Meyer, this year, who joined our team as our Hospitality and Functions Manager. Scott has been working very hard to re-establish our hospitality and functions business, in response to the significant impact that side of the business suffered as a result of COVID-19 shutdowns. Scott is working well with our members, sponsors and patrons. We look forward to enjoying a long and productive with Scott in his role in the years to come.

As always, the mainstay of our administration has been Carol Broadfoot. Carol is absolutely dedicated to her role and to the Albury Racing Club Limited and, as always, Carol performed her duties in a very effective and efficient fashion.

Our thanks go to our CEO Steve Hetherston. He finally conducted an Albury Cup Carnival with both a crowd and horseracing and he, no doubt, is looking forward to now being able to build upon our brand as one of the leading Regional Race Clubs in New South Wales. Steve continues to work very closely and productively with our sponsors, stakeholders and our patrons.

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.

I acknowledge the passing of Bruce Duck who has been a wonderful and loyal supporter and of Albury Racing Club, particularly the Commercial Club Albury's sponsorship of our Cup Carnival. I extend my sincerest sympathies to Jeff, Jackie and their families.

Board of Directors

I extend my sincere thanks to the very hard-working Directors of the Albury Racing Club Limited. The Board is a diverse group who bring to the table talents and expertise in a variety of areas. Each Director is passionate about the development and promotion of the Albury Racing Club to ensure it holds its status as one of the premier regional clubs in country New South Wales. The Board is currently working with Racing NSW on its Strategic Plan with a view to making very significant improvements to both the racing and hospitality areas. Specific, there is an expectation that significant funds will become available, in the short term, to enable our training surfaces to be significantly upgraded with a view to allowing fast work to be undertaken, on a far more regular basis, taking into account prevailing weather conditions. Furthermore, the Plan allows for the construction of modern stabling facilities within or adjacent to the racecourse.

I note no election for Directors was required this year and I thank each and all of the Directors for agreeing to remain on the Board for the duration of their respective two year terms.

Members

As always, I thank our membership for its ongoing support. Let us hope that we can now deliver a product to our membership that will be inclusive, as opposed to the very exclusive situation with which we have all been required to deal as a result of COVID-19 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 a 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 the essential employment and other income it requires.

I am pleased to announce the recipients of the 2020/2021 Albury Racing Club Racing Awards, and I congratulate the following: -

- Leading Trainer: Mitchell Beer
- Leading Jockey: Blaike McDougall
- Horse of the Year: Nothernero

Might I also take this opportunity for congratulating Blaike McDougall who steered home the winner in the last race on Caulfield Cup Day, being a Group 2 success. I have no doubt that Blaike will go onto much bigger and better things as opportunities open up for him in metropolitan racing in Melbourne.

Conclusion

In conclusion, might I take this opportunity to sincerely thank all those who have devoted their time, energy and efforts 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 2020/21 included:

Ace Radio 2AY	Litton Legal
Albury Demolitions Pty Ltd	Martins Travel Albury
Albury Wodonga Plastering Services	Meredith Roof Plumbing
AVIS	MLM Electrical Contractors
BARLENS	MWS Wealth Professionals
Baxters Concrete	Naughtin Developments
Border Bandag	North Albury Tyre Power
Boss Better Living Systems	Peter Dempsey Plumbing & Gas
Buller Wine	Pogson Cronin
Chapman, Gould & May	Purgen Couriers
Choices Wodonga	Redi2Hire
COMMERCIAL CLUB ALBURY	Signarama
Conway Printing	Skin Logics Ella Bache Albury
Dahlsens	Smiths Ice
Daro Twin City	Southern Asset Services
DLG Aluminium & Glazing	Springdale Heights Tavern
EBA Hire	Star Hotel Albury
Gazebo and Shade Centre	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	Vehicle & Equipment Finance
Laser Electrical	Vision Screenprinting
Leigh Martin Marine	Wellos Plumbing
Level One Wine Bar Restaurant & Cellars	

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 2021 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 65
Member for 30 years
Committee for 30 years
Occupation – Solicitor

GW Judd
Age 64
Member for 31 years
Committee for 19 years
Occupation – Company
Director

A McHardy
Age 64
Member for 11 years
Committee for 7 years
Occupation – CEO

R Sloane
Age 65
Member for 31 years
Committee for 16 years
Occupation – Grazier

M Dyordyevic
Age 48
Member for 5 years
Committee for 5 years
Occupation – Executive
Manager

G Chapman
Age 59
Member for 12 years
Committee for 7 years
Occupation – Company
Director/Electrician

S Stewart
Age 55
Member for 5 years
Committee for 5 years
Occupation – Real Estate
Agent

P Spencer
Age 61
Member for 19 years
Committee for 12 years
Occupation – Finance Broker

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

Club secretary

Mr Steve Hetheron, 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 profit for the year was \$615,338 (operating deficit in 2020: \$214,572).

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 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 2021 were as follows:

Type of member	Number of members	Guarantee amount
Life members	10	-
Honorary members	8	-
Standard members	451	\$10
Corporate members	20	\$10
Platinum members	25	\$10
Club Festivus members	17	\$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	10	12	10	14
Mr MA Cronin	10	12	12	14
Mr R Sloane	11	12	12	14
Ms A McHardy	9	12	7	14
Mr M Dyordyevic	9	12	9	14
Mr G Chapman	9	12	12	14
Mr S Stewart	9	12	11	14
Mr P Spencer	10	12	12	14

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


Due to Covid restrictions the maximum number of meetings a committee person could attend was 14, despite the club running 18 race meetings.

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: 26th October 2021



G Judd
Director

Date: 26th October 2021



Crowe Albury

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Member Crowe International

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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 2021 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 26th day of October 2021

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 2021

	Note	2021 \$	2020 \$
Revenue			
Revenue	3	5,049,623	4,027,880
Other income		406,763	293,336
		<u>5,456,386</u>	<u>4,321,216</u>
Expenses			
Cost of goods sold		(341,315)	(184,619)
Prize money and rebates		(2,892,925)	(2,950,957)
Raceday expenses		(620,252)	(408,691)
Racecourse maintenance		(459,772)	(443,355)
Administration expenses		(521,037)	(548,147)
		<u>(4,835,301)</u>	<u>(4,535,769)</u>
Result from operations		621,085	(214,553)
Financing income		585	6,598
Financing expenses		(6,332)	(6,617)
Net financing costs		(5,747)	(19)
Profit/(loss) before tax		615,338	(214,572)
Income tax expense	1(e)	-	-
Net profit/(loss)		<u>615,338</u>	<u>(214,572)</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u>615,338</u>	<u>(214,572)</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 29.

Statement of changes in equity for the year ended 30 June 2021

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2019	3,102,693	3,102,693
Total comprehensive income for the period		
Net profit/(loss)	(214,572)	(214,572)
Other comprehensive income	-	-
Total comprehensive income	2,888,121	2,888,121
Transactions with owners recorded directly in equity	-	-
Balance at 30 June 2020	2,888,121	2,888,121
	Retained Earnings \$	Total Equity \$
Balance at 1 July 2020	2,888,121	2,888,121
Total comprehensive income for the period		
Net profit/(loss)	615,338	615,338
Other comprehensive income	-	-
Total comprehensive income	3,503,459	3,503,459
Transactions with owners recorded directly in equity	-	-
Balance at 30 June 2021	3,503,459	3,503,459

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 29.

Statement of financial position As at 30 June 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	5	738,772	260,201
Trade and other receivables	6	274,927	144,150
Inventories		50,871	25,067
Total current assets		1,064,570	429,418
Non-current assets			
Property, plant and equipment	7	2,812,691	2,891,624
Right-of-use asset	8	41,622	54,240
Total non-current assets		2,854,313	2,945,864
Total assets		3,918,883	3,375,282
Current liabilities			
Trade and other payables	9	106,628	170,735
Contract liabilities	10	207,102	209,926
Lease liabilities	11	18,754	19,205
Employee benefits	12	61,280	41,559
Total current liabilities		393,764	441,425
Non-current liabilities			
Lease liabilities	11	19,872	38,627
Employee benefits	12	1,788	7,109
Total non-current liabilities		21,660	45,736
Total liabilities		415,424	487,161
Net assets		3,503,459	2,888,121
Equity			
Retained profits	20	3,503,459	2,888,121
Total equity		3,503,459	2,888,121

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 14 to 29.

Statement of cash flows

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Cash receipts in the course of operations		5,868,424	4,771,934
Cash payments in the course of operations		(5,353,666)	(4,859,413)
Interest received		585	6,598
Borrowing costs paid		(6,332)	(6,617)
Net cash from/ (used in) operating activities	18	509,011	(87,498)
Cash flows from investing activities			
Payments for property, plant and equipment		(11,234)	-
Net cash from/ (used in) investing activities		(11,234)	-
Cash flows from financing activities			
Repayment of borrowings		(19,206)	(18,198)
Net cash from/ (used in) financing activities		(19,206)	(18,198)
Net increase/ (decrease) in cash held		478,571	(105,696)
Cash and cash equivalents at beginning of the financial year		260,201	365,897
Cash and cash equivalents at end of the financial year	5	738,772	260,201

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 14 to 29.

Notes to and forming part of the financial statements For the year ended 30 June 2021

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 26 October 2021.

(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 2021

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.

(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 2021

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 2021

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 assets 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 2021

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

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 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 2021

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 Club's assessment of the impact of these new or amending Accounting Standards and Interpretations, most relevant to the Club, are set out below.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

This Standard is applicable to annual reporting periods beginning on or after 1 July 2021. AASB 1060 will provide a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. The Club will adopt this standard for the reporting period ending 30 June 2022.

There is no impact expected on the reported financial position or performance of the Club. Minor changes to the disclosures will be required within the Club's financial statements.

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 2021

	2021 \$	2020 \$
3 Revenue		
<i>Revenue from contracts with customers</i>		
Sale of goods	369,393	189,509
Subscriptions, sponsorship & packages	676,347	382,842
Admissions	120,568	27,861
Grants and commissions	3,883,315	3,427,668
Total revenue	5,049,623	4,027,880
 <i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Geographical regions</i>		
Australia	5,049,623	4,027,880
 4 Expenses	 2021 \$	 2020 \$
Depreciation of:		
Plant and equipment	46,397	55,818
Furniture & fittings	3,181	3,535
Right-of-use asset	12,618	16,460
Amortisation of:		
Leasehold improvements	37,550	39,039
Total depreciation and amortisation	99,746	114,851
 Bad and doubtful trade debts	-	-
 a) Personnel expenses	 2021 \$	 2020 \$
Wages and salaries	624,024	500,015
Other associated personnel expenses	1,821	10,968
Superannuation	51,867	39,839
Increase / (Decrease) in liability for annual leave	7,792	5,288
Increase / (Decrease) in liability for long service leave	6,609	11,780

**Notes to and forming part of the financial statements
For the year ended 30 June 2021**

5 Cash and cash equivalents	2021 \$	2020 \$
Cash on hand	11,119	1,939
Cash at bank	227,653	258,262
Term deposit	500,000	-
	<u>738,772</u>	<u>260,201</u>
6 Trade and other receivables		
Trade debtors	274,927	144,150
	<u>274,927</u>	<u>144,150</u>
7 Property, plant and equipment	2021 \$	2020 \$
<i>Land</i>		
At cost	1,200,000	1,200,000
<i>Plant and equipment</i>		
At cost	1,173,948	1,177,389
Less: accumulated depreciation	(879,107)	(833,113)
	<u>294,841</u>	<u>344,276</u>
<i>Leasehold improvements</i>		
At cost	2,309,799	2,309,799
Less: accumulated amortisation	(1,031,559)	(994,010)
	<u>1,278,240</u>	<u>1,315,789</u>
<i>Capital WIP</i>		
At cost	11,234	-
<i>Furniture and fittings</i>		
At cost	99,766	99,766
Less: accumulated depreciation	(71,390)	(68,207)
	<u>28,376</u>	<u>31,559</u>
Total property, plant and equipment	<u>2,812,691</u>	<u>2,891,624</u>

Notes to and forming part of the financial statements For the year ended 30 June 2021

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 \$	Capital WIP \$	Total \$
Balance at 1 July 2019	1,200,000	470,793	1,354,828	35,094	-	3,060,715
Additions	-	-	-	-	-	-
ROU assets (Note 8)	-	(70,700)	-	-	-	(70,700)
Disposals	-	-	-	-	-	-
Depreciation	-	(55,817)	-	(3,535)	-	(59,352)
Amortisation	-	-	(39,039)	-	-	(39,039)
Balance at 30 June 2020	1,200,000	344,276	1,315,790	31,558	-	2,891,624
Balance at 1 July 2020	1,200,000	344,276	1,315,790	31,558	-	2,891,624
Additions	-	-	-	-	11,234	11,234
Disposals	-	(3,036)	-	-	-	(3,036)
Depreciation	-	(46,396)	-	(3,182)	-	(49,578)
Amortisation	-	-	(37,550)	-	-	(37,550)
Balance at 30 June 2021	1,200,000	294,841	1,278,238	28,376	11,234	2,812,691

	2021 \$	2020 \$
8 Right-of-use-assets		
<i>Plant and equipment</i>		
At cost	72,099	72,099
Less accumulated depreciation	(30,477)	(17,859)
	<u>41,622</u>	<u>54,240</u>
<i>Reconciliations</i>		
Reconciliations of the carrying amounts for each class of right-of-use assets are set out below:		
Carrying amount at beginning of year	54,240	-
Impact of adoption of AASB 16 (reclassification from Note 7)	-	70,700
Depreciation	(12,618)	(16,460)
	<u>41,622</u>	<u>54,240</u>
	2021 \$	2020 \$
9 Trade and other payables		
Trade payables	2,487	44,869
Other creditors and accruals	104,141	125,866
	<u>106,628</u>	<u>170,735</u>
	2021 \$	2020 \$
10 Contract liabilities		
Contract liabilities	207,102	209,926
	<u>207,102</u>	<u>209,926</u>

Notes to and forming part of the financial statements For the year ended 30 June 2021

	2021 \$	2020 \$
11 Lease liabilities		
<i>Current</i>		
Lease liability	18,754	19,205
<i>Non-current</i>		
Lease liability	19,872	38,627

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 2021 is \$27,000 and the applicable interest rate is 15.50%. \$2,538 of the facility was used at 30 June 2021 (2020: four cards; \$30,000; \$3,351 used).

Notes to and forming part of the financial statements For the year ended 30 June 2021

	2021 \$	2020 \$
12 Employee benefits		
<i>Current</i>		
Annual leave	26,033	18,242
Long service leave	35,247	23,317
	61,280	41,559
<i>Non-current</i>		
Long service leave	1,788	7,109

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, GW Judd, R Sloane, 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 and resigned 31 December 2020

Daniel Markham – Track Manager appointed 10 February 2021

Key management personnel compensation and expenses inclusive of non-executive and executive key management personnel for the 2021 year was \$211,533 (2020: \$234,698).

Notes to and forming part of the financial statements For the year ended 30 June 2021

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 M Dyordevic and G Judd totalling \$29,603 (2020: \$8,927). 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 2021. The maximum contingent liability at 30 June 2021 in respect of this loan, excluding GST, amounts to \$1,250,000 (2020: \$1,250,000).

There were no material contingent liabilities not considered remote as at balance date (2020: nil).

Notes to and forming part of the financial statements For the year ended 30 June 2021

18 Reconciliation of cash flows from operating activities	2021 \$	2020 \$
Profit/(loss) for the period	615,338	(214,572)
Adjustments for:		
Depreciation	62,196	75,812
Amortisation	37,550	39,039
Loss/gain on sale of property, plant and equipment	3,039	-
Amounts set aside for provisions:		
Employee benefits	14,400	17,068
Net cash provided by operating activities before changes in assets and liabilities	732,523	(82,653)
Change in operating assets and liabilities:		
(Increase)/decrease in trade & other receivables	(130,777)	(9,746)
(Increase)/decrease in inventories	(25,804)	13,114
Increase/(decrease) in trade & other payables	(64,107)	(36,555)
Increase/(decrease) in contract liabilities	(2,824)	28,342
Net cash provided by operating activities	509,011	(87,498)

Notes to and forming part of the financial statement For the year ended 30 June 2021

19 Commitments

a) Finance leases

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

	2021 \$	2020 \$
Within one year	20,166	21,680
One year or later and no later than five years	20,497	40,664
	<u>40,663</u>	<u>62,344</u>
Less: future lease finance charges	(2,037)	(4,511)
	<u>38,626</u>	<u>57,833</u>
Amounts provided for in the financial statements:		
Current	18,754	19,206
Non-current	19,872	38,627
	<u>38,626</u>	<u>57,833</u>

20 Retained profits

Retained profits at beginning of year	2,888,121	3,102,693
Net profit/(loss)	615,338	(214,572)
Retained profits at year end	<u>3,503,459</u>	<u>2,888,121</u>

Notes to and forming part of the financial statements For the year ended 30 June 2021

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	
		2021 \$	2020 \$
Financial Assets			
Cash and cash equivalents		738,722	260,201
Trade and other receivables		274,927	144,150
		<u>1,013,649</u>	<u>404,351</u>
Financial Liabilities			
Finance lease liabilities		38,627	57,832
Trade and other payables		322,298	380,661
		<u>360,925</u>	<u>438,493</u>

22 Subsequent events

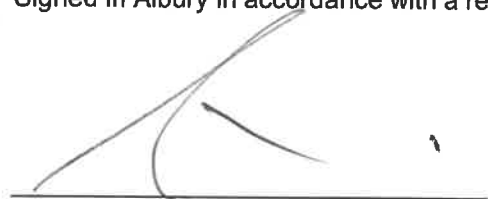
Subsequent to the end of the financial year, the COVID-19 virus continues to have an impact on the Albury Wodonga Community. The situation is rapidly changing. At the date of signing the financial statements, the Club is unable to determine what financial effects the ongoing pandemic could have on the 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 10 to 29, 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 2021 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: 26 October 2021



G Judd
Director

Date: 26 October 2021

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 2021, 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 2021 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.

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 2021, 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 26th day of October 2021