



# **Albury Racing Club Limited**

**ABN 61 053 857 819**

**Annual Financial Statements  
For the year ended 30 June 2022**

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## **Presidents Report 2021/2022**

It has been yet another very “interesting” year for the racing industry and, in particular, the Albury Racing Club. We have finally been able to move on from the COVID-19 restrictions that caused so much disruption and distress in our industry for the past couple of years. However, just when we are able to enjoy uncapped crowds and a day at the races, the way it used to be, mother nature struck. Race meetings across New South Wales and, indeed, up and down the Eastern Seaboard, have been abandoned and/or postponed due to the extraordinary levels of rainfall we have experienced. The Albury Racing Club has lost its last 4 meetings which, of course, is not only a detriment to the Club but of real concern to everyone involved in the industry. If we don't conduct race meetings, those who rely upon the industry for their income, support, and survival, are placed in a highly precarious situation.

The Albury Racing Club will continue to devote its resources towards avoiding, as best it can, postponing and abandoning race meetings but, at times, there is simply no option. The welfare and wellbeing of participants and, in particular, jockeys and horses, must be the paramount consideration.

Nonetheless, we continue to move forward with the proposed upgrades to our training surfaces and we look forward to that work being completed within a reasonable period of time. We appreciate the support of Racing NSW on that front.

### **Financial**

The Financial Report and Balance Sheet submitted with this Annual Report accurately detail 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 for the 2023 and 2024 Cup Carnivals, and we remain confident that our very close relationship will continue well beyond those dates.

On behalf of the Directors, I also take this opportunity to sincerely thank our Cup Day and Carnival sponsors for their continuing support.

Similarly, we extend our thanks to our Platinum and Corporate Sponsors and look forward to their ongoing support through 2023 and beyond. I note the Corporate Sponsors' function was necessarily postponed as a result of the cancellation of the Cox Plate race meeting and I note that function will now coincide with the conduct of the SDRA heat of the Country Championships in February, 2023. The conduct of the Sponsors' function, on that date, should add significantly to the atmosphere of what is a very important meeting for the Albury Racing Club

### **Staff**

Might I thank Daniel Markham and his very hardworking staff for their efforts throughout the last racing year. Time and time again, I receive very favourable comments and reports from industry participants who attend Albury, in a number of capacities, regarding the state of our track. It is through no fault, whatsoever, of Daniel, and his staff, that race meetings have been abandoned in recent times. Sole responsibility for same rests with the heavens.

On behalf of the Directors, might I thank Scott Meyer, our Events Coordinator, for his efforts throughout the past year. Whilst it is difficult to put up with his continual reminders about his performances for Chiltern in the Tallangatta League, Scott is a hardworking, valued and important member of our team.

As I state every year, the mainstay of our administration is 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.

Importantly, our thanks go to our CEO Steve Hetheron. Finally, he managed to get through an Albury Cup Carnival without any serious incidents, restrictions, abandonments or any other problems. Steve is committed to cementing the Albury Racing Club as one of the leading regional race clubs in New South Wales and, to do so, Steve continues to work very closely with our sponsors, stakeholders, Racing NSW and other industry participants.

## 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 must make special mention of Paul Carroll who passed away during the year. Paul was a past CEO of the Club and was extremely well regarded and well liked by all those who came in contact with him. To Donna, his two daughters and son, on behalf of the Club, I extend my sympathies. I must say I have attended far too many funerals in the past few years, but Paul Carroll's funeral was one of the most rousing I have ever attended.

## 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 Master Plan with a view to making very significant improvements to both the racing and hospitality areas.

Can I make special mention of Gerald Judd. After 20 years on the Board, Gerald has decided to stepdown. Gerald has held a number of Board positions including Vice Chairman for many years and Chairman for a short period of time. His business acumen, "straight talking" and willingness to work hard are traits that will be sorely missed by the Club moving forward. However, I am well aware that Gerald will remain a resource upon which the Club can call, if needed, in the future.

## Election of Directors

It is pleasing to that an election was required this year. There were 9 nominations for 6 vacant positions. The vast majority of the current Board sought re-election and I thank them for doing so. To those who are seeking election for the first time or in one case, seeking re-election after having had a sabbatical, I thank you for your interest. The result of the election will be announced at the AGM.

Furthermore, Racing NSW advertised for the 4 positions of Independent Directors. Again, I thank those who applied for those positions. Again, I anticipate being in a position to announce the successful applicants at the AGM.

## Members

As always, I thank our members for their ongoing support. 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 difficulties moving forward. Furthermore, the Master Plan on which we are working with Racing NSW and other stakeholders, will seek to very much improve member facilities and member benefits at the Albury Racing Club.

## Local Racing Industry

As always, the trainers, jockeys and owners in this region have worked closing with the Club, and our local stewards, to deal with issues as they have arisen. I thank those who have gone "above and beyond" to ensure that, where possible, we have been able to race and provide surfaces on which our horses can train. We are acutely aware of the fact that the racing industry provides essential employment, and income, within the local community.

I am pleased to announce the recipients of the 2021/2022 Albury Racing Club Racing Awards, and I congratulate the following: -

- Leading Trainer: Mitchell Beer
- Leading Jockey: Simon Miller
- Horse of the Year: Boss Lady Rocks

Might I also take this opportunity to congratulate the connections of Harmony Rose, a convincing winner of this year's Albury Cup. Unfortunately, Harmony Rose broke down shortly after the Cup and was not able to represent Albury in the "Big Dance". Let us hope the 2023 winner of the Albury Cup is main player in that race next year.

Might I also take this opportunity of sincerely congratulating the connections of Front Page who recently won the Kosciusko at Randwick. It is great to see some local owners, who have been long term members of the Albury Racing Club, together with Geoff Duryea, a well-liked and well-respected local trainer, take out the big prize.

### **Conclusion**

In conclusion, I sincerely thank all those who have devoted their time, energy and efforts on behalf of the Albury Racing Club.

We 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 2021/22 included:

Ace Radio 2AY	MWS Wealth Professionals
Albury Demolitions Pty Ltd	Naughtin Developments
Albury Wodonga Plastering Services	North Albury Tyre Power
Allure Lash & Beauty Bar	Oz Car
Atura Albury	Peter Dempsey Plumbing & Gas
AVIS	Petstock Albury
Baxters Concrete	Plus Fitness Thurgoona
Border Bandag	Pogson Cronin Kerr
Boss Better Living Systems	Purjen Couriers
Bosse Family	Raymond & Wendy Stratton Pty Ltd
BUR	Redi2hire
Choices Wodonga	Schulz Family
Commercial Club Albury	Signarama
Conway Printing	Skin Logics
Corowa Whisky & Chocolate	Sky Bridge Financial Services
Dahlsens	Southern Asset Services
Daro Twin City	Star Hotel Albury
DLG Aluminium & Glazing	Stewart Gould Real Estate
EBA Hire	Straight Up It
Gazebo & Shade Centre	Stuart Gordon Landscaping
GPE Electrical & Communications Contractor P/L	Surdex Steel
Habitat Planning	The Essential Utensil
Hi Tech Antennas	The Newmarket Hotel
HIB Insurance	Tonkin Group
Holbrook Bakery	Trackpix
Hutchinson Civil	Twin City Truck Centre
Jayco Albury Wodonga	Vehicle & Equipment Finance
Jayco Albury Wodonga	Verd'e Build Pty Ltd
Jindera Tyre Service	Vision Screenprinting
Johnsons MME	MWS Wealth Professionals
Just Safes Australia	Naughtin Developments
Kiewa Valley Spring Water	North Albury Tyre Power
Laser Electrical	Oz Car
Level one wine bar restaurant & cellars	Peter Dempsey Plumbing & Gas

## **Sponsors (continued)**

Lexus of Wodonga

Lusso KV

Martins Travel Albury

Meredith Roof Plumbing

MLM Electrical Contractors

Petstock Albury

Plus Fitness Thurgoona

Pogson Cronin Kerr

Purjen Couriers

Raymond & Wendy Stratton Pty Ltd

## **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 2022 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 66 Member for 31 years Committee for 31 years Occupation – Solicitor	GW Judd Age 65 Member for 32 years Committee for 20 years Occupation – Company Director	A McHardy Age 65 Member for 12 years Committee for 8 years Occupation – CEO
R Sloane Age 66 Member for 32 years Committee for 17 years Occupation – Grazier	M Dyordyevic Age 49 Member for 6 years Committee for 6 years Occupation – Executive Manager	G Chapman Age 60 Member for 13 years Committee for 8 years Occupation – Company Director/Electrician
S Stewart Age 56 Member for 6 years Committee for 6 years Occupation – Real Estate Agent	P Spencer Age 62 Member for 20 years Committee for 13 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 \$135,454 (operating profit in 2021: \$615,338).

### 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 2022 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 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:

	<b>No. of Directors' Meetings Attended</b>	<b>No. of Directors' Meetings Held*</b>	<b>No. of Race Meetings Attended</b>	<b>No. of Race Meetings Held*</b>
Mr G Judd	11	11	11	16
Mr MA Cronin	11	11	16	16
Mr R Sloane	9	11	14	16
Ms A McHardy	5	11	7	16
Mr M Dyordyevic	7	11	13	16
Mr G Chapman	10	11	12	16
Mr S Stewart	9	11	12	16
Mr P Spencer	10	11	14	16

\* 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 16, 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*.

## Directors' report (continued)

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M Cronin  
*Director*

Date: 16<sup>th</sup> November 2022

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G Judd  
*Director*

Date: 16<sup>th</sup> November 2022



**Crowe Albury**

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Member Crowe International

Audit and Assurance Services

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Albury NSW 2640 Australia

Tel 02 6021 1111

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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 2022 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 26<sup>th</sup> day of October 2022

*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 2022

	Note	2022 \$	2021 \$
<b>Revenue</b>			
Revenue	3	5,359,579	5,049,623
Other income		336,386	406,763
		<u>5,695,965</u>	<u>5,456,386</u>
<b>Expenses</b>			
Cost of goods sold		(319,930)	(341,315)
Prize money and rebates		(3,423,711)	(2,892,925)
Raceday expenses		(738,813)	(620,252)
Racecourse maintenance		(530,151)	(459,772)
Administration expenses		(544,285)	(521,037)
		<u>(5,556,890)</u>	<u>(4,835,301)</u>
<b>Result from operations</b>		139,075	621,085
Financing income		695	585
Financing expenses		(4,316)	(6,332)
Net financing costs		(3,621)	(5,747)
<b>Profit before tax</b>		135,454	615,338
Income tax expense	1(e)	-	-
<b>Net profit</b>		<u>135,454</u>	<u>615,338</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u><u>135,454</u></u>	<u><u>615,338</u></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 15 to 30.

## Statement of changes in equity for the year ended 30 June 2022

	Retained Earnings \$	Total Equity \$
Balance at 1 July 2020	2,888,121	2,888,121
<b>Total comprehensive income for the period</b>		
Net profit	615,338	615,338
Other comprehensive income	-	-
<b>Total comprehensive income</b>	3,503,459	3,503,459
Transactions with owners recorded directly in equity	-	-
<b>Balance at 30 June 2021</b>	3,503,459	3,503,459
	Retained Earnings \$	Total Equity \$
Balance at 1 July 2021	3,503,459	3,503,459
<b>Total comprehensive income for the period</b>		
Net profit	135,454	135,454
Other comprehensive income	-	-
<b>Total comprehensive income</b>	3,638,913	3,638,913
Transactions with owners recorded directly in equity	-	-
<b>Balance at 30 June 2022</b>	3,638,913	3,638,913

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 15 to 30.

## Statement of financial position As at 30 June 2022

	Note	2022 \$	2021 \$
<b>Current assets</b>			
Cash and cash equivalents	5	871,352	738,772
Trade and other receivables	6	244,034	274,927
Inventories		67,242	50,871
<b>Total current assets</b>		<b>1,182,628</b>	<b>1,064,570</b>
<b>Non-current assets</b>			
Property, plant and equipment	7	2,819,779	2,812,691
Right-of-use asset	8	31,946	41,622
<b>Total non-current assets</b>		<b>2,851,725</b>	<b>2,854,313</b>
<b>Total assets</b>		<b>4,034,353</b>	<b>3,918,883</b>
<b>Current liabilities</b>			
Trade and other payables	9	139,271	106,628
Contract liabilities	10	173,229	207,102
Lease liabilities	11	19,872	18,754
Employee benefits	12	59,121	61,280
<b>Total current liabilities</b>		<b>391,493</b>	<b>393,764</b>
<b>Non-current liabilities</b>			
Lease liabilities	11	-	19,872
Employee benefits	12	3,947	1,788
<b>Total non-current liabilities</b>		<b>3,947</b>	<b>21,660</b>
<b>Total liabilities</b>		<b>395,440</b>	<b>415,424</b>
<b>Net assets</b>		<b>3,638,913</b>	<b>3,503,459</b>
<b>Equity</b>			
Retained profits	20	3,638,913	3,503,459
<b>Total equity</b>		<b>3,638,913</b>	<b>3,503,459</b>

The statement of financial position is to be read in conjunction with the notes  
to the financial statements set out on pages 15 to 30.

## Statement of cash flows For the year ended 30 June 2022

	Note	2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		6,258,275	5,868,424
Cash payments in the course of operations		(6,019,778)	(5,353,666)
Interest received		695	585
Borrowing costs paid		(4,316)	(6,332)
<b>Net cash from operating activities</b>	18	<u>234,879</u>	<u>509,011</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of PP&E		13,527	-
Payments for property, plant and equipment		(97,069)	(11,234)
<b>Net cash from/ (used in) investing activities</b>		<u>(83,542)</u>	<u>(11,234)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(18,754)	(19,206)
<b>Net cash from/ (used in) financing activities</b>		<u>(18,754)</u>	<u>(19,206)</u>
<b>Net increase/ (decrease) in cash held</b>		132,580	478,571
<b>Cash and cash equivalents at beginning of the financial year</b>		738,772	260,201
<b>Cash and cash equivalents at end of the financial year</b>	5	<u>871,352</u>	<u>738,772</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 15 to 30.



## Notes to and forming part of the financial statements For the year ended 30 June 2022

### 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 2022.

#### (a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified 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 2022

### 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 2022

### 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.

##### **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 2022

### 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 2022

### 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.

## Notes to and forming part of the financial statements

### For the year ended 30 June 2022

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

##### (q) 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 was applicable to annual reporting periods beginning on or after 1 July 2021. AASB 1060 provided a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs.

The Club adopted this standard for the reporting period ended 30 June 2022. There was no impact on the reported financial position or performance of the Club. Minor changes were made to the disclosures 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 2022

	2022 \$	2021 \$
<b>3 Revenue</b>		
<i>Revenue from contracts with customers</i>		
Sale of goods	359,830	369,393
Subscriptions, sponsorship & packages	764,847	676,347
Admissions	136,470	120,568
Grants and commissions	4,098,432	3,883,315
<b>Total revenue</b>	<u>5,359,579</u>	<u>5,049,623</u>
 <i>Disaggregation of revenue</i>		
The disaggregation of revenue from contracts with customers is as follows:		
<i>Geographical regions</i>		
Australia	<u>5,359,579</u>	<u>5,049,623</u>
 <b>4 Expenses</b>		
Depreciation of:		
Plant and equipment	41,431	46,397
Furniture & fittings	2,780	3,181
Right-of-use asset	9,676	12,618
Amortisation of:		
Leasehold improvements	36,158	37,550
Total depreciation and amortisation	<u>90,045</u>	<u>99,746</u>
 Bad and doubtful trade debts	-	-
<b>a) Personnel expenses</b>		
Wages and salaries	687,334	671,026
Other associated personnel expenses	14,686	1,821
Superannuation	57,766	51,867

## Notes to and forming part of the financial statements For the year ended 30 June 2022

5 Cash and cash equivalents	2022 \$	2021 \$
Cash on hand	20,466	11,119
Cash at bank	350,490	227,653
Term deposit	500,396	500,000
	871,352	738,772
6 Trade and other receivables		
Trade debtors	244,034	274,927
	244,034	274,927
7 Property, plant and equipment		
<i>Land</i>		
At cost	1,200,000	1,200,000
<i>Plant and equipment</i>		
At cost	1,185,897	1,173,948
Less: accumulated depreciation	(889,972)	(879,107)
	295,925	294,841
<i>Leasehold improvements</i>		
At cost	2,309,799	2,309,799
Less: accumulated amortisation	(1,067,717)	(1,031,559)
	1,242,082	1,278,240
<i>Capital WIP</i>		
At cost	56,176	11,234
<i>Furniture and fittings</i>		
At cost	99,768	99,766
Less: accumulated depreciation	(74,171)	(71,390)
	25,596	28,376
<b>Total property, plant and equipment</b>	<b>2,819,779</b>	<b>2,812,691</b>



## Notes to and forming part of the financial statements For the year ended 30 June 2022

### 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 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	<u>1,200,000</u>	<u>294,841</u>	<u>1,278,240</u>	<u>28,376</u>	<u>11,234</u>	<u>2,812,691</u>
Balance at 1 July 2021	1,200,000	294,841	1,278,240	28,376	11,234	2,812,691
Additions	-	52,127	-	-	44,942	97,069
Disposals	-	(9,612)	-	-	-	(9,612)
Depreciation	-	(41,431)	-	(2,780)	-	(44,211)
Amortisation	-	-	(36,158)	-	-	(36,158)
Balance at 30 June 2022	<u>1,200,000</u>	<u>295,925</u>	<u>1,242,082</u>	<u>25,596</u>	<u>56,176</u>	<u>2,819,779</u>

**Notes to and forming part of the financial statements  
For the year ended 30 June 2022**

	2022 \$	2021 \$
<b>8 Right-of-use-assets</b>		
<i>Plant and equipment</i>		
At cost	72,099	72,099
Less accumulated depreciation	(40,153)	(30,477)
	31,946	41,622
 <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	41,622	54,240
Depreciation	(9,676)	(12,618)
	31,946	41,622
 <b>9 Trade and other payables</b>		
Trade payables	16,679	2,487
Other creditors and accruals	122,592	104,141
	139,271	106,628
 <b>10 Contract liabilities</b>		
Contract liabilities	173,229	207,102
	173,229	207,102

## Notes to and forming part of the financial statements For the year ended 30 June 2022

	2022 \$	2021 \$
<b>11 Lease liabilities</b>		
<i><b>Current</b></i>		
Lease liability	19,872	18,754
<i><b>Non-current</b></i>		
Lease liability	-	19,872

***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 2022 is \$27,000 and the applicable interest rate is 0%. \$1,941 of the facility was used at 30 June 2022 (2021: four cards; \$27,000; \$2,538 used).

## Notes to and forming part of the financial statements For the year ended 30 June 2022

	2022 \$	2021 \$
<b>12 Employee benefits</b>		
<i>Current</i>		
Annual leave	26,033	26,033
Long service leave	33,088	35,247
	59,121	61,280
<i>Non-current</i>		
Long service leave	3,947	1,788

### 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  
Daniel Markham – Track Manager appointed 10 February 2021  
S Meyer – Bar, Functions & Sponsorship Manager appointed January 2021

Key management personnel compensation and expenses inclusive of non-executive and executive key management personnel for the 2022 year was \$345,541 (2021: \$211,533).

## Notes to and forming part of the financial statements

### For the year ended 30 June 2022

#### 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 Judd totalling \$17,715 (2021: \$29,603). 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

During the 2018/19 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 2022. The maximum contingent liability at 30 June 2022 in respect of this loan, excluding GST, amounts to \$1,250,000 (2021: \$1,250,000).

There were no material contingent liabilities not considered remote as at balance date (2021: Nil).

## Notes to and forming part of the financial statements For the year ended 30 June 2022

18 Reconciliation of cash flows from operating activities	2022 \$	2021 \$
Profit for the period	135,454	615,338
Adjustments for:		
Depreciation	90,048	62,196
Amortisation	-	37,550
Loss/gain on sale of property, plant and equipment	(3,915)	3,039
Amounts set aside for provisions:		
Employee benefits	-	14,400
<b>Net cash provided by operating activities before changes in assets and liabilities</b>	<b>221,584</b>	<b>732,523</b>
Change in operating assets and liabilities:		
(Increase)/decrease in trade & other receivables	30,893	(130,777)
(Increase)/decrease in inventories	(16,371)	(25,804)
Increase/(decrease) in trade & other payables	32,643	(64,107)
Increase/(decrease) in contract liabilities	(33,873)	(2,824)
<b>Net cash provided by operating activities</b>	<b>234,879</b>	<b>509,011</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2022

### 19 Commitments Finance leases

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

	2022 \$	2021 \$
Within one year	20,497	20,166
One year or later and no later than five years	-	20,497
	<u>20,497</u>	<u>40,663</u>
Less: future lease finance charges	(625)	(2,037)
	<u>19,872</u>	<u>38,626</u>
Amounts provided for in the financial statements:		
Current	19,872	18,754
Non-current	-	19,872
	<u>19,872</u>	<u>38,626</u>

### 20 Retained profits

Retained profits at beginning of year	3,503,459	2,888,121
Net profit	135,454	615,338
Retained profits at year end	<u>3,638,913</u>	<u>3,503,459</u>

## Notes to and forming part of the financial statements For the year ended 30 June 2022

### 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	
		2022 \$	2021 \$
<b>Financial Assets</b>			
Cash and cash equivalents		871,352	738,722
Trade and other receivables		244,034	274,927
		1,115,386	1,013,649
<b>Financial Liabilities</b>			
Lease liabilities		19,872	38,627
Trade and other payables		139,271	322,298
		159,143	360,925

### 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 continuing to change. 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.

### 23 Remuneration of auditors

	2022 \$	2021 \$
Remuneration of the auditor of ARC, Crowe Albury, for:		
- Auditing the financial statements	10,800	10,500
- Other services	200	-
	11,000	10,500



## 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 2022 and of its performance, for the year ended on that date; and
  - (ii) complying with Australia Accounting Standards – Simplified 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:

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M Cronin  
Director

Date: 26 October 2022

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G Judd  
Director

Date: 26 October 2022

# 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 2022, 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 2022 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Simplified 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 2022, 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 – Simplified 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 26<sup>th</sup> day of October 2022