

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**FINANCIAL REPORT**

**For the year ended 30<sup>th</sup> June 2018**

**CONTENTS**

Director' Declaration

Directors Report

Auditors Independence Declaration

Statement of Comprehensive Income

Statement of Financial Position

Statement of Changes in Equity

Statement of Cash Flows

Notes to the Financial Statements

Auditors' Report

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**Directors' Declaration**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the company's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Director .....  
Peter Atkinson

Dated this 15<sup>th</sup> Day of October 2018

Director .....  
Chris Gandy

Dated this 15<sup>th</sup> Day of October 2018

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**DIRECTORS REPORT**

Your directors present their report on the company for the financial year ended 30 June 2018 and the auditor's report thereon.

The directors of the company at anytime during or since the end of the financial year are:

<b><u>Directors</u></b>	<b><u>Occupations</u></b>	<b><u>Years as Director</u></b>	<b><u>Date Appointed</u></b>
Peter Atkinson	Retired	15	9 March 2003
Maureen Law	Retired	20	14 October 1998
Jan Carter	Businesswoman	15	9 July 2003
Darcey Nelson	Businessman	15	9 July 2003
Alan Morton	Businessman	11	14 December 2006
Jim Madden	Businessman	9	18 February 2009
Raymer Buckland	Retired	9	25 November 2009*
Christopher Gandy	Businessman	5	15 December 2013
Heulwen Lane	Businesswoman	2	7 November 2016
Marian Pearson	Retired	2	7 November 2016
Noel Harrison	Retired	1	5 November 2017

During the financial year 8 meetings were held, attendances were:

<b><u>Meetings of Directors</u></b>	<b><u>Number eligible to attend</u></b>	<b><u>Apologies Recorded</u></b>	<b><u>Number Attended</u></b>
Peter Atkinson	8	0	8
Maureen Law	8	0	8
Jan Carter	8	2	6
Darcey Nelson	8	3	5
Alan Morton	8	3	5
Jim Madden	8	2	6
Raymer Buckland	3	3	0*
Christopher Gandy	8	4	4
Heulwen Lane	8	2	6
Marian Pearson	8	1	7
Noel Harrison	5	1	4

\*Resigned with effect from the AGM on 5 November 2017

### **Objectives and Principal Activities**

The principal activities of the company during the course of the financial year were to promote and carry on the sport of horse racing.

There were no significant changes in the nature of the activities of the company during the year.

### **Review and Results of Operations**

The Board of Directors are satisfied with the results from activities for the year which amounted to a net profit of \$466,776 compared with net profit of \$183,876 for the prior year.

Included in the income for the year is \$337,118 which was received from RNSW in respect of the irrigation project. Expenditure of \$427,716 in relation to this project has been capitalised on the balance sheet and will be depreciated over the life of the irrigation asset.

### **Strategy for achieving the objectives**

The Board and management of the Club operate the business with a focus on operating a safe and profitable horse training and racing facility. In addition to operating and maintaining the facility, funds are allocated to the capital improvement of the facility. Non racing activities will only be conducted if they have no adverse consequences for the Clubs primary objective.

### **Performance measures**

The Board and management monitor racing and training figures against budget and past performance to measure performance. Financial results, attendance, bar takings, Scheme of Distribution and training track usage are the prime measures of performance.

### **Membership**

The company is limited by guarantee and without share capital.

The number of members as at 30 June, 2018 and the comparison with last year is as follows:

	<u>2018</u>	<u>2017</u>
Number of Members	489	424

### **Contributions on winding up**

Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up, whilst he or she is a member. And of the costs, charges and expenses of winding up such as may be required not exceeding \$2 per member.

The company has 489 members at year end.

### **State of Affairs**

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review.

### **Environmental Issues**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

**Likely Developments**

The directors do not anticipate any further development in its operations which will affect the results in subsequent years.

**Events Subsequent to Reporting Date**

Other than as noted below there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the company to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

The licence with ESC (Eurobodalla Shire Council) expired in 2016 and has been rolling month to month. A new lease agreement was negotiated and signed on 1 May 2018 and is expected to be lodged with the NSW Government in the near future. The lease is for 50 years.

**Indemnification and Insurance of Officers**

During the financial year, the company paid premium to insure all directors of the company. The liabilities insured are legal costs that maybe incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity with the Company, and any other payments arising from liabilities incurred by them in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

**Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Director -----  
Peter Atkinson

Dated this 15<sup>th</sup> of October 2018

Director -----  
Chris Gandy

Dated this 15<sup>th</sup> of October 2018

## **AUDITOR'S INDEPENDENCE DECLARATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there has been:

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

---

Elizabeth Royds  
Company Auditor 389386  
Unit 3  
12-14 Cranbrook Road  
BATEMANS BAY NSW 2536  
15<sup>th</sup> October 2018

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the Year End 30<sup>TH</sup> JUNE 2018**

	<u>Note</u>	<u>2018</u> \$	<u>2017</u> \$
<b>Revenue</b>	<b>2</b>	<b>3,012,902</b>	<b>2,332,198</b>
<u>Cost of Trading</u>			
Race day		(121,643)	(130,718)
<u>Race Meeting Costs</u>			
Returns to owners		(1,881,371)	(1,467,313)
General		(159,467)	(159,244)
Marketing		(25,544)	(23,516)
Other		(4,274)	(3,082)
<u>General Costs</u>			
Racecourse/Facilities		(199,911)	(213,543)
Administration/Committee		(109,783)	(98,966)
Track Supervisor etc.		(36,594)	(36,327)
Marketing		(7,539)	(15,613)
Loss on disposal of assets		(0)	(0)
<b>Surplus before income tax</b>		<b>466,776</b>	<b>183,876</b>
Income tax expense		0	0
<b>Surplus after income tax</b>		<b>466,776</b>	<b>183,876</b>
Other comprehensive income for the year (net of tax)		0	0
<b>Total comprehensive income for the year</b>		<b>466,776</b>	<b>186,876</b>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**STATEMENT OF FINANCIAL POSITION**  
**As At 30<sup>TH</sup> JUNE 2018**

	NOTE	2018	2017
		\$	\$
<b>Current Assets</b>			
Cash	3	375,829	466,039
Receivables	4	214,540	144,578
Inventories	5	<u>13,530</u>	<u>16,643</u>
<b>Total Current Assets</b>		<b><u>603,899</u></b>	<b><u>627,260</u></b>
<b>Non-Current Assets</b>			
Property Plant & Equipment	6	<u>628,548</u>	<u>120,182</u>
<b>Total Non-Current Assets</b>		<b><u>628,548</u></b>	<b><u>120,182</u></b>
<b>Total Assets</b>		<b><u>1,232,447</u></b>	<b><u>747,442</u></b>
<b>Current Liabilities</b>			
Trade and Other Payables	7	<u>63,158</u>	<u>49,723</u>
<b>Total Current Liabilities</b>		<b><u>63,158</u></b>	<b><u>49,723</u></b>
<b>Non-Current Liabilities</b>			
Other Liabilities	8	<u>20,723</u>	<u>15,929</u>
<b>Total Non-Current Liabilities</b>		<b><u>20,723</u></b>	<b><u>15,929</u></b>
<b>Total Liabilities</b>		<b><u>83,881</u></b>	<b><u>65,652</u></b>
<b>Net Assets</b>		<b><u>1,148,566</u></b>	<b><u>681,790</u></b>
<b>Members' Equity</b>			
Retained Profits		<u>1,148,566</u>	<u>681,790</u>
<b>Total Equity</b>		<b><u>1,148,566</u></b>	<b><u>681,790</u></b>

The above statement of financial position should be read in conjunction with the accompanying notes



**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**Statement of Changes in Equity**  
**For the Year Ended 30 June 2018**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Balance at Start of Year	681,790	497,914
Comprehensive Income/(Loss) for Year	466,776	183,876
Balance at End of Year	<u>1,148,566</u>	<u>681,790</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**Statement of Cash Flows**  
**For the Year Ended 30<sup>th</sup> June 2018**

	<b>2018</b>	<b>2017</b>
<b>Cash Flows from Operating Activities</b>		
Receipts from meetings and T.A.B. (inc GST)	2,842,877	2,121,165
Payments to Suppliers and Employees (inc GST)	(2,502,518)	(2,098,975)
Interest Received	4,806	2,671
Track Maintenance and Subsidies	<u>95,257</u>	<u>115,149</u>
Net cash provided by operating activities	<b>9(b)</b> 440,422	140,010
<b>Cash Flow from Investing Activities</b>		
Proceeds from sale of Plant and Equipment	<u>0</u>	<u>0</u>
Payments for Plant and Equipment and Buildings	<u>(530,632)</u>	<u>(62,180)</u>
Net cash used by Investing Activities	<u>(530,632)</u>	<u>(62,180)</u>
<b>Net increase (decrease) in cash held</b>	(90,210)	77,830
Cash at the beginning of the year	<u>466,039</u>	<u>388,209</u>
Cash at the end of the year	<b>9(a)</b> <u>375,829</u>	<u>466,039</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**Note 1 Significant Accounting Policies**

**General Information**

The company's registered office and principal place of business are as follows:

Donnelly Drive,  
Moruya, NSW, 2537

The financial statements cover Moruya Jockey Club Limited as an individual, incorporated and domiciled in Australia. Moruya Jockey Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on 15<sup>th</sup> October 2018, by the directors of the company.

**Basis of preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian accounting standards, (including Australian Accounting Interpretations) and the Corporations Act 2001. The company is a not for profit entity for the financial reporting purposes under Australian Accounting Standards

Material accounting policies adopted in the preparation of these financial statements are presented below and have consistently applied unless stated otherwise.

The financial statements have been prepared under the historical cost convention.

In the current year, the Company has adopted all of the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods. The adoption of these new standards and interpretations has not resulted in any changes to the Company's accounting policies that have affected the amounts reported for the current of prior years.

**Accounting Standards and Interpretations issued but not yet effective for 30 June 2018**

The following standards and interpretations have been issued but are not yet effective for entities with years ending 30 June 2018.

<b>Reference</b>	<b>Title</b>	<b>Applicable for reporting periods beginning on or after</b>
AASB 16	Leases	1 January 2019
AASB 1058	Income of Not-for-Profit Entities	1 January 2019

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**AASB 16 Leases**

Under IFRS 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their balance sheets for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the balance sheet will be required to be capitalised on the balance sheet once IFRS 16 is adopted.

The Company has yet to consider the impact of this standard.

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

This standard is likely to have a significant impact on the income recognition for NFPs.

Key areas for consideration are:

- Assets received below fair value;
- Transfers received to acquire or construct non-financial assets;
- Grants received;
- Leases entered into at below market rates; and
- Volunteer services

The Company has yet to consider the impact of this standard.

**A. Revenue**

Revenue is gained from race meetings, interest received, grants, trainers fees which is recognised as received or receivable by the club.

All revenue is stated net of the amount of goods and services tax.

**B. Income Tax**

Under the provisions of the Income Tax Assessment Act, 1997. The Club is considered a non-profit organisation established to promote and carry on the sport of horse racing. Accordingly the Directors believe it is exempt from income tax.

Tax effect accounting has therefore not been adopted by the Company.

**C. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held on call with financial institutions, other short term, 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, and bank overdraft. Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**Note 1 Significant Accounting Policies (cont)**

**D. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except:

- (I) Where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.
- (II) Receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statements of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**E. Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

- (I) **Plant and Equipment** - Plant and Equipment are measured on the cost basis and are therefore carried at cost, less where applicable, accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.
- (II) **Depreciation** - The depreciable amount of all fixed assets including capitalised lease assets and is depreciated over the asset's useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant & Equipment	5 – 100%

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**Note 1 Significant Accounting Policies (cont)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**F. Comparative figures**

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

**G. Financial Instruments**

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are timeframes established by marketplace convention.

Financial instruments are initially measured at cost. Financial instruments are classified and measured as set out below.

Classification and Subsequent Measurement

(i) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at cost.

(ii) Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at cost.

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**Note 1 Significant Accounting Policies (cont)**

**H. Impairment of Assets**

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Income Statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**I. Critical Accounting Estimates and Judgements**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

*Key Estimates – Impairment*

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

*Key Judgements – Provision for Impairment of Receivables*

The directors believe that the full amount of the receivables is recoverable and no provision of impairment of receivables has been made at 30 June 2018.

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**Note 1 Significant Accounting Policies (cont)**

**J. Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the economic entity to an employee Superannuation fund and are changed to expenses when incurred.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

**K. Key sources of Estimation Uncertainty**

The estimated useful lives of plant and equipment are subject to estimation error.

**L. Inventories**

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

**M. Trade and other Payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

**N. Trade and Other Receivables**

Other receivables are recognised at amortised cost, less any provision for impairment.

**O. Ongoing RNSW and ESC support**

The accounts have been prepared on a going concern basis which assumes continuity of normal business activities and the realisations of assets and settlement of liabilities in the ordinary course of business. In the event that the RNSW (Racing NSW) licence agreement, which is renewed annually, were not to be renewed, then the Company would have to significantly restructure its operations to meet its commitments.



**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

	<b>2018</b>	<b>2017</b>
<b>Note 2. Revenue and Other Income</b>		
<b>Race day Sponsorship, Advertising</b>	<b>\$</b>	<b>\$</b>
T.A.B. Distribution	2,090,403	1,635,021
Admissions	31,455	43,044
Bar Sales	120,539	159,781
Race Book Sales	8,322	8,937
Nominations & Acceptances	28,266	28,537
Sponsorships	227,153	276,670
Other Income - Race Meeting	11,672	16,114
- General Racing & Track fees	125,451	128,530
- Subscriptions	<u>19,025</u>	<u>15,643</u>
	<b><u>2,662,286</u></b>	<b><u>2,312,277</u></b>
 <b>Non-Operating Income</b>		
Subsidies	342,118*	16,055
Sundry	3,692	1,195
Interest Received	<u>4,806</u>	<u>2,671</u>
Total Non-Operating Income	<u>350,616</u>	<u>19,921</u>
<b>Total Revenue and other income</b>	<b><u>3,012,902</u></b>	<b><u>2,332,198</u></b>

\*\$337,118 of this was received from RNSW in respect of the irrigation project undertaken during the year.

**Note 3. Cash and Cash Equivalents**

**CURRENT**

Cash at Bank	<u>375,829</u>	<u>466,039</u>
	<u>375,829</u>	<u>466,039</u>

**Reconciliation of cash**

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>375,829</u>	<u>466,039</u>
---------------------------	----------------	----------------

**Note 4. Trade and Other Receivables**

**CURRENT**

RNSW	203,821	136,976
Trade Debtors	<u>10,719</u>	<u>7,602</u>
	<u>214,540</u>	<u>144,578</u>

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

<b>Note 5. Inventories</b>	<b>2018</b>	<b>2017</b>
	\$	\$
<b>CURRENT</b>		
Bar Stocks – at Cost	<u>13,530</u>	<u>16,643</u>
	<u>13,530</u>	<u>16,643</u>

**Note 6. Plant and Equipment**

<b>NON CURRENT</b>		
Plant and equipment – At Cost	850,731	320,098
Less: Accumulated depreciation	<u>(222,183)</u>	<u>(199,916)</u>
	<u>628,548</u>	<u>120,182</u>
Total plant and equipment	<u>628,548</u>	<u>120,182</u>

**(a) Movements in Carrying Amounts**

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the beginning and the end of the current financial year.

Balance – Start of Year	120,182	79,162
Additions	530,632	62,180
Disposals	0	0
Depreciation	<u>(22,266)</u>	<u>(21,160)</u>
Carrying Amount – End of Year	<u>628,548</u>	<u>120,182</u>

**(b) Impairment Losses**

No impairment losses were incurred during the year.

**Note 7. Trade and Other Payables**

<b>CURRENT</b>		
<b>Unsecured liabilities</b>		
Trade Payables	12,075	11,120
Other liabilities	<u>51,083</u>	<u>38,603</u>
	<u>63,158</u>	<u>49,723</u>

**Note 8. Other Liabilities**

<b>NON CURRENT</b>		
Leave provisions	19,973	15,179
Other liabilities	<u>750</u>	<u>750</u>
	<u>20,723</u>	<u>15,929</u>

**MORUYA JOCKEY CLUB LIMITED**

**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**Note 9. Cash Flows Information**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash and at call deposits with banks, and investments in money market instruments, net of bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash flows is reconciled to the related items in the Statements of Financial Position as follows:-

	<b>2018</b>	<b>2017</b>
	\$	\$
Cash at Bank – Investment Account	305,961	401,165
Cheque Account	<u>69,868</u>	<u>64,874</u>
	<u>375,829</u>	<u>466,039</u>

**(b) Reconciliation of Net Cash Provided from Operations  
with Surplus after Income Tax**

Surplus after Income Tax	466,776	183,876
Non Cash Flows in Operating Profit	22,266	21,160
Changes in Assets & Liabilities		
Decrease (Increase) in Receivables	(69,962)	(93,213)
Decrease (Increase) in Inventories	3,113	1,062
Decrease (Increase) in Prepayments	0	0
(Decrease) Increase in Creditors & Accruals	18,229	27,125
Net Cash Provided by (Used in) Operating Activities	<u>440,422</u>	<u>140,010</u>

**Note 10. Related Party Transactions**

There were no transactions with related parties during the year.

**Note 11. Subsequent Events**

The licence with ESC (Eurobodalla Shire Council) expired in 2016 and has been rolling month to month. A new lease agreement was negotiated and signed on 1 May 2018 and is expected to be lodged with the NSW Government in the near future.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company or the results of those operations in subsequent financial years.

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

**Note 12. Contingent Assets and Liabilities**

The company is not aware of any contingent assets or liabilities that would potentially affect the company.

**Note 13. Financial Risk Management**

a) Capital Risk Management

The capital structure of the company includes cash and cash equivalents and retained earnings. The company has no borrowings.

b)	Note	2018	2017
<b>FINANCIAL ASSETS</b>			
Cash at Bank	3	375,829	466,039
Trade and receivables	4	<u>214,540</u>	<u>144,578</u>
		<u>590,369</u>	<u>610,617</u>
<b>FINANCIAL LIABILITIES</b>			
Trade and Other Payables	7, 8	<u>83,881</u>	<u>65,652</u>
<b>NET FINANCIAL ASSETS</b>		<u>506,488</u>	<u>544,965</u>

The carrying amount reflected above represents the company's maximum exposure to credit risk for such loans and receivables.

c) Financial Risk Management Objectives

The directors manage the financial risks relating to the operations of the company. These risks include credit risk and liquidity risk. The company does not enter into or trade financial instruments.

d) Market Risk

The company's only exposure to market risk is the effect of changes in interest rates which would affect interest received.

There has been no change to the company's exposure to market risks.

e) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligation in relation to financial liabilities.

The company manages this risk through the following mechanisms:

- a. Preparing forward cash flow analysis in relation to its operational, investing and financing activities;
- b. Maintaining a reputable credit profile;
- c. Managing credit risk related to financial assets;
- d. Only investing surplus cash with major financial institutions; and
- e. Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

The following table reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

2018	Note	Less than 1 year	Over 1 Year	Total Contractual Cash Flows
Financial Assets -				
Cash Flows Realisable:				
Cash at Bank	3	375,829		375,829
Trade and Receivables	4	214,540		214,540
Total anticipated inflows		590,369		590,369
Financial liabilities due for Payment:				
Trade Creditors	7	12,075		12,075
Current Tax Liabilities	7	41,508		41,508
Non-Current Liabilities				
Other Liabilities	7,8	9,575	20,723	30,298
Total expected outflows		63,158	20,723	83,881
Net (outflow/inflow) on financial instruments		527,211	(20,723)	506,488

2017	Note	Less than 1 year	Over 1 Year	Total Contractual Cash Flows
Financial Assets -				
Cash Flows Realisable:				
Cash at Bank	3	466,039		466,039
Trade and Receivables	4	144,578		144,578
Total anticipated inflows		610,617		610,617
Financial liabilities due for Payment:				
Trade Creditors	7	11,120		11,120
Current Tax Liabilities	7	38,603		38,603
Non-Current Liabilities				
Other Liabilities	8		15,929	15,929
Total expected outflows		49,723	15,929	65,652
Net (outflow/inflow) on financial instruments		560,894	(15,929)	544,965

**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2018**

f) Fair Value

The carrying amount of the financial assets and financial liabilities represents a reasonable approximation of fair value.

g) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. To the extent the company has a receivable from another party there is a credit risk in the event of non-performance by that counterparty. Financial instruments, which potentially subject the company to credit risk solely, consist of trade and other receivables. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The carrying amount of the financial assets recorded in the financial statements net of any allowances for losses, represents the company's maximum exposure to credit risk, without taking account of the value of any collateral obtained. The company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

h) Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

**Note 14. Key Management Personnel**

The aggregate compensation made to directors and other members of key management personnel of the company is \$0 (2017:\$0).

**Note 15. Auditor Remuneration**

	2018	2017
	\$	\$
Auditing Services	3,600	3,400

**Note 16. Commitments**

As at 30 June 2018, the company has committed to the completion of the installation of the Big Screen as at cost of approximately \$80,000. It is expected that the company will receive a subsidy of approximately \$50,000 in respect of this project from RNSW.

The company had no commitments for expenditure as at 30 June 2017.

**INDEPENDENT AUDITORS' REPORT TO**  
**THE MEMBERS OF**  
**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**Opinion**

We have audited the financial report of Moruya Jockey Club Limited, which comprises the statement of financial position as at 30 June 2018, and the statement of 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 accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position at 30<sup>th</sup> June 2018, and of its financial performance for the year then ended;
- (ii) complying with Australian Accounting Standards 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 Company 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 (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 confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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 company 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 company or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO**  
**THE MEMBERS OF**  
**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

**Auditor's Responsibility**

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 company'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 company'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 company 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.



**INDEPENDENT AUDITORS' REPORT TO**  
**THE MEMBERS OF**  
**MORUYA JOCKEY CLUB LIMITED**  
**ABN 51 003 266 260**

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

-----  
Elizabeth Royds  
Company Auditor 389386  
Unit 3  
12-14 Cranbook Road  
BATEMANS BAY  
15<sup>th</sup> October 2018