

MORUYA JOCKEY CLUB LIMITED

OFFICE BEARERS

Chairman	Dr. Peter Atkinson
Vice Chairperson	Mrs. Maureen Law
Directors	Mr. N Harrison
	Mrs. Jan Carter
	Ms. Marian Pearson
	Mr. Darcy Nelson
	Mr. Chris Gandy
	Mr. Alan Morton
	Mr. Jim Madden
	Ms. Heulwen Lane

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE
Moruya Jockey Club Limited
will take place on Sunday 18 November 2018 at 3.00 pm at the
Moruya Jockey Club premises Donnelly Drive – Moruya, followed by drinks and light snack.
RSVP by 12 November 18

AGENDA OF ANNUAL MEETING

1. To Confirm the **Minutes** of the previous Annual General Meeting held on 5 November 2017
2. To receive and consider the **Directors Report & Declaration**.
3. To receive and consider the **Financial Report** and the **Independent Audit Report**.
4. To conduct the election of **Chairperson, Vice-Chairperson** and **Directors** to hold office in accordance with the **Constitution**.
5. To deal with any business of which due notice has been given.

MEMBERS PLEASE NOTE

Members are requested to advise the **Secretary**, in writing, at least four (4) days prior to the date of the **Annual General Meeting** of any query relating to the **Financial Accounts** on which further information may be required. Such information will be extracted from the records and be available at the **Annual General Meeting**. This will not preclude questions being asked from the floor of the Annual General meeting, however, **NO** guarantee can be given to answers to questions without notice where such would require research of records.

FULL ANNUAL REPORT

Anyone wishing to obtain a copy of the full Annual Report may do so by contacting the Club by phone, email or letter and request either an electronic or paper copy be provided. The full report is also available on the Clubs website.

CHAIRMAN'S REPORT

The Moruya Jockey Club light shines brightly in the world of country racing and it is with great optimism and pleasure that I present my 2018 Chairman's Report.

Summary: Our financial position is strong, a result of good revenue streams and well considered oversight by the Board.

The standard of racing has lifted considerably, something commented on by patrons and those in the industry. This results in better cashflow, and increases our popularity as a club, shown by crowd numbers, the number of bookmakers fielding here, and the number of sponsors willing to continue sponsorship or sponsoring for the first time. Club membership continues to grow, making more important, the construction and completion of the additions and modifications to the Members area. New plans, requested by E.S.C. planning department and hopefully conforming to the new codes, were submitted in the week commencing Monday 22nd. October.

Racing infrastructure, barriers, practice stalls, irrigation, tractor and machinery and rails are in excellent condition and paid for. The tracks, A grass, B grass and sand are now in very good shape and will be top class condition for our big summer of racing. The Big Screen, about which we are very excited, will be in place for the Summer Cups Carnival.

Discussion and Explanation: MJC. is showing a profit of \$466,776, a truly outstanding figure on paper, but resulting basically from changes to our business structure. In December 2017, the Eurobodalla Shire Council approved the granting of a 50 year lease of the racecourse to the Club. This was officially signed on 1st. April 2018. Prior to this, all infrastructure was held and valued on the ESC asset register.

Fifty years is longer than the depreciation period of any new or refurbished structure and for this reason, such structures will be held on the Club's asset register. This year the new irrigation system was installed at a cost of \$427,716 of which Racing NSW contributed \$337,118. Our accounts reflect the effect of this new arrangement. To compare this year's result to previous years, subtract the grant from the headline profit to obtain a trading profit of \$129,658, not as good as that of last year but in line with budget forecasts, and a result of which we can be proud.

A review of operations shows continued strong performance, although bar and gate takings are down because of the absence of a Melbourne Cup meeting and the later scheduling of the Narooma Cup meeting. Membership has increased and revenue from track fees and the Track Maintenance payments remains strong.

Members, regular patrons and visitors to the course over summer will see the wonderful results of the Board's planning and recent spending. The tracks will be in excellent condition with the new irrigation system working efficiently and to full capacity, and the Big Screen will be in place. But all is not as your Board wanted and we on the Board are extremely disappointed and frustrated that the additions and modifications to the Members area have not even commenced.

We have been approached by trainers to consider building a stable complex on course, such stables to be rented out by the Club to the trainers. This is an exciting prospect, but one that requires careful consideration and our decision to build or not will be based on the availability of considerable financial support from Racing NSW. We are not in a position to fund the Members extension and the stable complex simultaneously, and a choice may have to be made.

The racing season has produced very pleasing results for Moruya trainers, but we are yet to win our first Highway Handicap. Whispered Prayer trained by Matt Stephens and owned locally was the SERA Horse of The Year and our own Horse of The Year was Bill n' Eve trained by John Marzol, a result of great significance to John and all who know him well. Matthew Dale was Premier Trainer and Jeff Penza was again the Premier Jockey.

Matthew Dale and Danny Williams established satellite stables at the course, showing their liking for the training opportunities here, including use of the beach, and this has reinforced the Board's opinion that the number of horses trained here, and the number of trainers, will increase. We are conservatively optimistic that we will have the full support of Racing NSW to accommodate such increase in numbers. Moruya Jockey Club can justify its assertion that it is truly a community club by its history of significant donations to worthy causes, the most recent of which was the Surf Lifesaving movement, where each of the four surf clubs of the shire received \$3000. We have great pleasure in working with the three Rotary Clubs of the shire at our Christmas Community Cup meeting on the last Sunday before Christmas to raise the monies donated. We are happy to assist other community groups and charities with special promotions at our race meetings, and welcome inquiries.

The Board decided to move the Moruya Cup to the first Monday in January. It has the added status of a Showcase meeting, and its change of timing was made with the approval of our Major sponsors, the North Ryde RSL Club and the sponsors of the Narooma Cup, Club Narooma. The Cup will be of \$50000 with a Town Plate of \$40000 and there will be a Country Maiden.

Moruya Jockey Club is by all measures, travelling well. We can always do more and do things better and your Board accepts the challenge. The Club only works because of wonderful support from so many people. Where would we find another gardener to do the job that is done so well now. Thank you Noel. Our barrier attendants deserve special praise for their competency and professionalism, our staff do a wonderful job, the results of which are seen each race day, and there is the feeling that everybody wants the best for the club.

To Brian Cowden, our Manager, and to my fellow Board members, thank you for your diligence and your ideas. It has been a good year.

Peter Atkinson.

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2017 and the auditor's report thereon.

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

<u>Directors</u>	<u>Occupations</u>	<u>Years as Director</u>	<u>Date Appointed</u>
Peter Atkinson	Retired	15	9 March 2003
Maureen Law	Retired	20	1 October 1998
Jan Carter	Businesswoman	15	9 July 2003
Darcy Nelson	Businessman	15	9 July 2003
Noel Harrison	Semi retired	13 re-joined	5 November 2017
Alan Morton	Businessman	11	14 December 2006
Jim Madden	Retired	9	18 February 2009
Chris Gandy	Businessman	5	8 December 2013
Heulwen Lane	Retired	2	7 November 2016
Marian Pearson	Retired	2	7 November 2016

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

Meetings of Directors	Number eligible to attend	Apologies Recorded	Number attended
Peter Atkinson	8	0	8
Maureen Law	8	0	8
Jan Carter	8	2	6
Darcy Nelson	8	3	5
Alan Morton	8	3	5
Jim Madden	8	2	6
Chris Gandy	8	4	4
Heulwen Lane	8	2	6
Marian Pearson	8	1	7
Noel Harrison	5	1	4

Objectives and Principal Activities

The principal activities of the company during the course of the financial year were to conduct race meetings and operate a racehorse training facility. 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 is satisfied with the results from activities for the year which amounted to a net profit of \$466,776 compared with a profit of \$183,876 for the prior year. Included in this years income is \$337,118 from Racing NSW for the Irrigation Project which due to the 50 year Lease has been capitalized on the Club's balance sheet. Without this grant the operating profit would have been \$129,658.

Strategy for achieving the objectives

The Board and management of the Club manage the business with a focus on operating a safe and profitable horse training and racing facility. In addition to operating and maintaining the facility, surplus funds are allocated to the capital improvement of the facility.

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.

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 significant developments in its operations which will affect results in future years.

Events Subsequent to Reporting Date

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.

P. Atkinson

Chairman
Peter Atkinson

Signed at Moruya this 15th day of October 2018.

STATEMENT OF COMPREHENSIVE INCOME
For the Year End 30TH JUNE, 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
Revenue	3,012,902	2,332,198
<u>Cost of Trading</u>		
Raceday	(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)
Non-Raceday Trading Exp	(0)	(0)
Total Comprehensive Income/(Loss) for Year	466,776	183,876

Non-Profit organization- no tax payable or provided.

STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2018

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

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

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

Detailed Financial Performance Statement
For The Year Ended 30 June 2018

	2018	2017
	\$	\$
Race Meeting Revenue		
Raceday Sponsorship/Advertising		
Race Sponsorship	58,477	60,921
Industry Sponsorship	168,675	200,943
Non-acceptance Fee	9,927	7,990
Scratching Fees	12,156	10,036
Barrier Trial Nominations	6,182	10,509
Race Day Trading		
Admission Sales	31,454	43,044
Race book Sales	8,321	8,937
Bar Sales	120,583	159,781
Food (External Operator)	1,300	1,738
Site (Commercial Sales)	2,300	4,190
Corporate Packages	2,159	6,733
CRC Distribution/Wagering		
CRC Distribution TAB Meetings	2,090,402	1,635,021
CRC Distribution Other Payments	5,913	2,051
Total Race Meeting Revenue	2,517,849	2,151,264
Cost of Sales		
Trading – Raceday		
Race book Printing	22,530	18,519
Corporate Cost of Sales Food	3,659	2,983
Bar Cost of Sales	75,994	87,407
Total Cost of Sales	102,183	108,909

Race Meeting Expenditure

Returns to Owners		
Prize money	1,861,251	1,448,528
Trophies	3,912	4,438
Owner Rider Payments	12,425	10,150
Jockeys	0	1,981
Owner Privileges	3,718	3,081
Trading (Raceday)		
Bar Wages (Sales)	14,595	16,615
Bar Other Costs	127	104
Raceday (General) Expenses		
Ambulance	20,854	19,101
Farriers	5,400	4,700
Raceday Transport	317	74
Entertainment	2,900	1,639
Equip Hire	272	2,839
Raceday Wages - Caller	3,550	2,700
Raceday Wages	21,014	17,796
Officials Meals and other	6,878	5,891
Cleaning & Race Day Set Up	42,260	37,511
Garbage Disposal	6,305	7,942
Laundry	1,338	904
Barrier Trial Ride Fee	3,739	5,899
Prices Service	1,200	1,051
Security	7,201	7,009
Sundry Race Day Expenses	6,194	9,281
TRB Insurances	6,190	7,475
Rent of Racecourse	19,061	20,349
Raceday Marketing		
Marketing general	0	2,115
Advertising	7,995	8,063
Live Hostings	4,273	3,081
Prizes/Giveaways/Co-Features	3,782	2,213
Sponsors' Meals	12,648	8,791
Guest Hospitality.	338	250
Sponsor Hospitality Equipment Hire	0	2,727
Sponsor Hospitality Other Cost	0	0
Total Race Meeting Expenditure	2,077,797	1,668,513
Operating Profit	337,869	373,842
Membership Subscription	19,025	15,642
Interest Income	4,806	2,670
Training/Track Fees	30,194	29,435
Track Maintenance Scheme	95,256	99,094
Sundry Income	8,690	16,700
Non-Racing Revenue	0	17,454
CRDF Grant	337,118	0
Total General Revenue	495,098	180,995

General Expenditure

General Racecourse/Facilities

Track Maintenance - Soil and seed	1,507	904
Track Maintenance – Fertilizer	4,693	3,034
Track Maintenance - Misc Materials	611	2,448
Track Maintenance – Sand track	0	9,6380
Track Maintenance – Irrigation	962	1,146
Track Maintenance – Barriers, rail etc	2,289	3,435
Equipment Maintenance & Repair	12,188	8,545
Plant/Vehicles M&R	2,315	154
Fuel and Oils	7,095	5,925
Members renovation/fitings	11,120	1,978
Non-Racing Functions	363	1,174
Clothing & Protective Equipment	1,831	2,805
Salaries & Wages (Track staff)	89,663	85,888
Staff Training (Track Staff)	0	309
Maintenance Buildings	6,564	5,921
Maintenance Grounds & Gardens	3,097	2,593
Water Charges	1,395	888
Electricity, Gas, Energy	17,021	14,446
Capital works	588	0
WH&S Reqs	1,283	702
Fencing	0	570
Contract Labour	4,335	4,128
Kiosk Improvements	0	20,651
Sundry Racecourse Expenses	4,656	5,871
Depreciation - Plant & Equipment	21,678	21,160
Salary Track Supvr	36,595	36,327

General Admin & Committee

Accountancy & Audit	4,510	4,191
Annual Report	1,479	740
Bank Charges	586	550
Donations	4,733	21,160
Insurance (D&O, PL, PI)	13,069	13,781
Postage & Couriers	773	1,175
Printing & Stationery	1,480	1,177
Membership Renewals	1,210	1,170
Internet Site	3,213	721
Long Service Leave Entitlements	4,795	1,445
Salaries (Sec/Mgr)	56,788	49,587
Staff Travel & Accommodation	559	585
Superannuation	18,397	16,176
Office equipment	705	3,917
Subscriptions & Memberships	112	567
Telephone, Fax, e-mail	4,913	3,304
Committee Travel & Accommodation	1,696	0
Committee Meeting Expenses	745	136
Sundry Admin Expenses	414	567

Total General Expenditure 352,008 324,947

Net Profit (Loss) \$ 466,776 183,876