

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

FINANCIAL REPORT

For the year ended 30th June 2020

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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 - Reduced Disclosure Requirements, 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 2020 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 16th Day of November 2020

Director
Noel Harrison

Dated this 16th Day of November 2020

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 2020 and the auditor's report thereon.

The directors of the company at anytime 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	16	9 March 2003
Maureen Law	Retired	21	14 October 1998
Jan Carter	Businesswoman	16	9 July 2003
Darcy Nelson	Businessman	16	9 July 2003*
Jim Madden	Businessman	10	18 February 2009
Christopher Gandy	Businessman	6	15 December 2013^
Heulwen Lane	Businesswoman	3	7 November 2016
Marian Pearson	Retired	3	7 November 2016
Noel Harrison	Transport Operator	2	5 November 2017
John Collins	Businessman	1	1 December 2019

During the financial year 11 meetings were held, attendances were:

<u>Meetings of Directors</u>	<u>Number eligible to attend</u>	<u>Apologies Recorded</u>	<u>Number Attended</u>
Peter Atkinson	11	1	10
Maureen Law	11	5	6
Jan Carter	11	5	6
Darcy Nelson	2	0	2
Jim Madden	11	1	10
Christopher Gandy	9	1	8
Heulwen Lane	11	3	8
Marian Pearson	11	4	7
Noel Harrison	11	5	6
John Collins	7	1	6

*Resigned with effect from 29 September 2019

^ Resigned with effect from 21 May 2020

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 \$204,950 compared with net profit of \$214,766 for the prior year. The operations of the Moruya Jockey Club were impacted by the bushfires in early 2020 and have been impacted by (and continue to be impacted by) COVID 19.

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, 2020 and the comparison with last year is as follows:

	<u>2020</u>	<u>2019</u>
Number of Members	441	523

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 441 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 racecourse was sold by Eurobodalla Council to Racing NSW with settlement on 3 September 2020. It is expected that the current 50 year lease which is in place between Eurobodalla Council and Moruya Jockey Club will be transferred from Eurobodalla Council to Racing NSW however this transfer has not been finalised as at the date of this report. The terms of the new lease may therefore be different to the current lease.

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 16th Day of November 2020

Director -----
Noel Harrison

Dated this 16th Day of November 2020

AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 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
16th Day of November 2020

MORUYA JOCKEY CLUB LIMITED
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STATEMENT OF COMPREHENSIVE INCOME
For the Year End 30TH JUNE 2020

	<u>Note</u>	<u>2020</u> \$	<u>2019</u> \$
Revenue	2	3,213,282	2,830,462
<u>Cost of Trading</u>			
Race day		(86,673)	(143,580)
<u>Race Meeting Costs</u>			
Returns to owners		(2,360,438)	(1,865,744)
General		(142,529)	(167,475)
Marketing		(16,844)	(31,722)
Other		(1,800)	(3,881)
<u>General Costs</u>			
Racecourse/Facilities		(266,415)	(252,283)
Administration/Committee		(121,531)	(109,880)
Track Supervisor etc.		(1,193)	(30,945)
Marketing		(10,909)	(10,186)
Loss on disposal of assets		(0)	(0)
Surplus before income tax		204,950	214,766
Income tax expense		0	0
Surplus after income tax		204,950	214,766
Other comprehensive income for the year (net of tax)		0	0
Total comprehensive income for the year		204,950	214,766

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

MORUYA JOCKEY CLUB LIMITED
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STATEMENT OF FINANCIAL POSITION
As At 30TH JUNE 2020

	NOTE	2020 \$	2019 \$
Current Assets			
Cash	3	635,750	438,271
Receivables	4	296,796	228,233
Inventories	5	<u>18,683</u>	<u>16,155</u>
Total Current Assets		<u>951,229</u>	<u>682,659</u>
Non-Current Assets			
Property Plant & Equipment	6	<u>764,048</u>	<u>780,434</u>
Total Non-Current Assets		<u>764,048</u>	<u>780,434</u>
Total Assets		<u>1,715,277</u>	<u>1,463,093</u>
Current Liabilities			
Trade and Other Payables	7	<u>138,895</u>	<u>99,761</u>
Total Current Liabilities		<u>138,895</u>	<u>99,761</u>
Non-Current Liabilities			
Other Liabilities	8	<u>8,100</u>	<u>0</u>
Total Non-Current Liabilities		<u>8,100</u>	<u>0</u>
Total Liabilities		<u>146,995</u>	<u>99,761</u>
Net Assets		<u>1,568,282</u>	<u>1,363,332</u>
Members' Equity			
Retained Profits		<u>1,568,282</u>	<u>1,363,332</u>
Total Equity		<u>1,568,282</u>	<u>1,363,332</u>

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

MORUYA JOCKEY CLUB LIMITED
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Statement of Changes in Equity
For the Year Ended 30 June 2020

	2020	2019
	\$	\$
Balance at Start of Year	1,363,332	1,148,566
Comprehensive Income/(Loss) for Year	204,950	214,766
Balance at End of Year	<u>1,568,282</u>	<u>1,363,332</u>

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

MORUYA JOCKEY CLUB LIMITED
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Statement of Cash Flows
For the Year Ended 30th June 2020

	2020	2019
	\$	\$
<hr/>		
Cash Flows from Operating Activities		
Receipts from meetings and T.A.B. (inc GST)	3,144,719	2,704,855
Payments to Suppliers and Employees (inc GST)	(2,996,925)	(2,553,473)
Interest Received	485	1,536
Track Maintenance and Subsidies	<u>106,512</u>	<u>110,378</u>
Net cash provided by operating activities 9(b)	254,791	263,296
 Cash Flow from Investing Activities		
Proceeds from sale of Plant and Equipment	<u>0</u>	<u>0</u>
Payments for Plant and Equipment and Buildings	<u>(57,312)</u>	<u>(200,854)</u>
Net cash used by Investing Activities	<u>(57,312)</u>	<u>(200,854)</u>
 Net increase (decrease) in cash held		
Cash at the beginning of the year	<u>438,271</u>	<u>375,829</u>
Cash at the end of the year 9(a)	<u>635,750</u>	<u>438,271</u>

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

MORUYA JOCKEY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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 1st December 2020, by the directors of the company.

Basis of preparation

Moruya Jockey Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting standards - Reduced Disclosure Requirements, (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 resulted in the following changes to the Company's accounting policies:

AASB 1058 Income of Not-for-Profit Entities

This standard is likely to have a significant impact on the income recognition for NFPs. There was no impact of the club from the adoption of this standard as the vast majority of its income is received monthly in arrears from Racing NSW.

AASB 15 Revenue from Contracts with Customers

This standard introduces a new 5 step revenue recognition model.

There was no impact of the club from the adoption of this standard as the vast majority of its income is received monthly in arrears from Racing NSW.

MORUYA JOCKEY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

AASB 16 Leases

Under AASB 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 are now required to be capitalised on the balance sheet.

The Company has a 50 year lease with Eurobodalla Council as at 30 June 2020. The racecourse however has been sold to Racing NSW with settlement occurring on the 3rd of September. No new lease is as yet in place between Racing NSW and Moruya Jockey Club.

Under the terms of the lease with Eurobodalla Council the annual lease fee was returned to the Moruya Jockey Club by way of payments for capital improvements required by the club. The effective cost to the club was therefore nil. The nature and timing of the payments were decided upon by the Moruya Jockey Club/Eurobodalla Shire Council Management Committee.

When ownership of the racecourse passed to Racing NSW the Moruya Jockey Club/Eurobodalla Shire Council Management Committee was disbanded and the balance of the fund was nil.

New or Amended Accounting Standards and Interpretations issued but not yet effective for 30 June 2020

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not yet been adopted by the Company for the annual reporting period ended 30 June 2020. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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:

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	5 – 100%

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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

MJC measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

For trade receivables, MJC applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020**

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 2020.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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. Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

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NOTES TO THE FINANCIAL STATEMENTS
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- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

	2020	2019
Note 2. Revenue and Other Income		
Race day Sponsorship, Advertising	\$	\$
T.A.B. Distribution	2,583,538	2,104,067
Admissions	12,491	37,985
Bar Sales	80,444	169,222
Race Book Sales	3,732	8,359
Nominations & Acceptances	48,480	35,481
Sponsorships	264,749	226,722
Other Income - Race Meeting	13,385	21,305
- General Racing & Track fees	149,668	148,021
- Subscriptions	<u>18,327</u>	<u>19,476</u>
	3,174,814	2,770,638
 Non-Operating Income		
Subsidies	0	55,682*
Cashflow Boost	33,573	0
Sundry	4,410	2,606
Interest Received	<u>485</u>	<u>1,536</u>
Total Non-Operating Income	<u>38,468</u>	<u>59,824</u>
Total Revenue and other income	<u>3,213,282</u>	<u>2,830,462</u>

*\$50,000 of this was a subsidy received from Racing NSW for the video screen.

Note 3. Cash and Cash Equivalents

CURRENT

Cash at Bank	<u>635,750</u>	<u>438,271</u>
	<u>635,750</u>	<u>438,271</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>635,750</u>	<u>438,271</u>
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Note 4. Trade and Other Receivables

CURRENT

RNSW	246,855	198,804
Other debtors	33,573	0
Trade Debtors and prepayments	<u>16,368</u>	<u>29,429</u>
	<u>296,796</u>	<u>228,233</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

Note 5. Inventories	2020	2019
	\$	\$
CURRENT		
Bar Stocks – at Cost	<u>18,683</u>	<u>16,155</u>
	<u>18,683</u>	<u>16,155</u>

Note 6. Plant and Equipment

NON CURRENT

Plant and equipment – At Cost	933,590	876,278
Less: Accumulated depreciation	<u>(169,542)</u>	<u>(95,844)</u>
	<u>764,048</u>	<u>780,434</u>
Total plant and equipment	<u>764,048</u>	<u>780,434</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	780,434	628,548
Additions	57,312	200,854
Disposals	0	0
Depreciation	<u>(73,698)</u>	<u>(48,968)</u>
Carrying Amount – End of Year	<u>764,048</u>	<u>780,434</u>

(b) Impairment Losses

No impairment losses were incurred during the year.

Note 7. Trade and Other Payables

CURRENT

Unsecured liabilities

Trade Payables	20,935	24,705
Other liabilities	98,328	60,712
Leave provisions	<u>19,632</u>	<u>14,344</u>
	<u>138,895</u>	<u>99,761</u>

Note 8. Other Liabilities

NON CURRENT

Leave provisions	8,100	0
Other liabilities	<u>0</u>	<u>0</u>
	<u>8,100</u>	<u>0</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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:-

	2020	2019
	\$	\$
Cash at Bank – Investment Account	562,982	407,497
Cheque Account	<u>72,768</u>	<u>30,774</u>
	<u>635,750</u>	<u>438,271</u>

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

Surplus after Income Tax	204,950	214,766
Non Cash Flows in Operating Profit	73,698	48,968
Changes in Assets & Liabilities		
Decrease (Increase) in Receivables	(68,563)	(13,693)
Decrease (Increase) in Inventories	(2,528)	(2,625)
(Decrease) Increase in Creditors & Accruals	47,234	15,880
Net Cash Provided by (Used in) Operating Activities	<u>254,791</u>	<u>263,296</u>

Note 10. Related Party Transactions

There were no transactions with related parties during the year.

Note 11. Subsequent Events

The racecourse was sold by Eurobodalla Council to Racing NSW with settlement occurring on 3rd September 2020. It is expected that the current 50 year lease which is in place between Eurobodalla Council and Moruya Jockey Club will be transferred from Eurobodalla Council to Racing NSW however this transfer has not been finalised as at the date of this report.

No other matters or circumstances have arisen since the end of the financial year, other than the ongoing impact of COVID19, 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
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

Note 12. Contingent Assets and Liabilities

There is an issue at present between Racing NSW and the Tax Office relating to whether the industry should be paying super guarantee to jockeys. Racing Clubs have been issued with a super guarantee liability statement and Moruya Jockey Club's super guarantee liability has been assessed to be \$52,319. Racing NSW has informed the Club that they are still in discussion with the Tax Office regarding this matter, the outcome of this is unknown as at the date of this Financial Report.

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	2020	2019
		\$	\$
FINANCIAL ASSETS			
Cash at Bank	3	635,750	438,271
Trade and receivables	4	<u>296,796</u>	<u>228,233</u>
		<u>932,546</u>	<u>666,504</u>
FINANCIAL LIABILITIES			
Trade and Other Payables	7, 8	<u>146,995</u>	<u>99,761</u>
NET FINANCIAL ASSETS		<u>785,551</u>	<u>566,743</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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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.

2020	Note	Less than 1 year	Over 1 Year	Total Contractual Cash Flows
Financial Assets - Cash Flows Realisable:				
Cash at Bank	3	635,750		635,750
Trade and Receivables	4	296,796		296,796
Total anticipated inflows		932,546		932,546
Financial liabilities due for Payment:				
Trade Creditors	7	20,934		20,934
Current Tax Liabilities	7	83,931		83,931
Non-Current Liabilities				
Other Liabilities	7,8	34,030	8,100	42,130
Total expected outflows		138,895	8,100	146,995
Net (outflow/inflow) on financial instruments		793,651	(8,100)	785,551

2019	Note	Less than 1 year	Over 1 Year	Total Contractual Cash Flows
Financial Assets - Cash Flows Realisable:				
Cash at Bank	3	438,271		438,271
Trade and Receivables	4	228,233		228,233
Total anticipated inflows		666,504		666,504
Financial liabilities due for Payment:				
Trade Creditors	7	24,705		24,705
Current Tax Liabilities	7	60,712		60,712
Non-Current Liabilities				
Other Liabilities	8	14,344		14,344
Total expected outflows		99,761		99,761
Net (outflow/inflow) on financial instruments		566,743		566,743

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2020

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 (2019:\$0).

Note 15. Auditor Remuneration

	2020	2019
	\$	\$
Auditing Services	3,600	3,700

Note 16. Commitments

The Main Building Upgrade Project is anticipated to go ahead in the next 12 to 24 months however the final costing for this project has not yet been completed and no specific expenditure has been committed to. It is anticipated that Racing NSW will co-fund some of this project.

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 2020, 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 30th June 2020, and of its financial performance for the year then ended;
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the 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 - Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the 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
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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
16th Day of November 2020