



CANBERRA RACING CLUB INCORPORATED

# ANNUAL REPORT 2019-20





## COMMITTEE MEMBERS



**Ian Mackay**  
Chairman



**Duncan Edghill**  
Vice Chairman  
(from 28.04.2020)



**Les Boag**  
Treasurer



**Lauren Bywaters**  
(Appointed 24.06.2020)



**Dan Carton**  
(Vice Chairman from  
29.10.2019 -30.03.2020)



**Keith Dryden**



**Dan Gaul**



**Stephen Heppenstall**  
(Vice Chairman to 29.10.2019)



**Paul Meiklejohn**



**Paul Miller**  
(Resigned 23.06.2020)



**Tim Olive**

## CHIEF EXECUTIVE OFFICER



**Andrew Clark**

## LIFE MEMBERS

Bob Barlow  
Geoff Bloom  
Peter Faulkner  
Tom Glover  
Peter Huddy  
Sue King  
Kath Mornement  
Roger Norton  
Howard Powell AM

# CONTENTS

Chairman's Report.....	01
Chief Executive Officer's Report.....	03
Community Support.....	09
Sponsors.....	10
Financial Report.....	13
Report of the Committee.....	13
Statement of Comprehensive Income.....	14
Statement of Financial Position.....	15
Statement of Changes in Equity.....	16
Statement of Cash Flows.....	17
Notes to the Financial Statements.....	18
Independent Auditor's Report.....	31



*A big crowd enjoys the 2020 John McGrath Auto Group Black Opal Stakes Day on 8 March 2020. Strict restrictions to assist Australia in combatting COVID-19 were introduced 5 days later.*

# CHAIRMAN'S REPORT



**Ian Mackay**  
Chairman

On behalf of the Committee, I present the Annual Report of the Canberra Racing Club Incorporated (the Club) for 2019/2020.

2020 has been a difficult year for all of us. That the Club was able to achieve a profit in these circumstances, albeit a small one, is a credit to our strong management team.

## **CANBERRA CARNIVAL**

The inaugural Canberra Carnival on 8 and 9 March was an outstanding success. We were able to run the Carnival in front of big crowds, just sneaking in before stringent crowd restrictions were implemented. The two days delivered great results across all metrics, most notably in crowd attendance with over 10,000 attendees.

We look forward to developing these two days into a major event for the Canberra community, driving tourism to the Capital and providing locals with a good reason to stay in Canberra for the long weekend.

## **COVID-19**

On Friday 13 March 2020, the Prime Minister announced a series of restrictions to assist Australia in combatting the global pandemic. These restrictions were further tightened over subsequent weeks.

The Committee and management team were quick to draw up a concise plan that enabled us to keep racing throughout the restrictions. Our core aims were to:

1. Protect the health and safety of our staff and racing industry participants.
2. Minimise the likelihood of spread of COVID-19 within our community through the adoption of best practice procedures.
3. Maintain business continuity through the continuation of race meetings.
4. Ensure the ability of Thoroughbred Park to continue as a training centre.

To date all four aims of the Club have been achieved, with six race meetings held between Friday 3 April 2020 and Friday 19 June 2020. All were run as patron free meetings. At the time of writing, we have been fortunate to welcome patrons back on course for the start of the new racing season.

This is a significant achievement and is something we cannot take for granted. The enormous assistance of Racing Australia, Racing NSW and local Government authorities to keep us racing is very much appreciated.

I also thank our members and participants for their patience and willingness to follow the protocols introduced during this period.

There were, of course, some significant financial impacts on the restrictions for the Club:

- Participant only race meetings and severe limitations on gatherings resulted in revenue from race day hospitality and our non-race day function and events business being crushed.
- Race day sponsorship opportunities were also smashed, with potential sponsors deprived of an essential element of sponsorship, being race day attendance for themselves and their guests.

Despite the impact of COVID-19, the local and national racing industry has stood tall. A tailwind of increased wagering helped us, and through it all, the majority of the 440 full time equivalent employees in the ACT racing industry kept their jobs and our horses were all cared for.

## **PRECINCT MASTER PLAN**

The Precinct Master Plan has progressed slowly but surely over the past 12 months.

We are now in a position to move to the key stage of community and stakeholder consultation, including of course with our members. Once completed, we will be able to consider whether to apply for a Territory Plan Variation (TPV) for the site.

A TPV involves the completion of an extensive number of reports alongside the community consultation process. We hope to conduct this by late 2020. The Committee looks forward to sharing further details with members prior to embarking on broader community consultation.

## **ACT GOVERNMENT**

The Club submitted an ACT Government Funding Submission in September 2019. You may be aware that the ACT is the only jurisdiction that has not been provided with a share of the revenue from the Point of Consumption (POC) wagering tax. This places the Club and our participants at a significant disadvantage to jockeys, trainers and owners in other States and Territories.

Our submission remains under active consideration by the ACT Government with the ACT Budget for 2020/2021 delayed due to COVID-19. We are hopeful of some positive news in the coming months.

Aside from our persistence to gain our rightful share of the POC tax, we are also proactively implementing initiatives to diversify our revenue streams. However, we do find ourselves in somewhat of a 'catch 22' position, as for us to capture the opportunity for revenue diversification, we need the assistance of the ACT Government to help ensure that we are competitively funded.

Our submission is based on funding to help ensure we deliver on the Club's strategic objectives. If we achieve these objectives, there will be a benefit not just to the Club but also for the broader ACT community and local economy.

We will be in contact to update members, our other stakeholders and indeed the tens of thousands of thoroughbred racing fans in the ACT in the lead up to the ACT Election on 17 October 2020.

## **MEMBERSHIP**

In the 2019/2020 financial year, the Club had 1,159 full members which is a slight decrease of 39 or 3% on the record levels of the previous year.

Undoubtedly, the small decrease is due to COVID-19.

Your membership has always and will always be highly valued. During the current uncertain times, I would like to thank all of our members for their continued support through retaining your membership.

## **SUE KING**

At the Annual General Meeting of the Club on 15 October 2019, Sue King was admitted as a Life Member of the Club. Sue had been a member of the Club's Committee on two occasions, from 1995 to 2005 and again from 2006 to 2009, totalling 13 years of service.

In addition to her role on the Committee, Sue was one of the three founding members of Women in Racing in the ACT. Women In Racing provides members with experiences across all aspects of the racing industry and hold as their mission to introduce more women to the vibrant and exciting world of thoroughbred racing.

Sue's admission as a Life Member of the Club is utterly deserved.

## **CONCLUSION**

2019/2020 has been a year unlike all others in the Club's history. From the highs of the inaugural Canberra Carnival to the lows of a global pandemic within the space of a week highlights the ever-changing nature of the past year.

Thankfully, racing has endured.

The Committee is focussed on supporting our management in navigating these uncertain times to ensure the future prosperity of the Club for future generations to enjoy.

I would like to thank my fellow Committee members. In any year, being a voluntary office holder involves time away from work and family. This year, it has involved even greater demands which all of the Committee members have provided willingly.

I would also like to acknowledge the retirement of Committee member Paul Miller after eight years of dedicated service.

Finally, I would like to thank our Chief Executive Officer, Andrew Clark, and his management team for their support. Andrew has remained focussed on success in his first full year in the role. He has met the challenges of COVID-19 head on and has been a strong and steady hand throughout the year.



# CHIEF EXECUTIVE OFFICER'S REPORT



**Andrew Clark**  
Chief Executive  
Officer

## FINANCIAL REPORT

2019/2020 was a financially successful year for the Club despite the significant impact of COVID-19 from 13 March 2020 onwards. Financial highlights included:

- Recording an operational profit of \$3,678;
- Increasing revenue by \$697,044 or 5.88% to record levels of \$12.54 million;
- Growing cash reserves by \$398,355 or 14.78% to \$3.09 million;
- Prize money, trophies and subsidies increased to \$5.95 million.

Year	2020	2019	2018	2017
<b>Operational Profit / (Deficit)</b>	3,678	105,101	(325,992)	70,479
<b>Cash</b>	3,093,733	2,695,378	2,401,348	2,419,622
<b>Revenue</b>	12,543,956	11,846,912	11,198,768	10,483,268
<b>Prize money, trophies and subsidies</b>	5,951,855	5,842,210	5,776,286	5,292,112

These financial indicators will ensure the Club is well placed to confront the anticipated ongoing financial consequences of COVID-19 during 2020/2021.



*Aaron Sweeney aboard Ten Tigers wins the inaugural Road to the Jericho over 3400m for Barbara Joseph on 17 November 2019.*

## WAGERING REPORT

Total turnover on Canberra races in 2019/2020 reached \$141,782,349 which was an increase of \$13,086,932 on the previous year or 10.17%. This result is pleasing given the Club held one fewer race meeting in 2019/2020 as a consequence of the thick blanket of bushfire smoke in Canberra on Wednesday 8 January 2020 that resulted in the meeting being abandoned.

Some of the headlines for wagering on Canberra races in 2019/2020 were as follows:

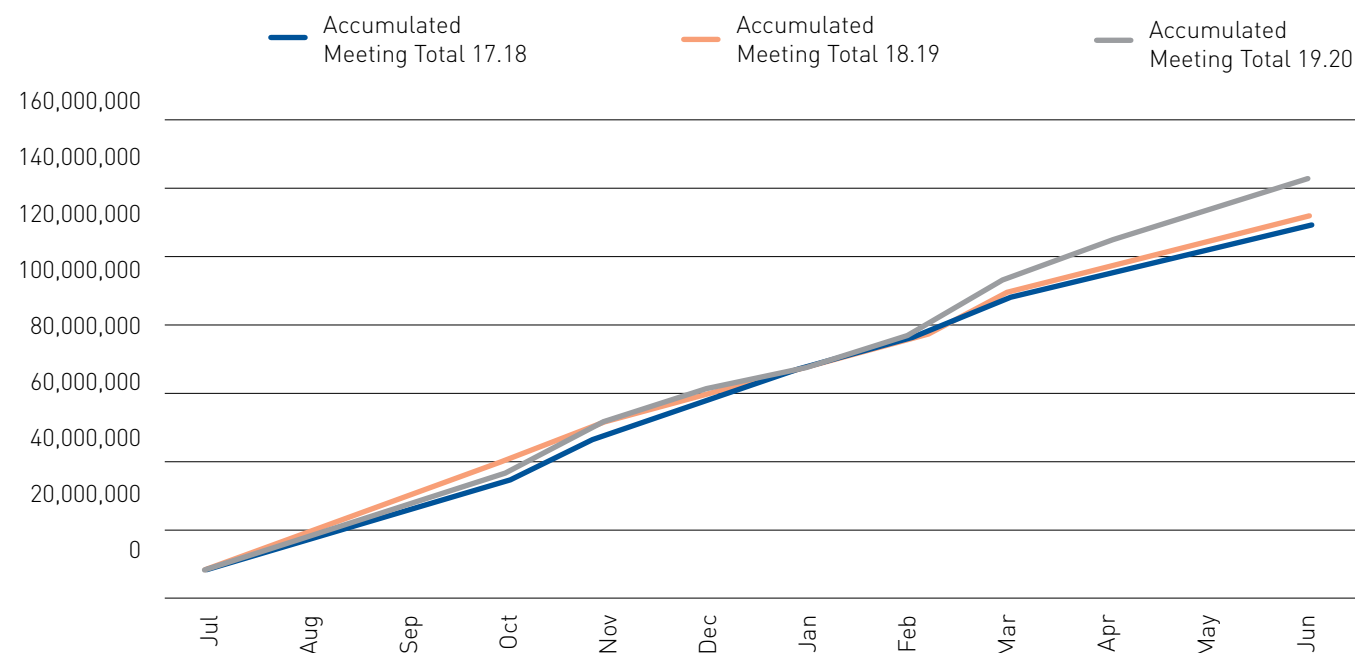
- The Club increased the prize money for the TAB Canberra Cup by \$50,000 to \$250,000 and reduced the prize money for the John McGrath Auto Group Black Opal Stakes by \$50,000 to \$250,000 to improve both races. The Black Opal in 2020 had an additional four runners and a 25.1% increase in wagering, while the Canberra Cup increased its wagering hold by 55.9% becoming the first race staged by the Club to exceed \$3 million in turnover for an individual race at \$3,266,196.
- The move to a Carnival approach rather than the traditional stand-alone feature race meeting resulted in significant wagering growth in all five feature races run by the Club as follows:

	2020	2019	Variance (\$)	Variance (%)
<b>Open Sprint</b>	1,661,584	1,197,441	464,143	38.8
<b>National Sprint</b>	1,885,228	1,341,846	543,382	40.5
<b>Canberra Guineas</b>	1,519,781	1,442,712	77,069	5.3
<b>Canberra Cup</b>	3,266,196	2,095,592	1,170,604	55.9
<b>Black Opal</b>	2,221,527	1,776,385	445,142	25.1
<b>Total</b>	10,554,316	7,853,976	2,700,340	34.4

- Club initiated later race times on Melbourne Cup day resulting in an additional \$72,883 in revenue for the Club with the last and second last races on the day holding \$1,771,055 and \$1,611,911 respectively.

Overall, race fields revenue increased by \$454,592. This continues an upward trend that the Club has experienced over recent history.

## TOTAL WAGERING TURNOVER ON CANBERRA RACES





*A blanket finish in the 2020 Group 3 John McGrath Auto Group Black Opal Stakes.*

## INFRASTRUCTURE REPORT

The Club invested \$525,806 in Infrastructure across Thoroughbred Park in 2019/2020. This investment was focused on three main projects as follows:

- 99kw solar panel system - \$108,364 was invested in a solar panel system of 360 panels on the roofs of the Queen Elizabeth II Grandstand and Betting Ring of Thoroughbred Park in October 2019. This investment in renewable energy will reduce the carbon emissions of the Club and save on electricity expenditure. In 2019/2020 expenditure on electricity was \$135,602 which is a cost saving on 2018/2019 of \$58,457;
- Air conditioning system replacements – the Club continued the replacement program of air conditioning units at Thoroughbred Park. In 2019/2020 \$171,944 was incurred on the process to improve the comfort of patrons at Thoroughbred Park;
- Top Sand Track Irrigation System – Equine and Participant welfare has been and remains the highest priority for the Club. To further the Clubs endeavours in this field, an irrigation system was installed at a cost of \$173,134 for the main sand training track at Thoroughbred Park. This system minimises dust and cushions the surface, which consequently improves the track for both horse and rider.

## RACING REPORT

The Club conducted 24 race meetings comprising of 192 races at Thoroughbred Park. Of these, 20 meetings with 160 races were conducted on the turf Course Proper and four meetings with 32 races were conducted on the synthetic Acton Track. In the 192 races, 1,847 horses started for an average field size of 9.62, which decreased slightly from the 9.79 achieved in the previous year.

The Club implemented a revised feature race structure in 2020 with the inaugural Canberra Mile on Friday 21 February 2020 and Canberra Carnival on Sunday 8 March and Monday 9 March 2020.

### *Affinity Electrical Technologies Canberra Mile*

The \$150,000 Affinity Electrical Technologies Canberra Mile (1600m) was taken out by Cinquedea (NZ) trained by Richard & Michael Freedman and ridden by Keagan Latham in a track record time of 1:34.66. The race, which launched the Canberra Carnival, will continue to grow over the coming years.

### *Canberra Carnival*

The Club took the bold step in June 2019 to introduce a two day Carnival from 2020 over the Canberra Day long weekend in March. John McGrath Auto Group Black Opal Stakes Day remained as the Clubs key race day while the TAB Canberra Cup saw a relaxed day of Carnival racing focussed on families.

An IER report indicated the stand-alone John McGrath Auto Group Black Opal Stakes in 2019 injected \$425,591 of economic stimulus into Canberra. In 2020, the Clubs move was designed to increase economic activity and bring the community together. The IER report stated a \$436,076 economic boost would be received with \$861,667 injected into the Canberra economy by the two-day Canberra Carnival in 2020.

The Club looks forward to growing the Canberra Carnival and furthering its social and economic impact within the Canberra community in the years to come.



*John McGrath Auto Group Black Opal Stakes – Sunday 8 March 2020*

<b>Race</b>	<b>Prize Money</b>	<b>Winner</b>	<b>Trainer</b>	<b>Jockey</b>
<b>Seears Workwear Handicap</b>	\$30,000	Terra Reign	Matthew Dale	Tom Sherry
<b>Seppelt Plate</b>	\$30,000	Sacramento	Gai Waterhouse & Adrian Bott	Adam Hyeronimus
<b>Canprint Communications Handicap</b>	\$30,000	Upper House	Norm Gardner	Jeff Penza
<b>TAB Federal Riharna Thomson Memorial Handicap</b>	\$40,000	Zelago	Barbara Joseph, Paul & Matt Jones	Tom Sherry
<b>Affinity Constructions Australia Quality Open Sprint</b>	\$80,000	Handle The Truth	Keith Dryden	Nash Rawiller
<b>Geocon National Sprint</b>	\$150,000	Cuba	John Thompson	Tim Clark
<b>John McGrath Auto Group Black Opal Stakes</b>	\$250,000	Barbaric	Peter & Paul Snowden	Kerrin McEvoy
<b>PFD Food Services Handicap</b>	\$30,000	Shores Of Avalon	Keith Dryden	Blaike McDougall



*A capacity crowd enjoys the John McGrath Auto Group Black Opal Stakes Day on Sunday 8 March 2020.*

*TAB Canberra Cup Day – Monday 9 March 2020*

Race	Prize Money	Winner	Trainer	Jockey
<b>Canberra Rex Hotel Handicap</b>	\$30,000	Trying	Norm Gardner	Blaike McDougall
<b>Senpos Handicap</b>	\$30,000	Nieces and Nephews	Barbara Joseph, Paul & Matt Jones	Rachel King
<b>Canberra Raiders – raiders.com.au Handicap</b>	\$30,000	Visavis	Garry Kirkup	Blaike McDougall
<b>OPC It Handicap</b>	\$30,000	Miss Twilight	Peter Robl	Keagan Latham
<b>TAB Lickety Split</b>	\$50,000	Phoenician Queen	John Thompson	Nash Rawiller
<b>XXXX Gold Canberra Guineas</b>	\$150,000	Promotions	James Cummings	Hugh Bowman
<b>TAB Canberra Cup</b>	\$250,000	Mugatoo	Kris Lees	Kerrin McEvoy
<b>NCG Services Handicap</b>	\$30,000	Glamour Cat	Joe Cleary	James McDonald



*Children enjoy the pony rides at the family-focused TAB Canberra Cup Day on Monday 9 March 2020.*





*Keith Dryden's Handle The Truth on his way to victory in the Affinity Constructions Quality Open Sprint (1000m) on John McGrath Auto Group Black Opal Stakes Day, Sunday 8 March 2020.*

*Premiership Awards 1 August 2019 to 31 July 2020*

### **TRAINER OF THE YEAR**

Winner: Keith Dryden

Keith Dryden won his fifth Canberra Trainers Premiership with 23 winners for the season at Canberra, an impressive 10 clear of his closest rival Nick Olive and Peter & Paul Snowden. Keith won his first premiership in 2007/2008 and has now won five of the last 13 premierships at Thoroughbred Park. Together with Nick Olive they have now won 13 of the last 14 premierships between them with Keith clearly winning Trainer of the Year at Canberra for 2020.

### **JOCKEY OF THE YEAR**

Winner: Blaike McDougall

Blaike McDougall won his first Canberra Jockeys Premiership with 27 winners for the season at Canberra, an imposing 12 clear of his nearest rival Chad Lever. The win at Canberra sits alongside his New South Wales Country Jockeys Premiership in 2019/2020 which proved to be an outstanding season for Blaike, his first as a senior rider.

### **APPRENTICE JOCKEY OF THE YEAR**

Winner: Tyler Schiller

Tyler Schiller won his first Canberra Apprentice Jockeys Premiership with eight winners for the season at Canberra, two clear of his nearest rival, Tom Sherry. In just his second year of race riding Tyler had a strike rate of 21% at Canberra. He finished eighth overall in the New South Wales Country Jockeys Premiership, also finishing it as the leading Apprentice in that title.

### **HORSE OF THE YEAR**

Winner: Balonne

Balonne won Horse of the Year honours at Canberra on 15 points (three wins), five points clear of a host of 26 gallopers on 10 points. Balonne's success at Thoroughbred Park came in the form of a Benchmark 60 win on Tony Campbell Cup Day in 2019 followed by two TAB Federal wins in November and December 2019.

### **OWNERS OF THE YEAR**

Winner: Webtech Racing, Mrs M L Rolfe, Mr M A Rolfe

The win of Balonne as the Horse of the Year was also enough to secure Owners of the Year for his owners as the only ownership group to have secured three wins during 2019/2020 at Thoroughbred Park.



# COMMUNITY SUPPORT

ActewAGL Canberra Royal Show  
Australian Indonesia Association  
Australian Racing Christian Chaplaincy Inc.  
ACT TPI Association Inc  
Barnardos Australia  
Belconnen Community Service  
Belconnen Magpies Football Club  
Bonython Primary School  
Cancer Council  
CareFlight  
Duntroon Community Centre  
Evatt Primary School  
McGrath Gundaroo Music Festival  
Havelock Housing Association  
Holy Family Primary School  
Karinya House  
Koomarri  
Leukaemia Foundation  
Marymead  
National Capital Netball Academy  
North Canberra Bears RLFC  
North Canberra Bears Minor Rugby League Club  
Pegasus Riding for the Disabled  
Special Olympics Australia  
St John Vianney's Primary School  
St Monica's Primary School  
St Michael's Primary School - Kaleen  
Soldier On Australia  
SuperHeroes ACT  
Tuggeranong Hawks Football Club  
The Farm in Galong  
Wild Voices Music Theatre  
Woden Rams U16 Rugby League  
Woden Weston Rams Junior Rugby League Club  
Women in Racing

## COMMUNITY SUPPORT HAS BEEN WOVEN INTO THE FABRIC OF THE CANBERRA RACING CLUB HISTORY.

From the first race days of the 1920s to today, the Canberra Racing Club has supported schools, community groups, sporting clubs and equine advocacy. Over the year, the Club has not only contributed to the social fabric of the ACT but raised awareness and support of essential services to ensure Canberrans can enjoy a life of inclusion and equality.



*Children enjoy the family-focused TAB Canberra Cup Day with Victor the Viking on Monday 9 March 2020.*

# MAJOR SPONSORS



Mugatoo trained by Kris Lees won the \$250,000 Listed TAB Canberra Cup (2000m) on Monday 9 March 2020.



Barbaric trained by Peter & Paul Snowden won the \$250,000 Group 3 John McGrath Auto Group Black Opal Stakes (1200m) on Sunday 8 March 2020.



Promotions trained by James Cummings won the \$150,000 Listed XXXX Gold Canberra Guineas (1400m) on Monday 9 March 2020.

# SPONSORS



Gratz Vella Racing



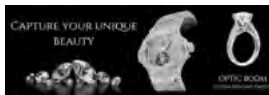




Longpark Meat Co. 



**NCG**  
SERVICES



Parkwood



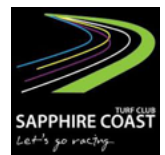
Developing Abilities



R.Moir  
Signs



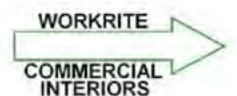
Rodger Bartholomew



SISSA  SORELLA



victoria's  
models



## Canberra Racing Club Incorporated

ABN: 21 423 898 409

### Report of the Committee

30 June 2020

Your Committee present their report on the financial statements of the Canberra Racing Club Incorporated (the Club) for the year ended 30 June 2020.

#### Committee Members

The names of the Committee members of the Club at the date of this report and at any time during the financial year were:

	Meetings attended during the year	Meetings eligible to attend during the year
I Mackay (Chairman)	11	11
D Edghill (Vice Chairman from 28.04.20)	11	11
L Boag (Treasurer)	11	11
L Bywaters (Appointed 24.06.20)	-	-
D Carton (Vice Chairman 29.10.19 to 31.03.20 Approved leave of absence as of 30.03.20 ongoing)	8	8
K Dryden	10	11
D Gaul	9	11
S Heppenstall (Vice Chairman to 29.10.19)	11	11
P Meiklejohn	11	11
P Miller (Resigned 23.06.20)	9	11
T Olive	11	11

#### Principal Activities

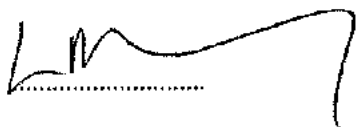
The principal activity of the Club during the year was to promote the development of thoroughbred horse racing within the Australian Capital Territory.

There was no change in the nature of this activity during the year.

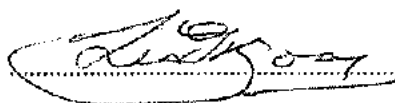
#### Results

The surplus for the year before depreciation of Racing Development Fund (RDF) funded assets was \$3,678 (2019: surplus of \$105,101). The deficit of the Club for the year was \$995,591 (2019: deficit of \$894,168).

Signed in accordance with a resolution of the Committee.



I Mackay  
Chairman



L Boag  
Treasurer

25<sup>th</sup> August 2020  
Canberra

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Statement of Comprehensive Income For the Year Ended 30 June 2020

		2020	2019
	Note	\$	\$
<b>Revenue</b>			
Revenue	2	12,536,907	11,742,367
Gain on sale of non-current assets		7,049	104,545
<b>Total revenue</b>		<b>12,543,956</b>	<b>11,846,912</b>
<b>Expenses</b>			
Assets written off		231,901	-
Depreciation		729,989	737,907
Employee leave expenses		62,080	55,011
Financial expenses		18,133	22,055
Insurance		325,703	201,493
Legal expenses		5,750	20,544
Other administration expenses		433,542	459,232
Racing expenditure	4	7,927,404	7,770,497
Track and ground expenditure		1,197,946	1,021,666
Wages and salaries		1,486,011	1,344,256
Land Development Investigation		121,819	109,150
<b>Total expenditure before depreciation of RDF funded assets</b>		<b>12,540,278</b>	<b>11,741,811</b>
<b>Surplus/(deficit) before costs related to RDF funded assets</b>		<b>3,678</b>	<b>105,101</b>
Depreciation of RDF funded assets	14	(999,269)	(999,269)
<b>Net surplus/(deficit) before income tax expense</b>		<b>(995,591)</b>	<b>(894,168)</b>
Income tax expense	1(a)	-	-
<b>Net surplus/(deficit)</b>		<b>(995,591)</b>	<b>(894,168)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss :</i>			
Fair value gain/(loss) on investment in Racing Australia		42,541	43,600
<b>Total comprehensive income for the year</b>		<b>(953,050)</b>	<b>(850,568)</b>



# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Statement of Financial Position As At 30 June 2020

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	2,613,378	686,353
Other financial assets	6	480,355	2,009,025
Trade and other receivables	7	593,854	501,320
Inventories		64,895	61,687
<b>TOTAL CURRENT ASSETS</b>		<b>3,752,482</b>	<b>3,258,385</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	6,383,709	7,839,345
Land rent prepaid		136,785	138,497
Investment in Racing Australia		332,121	289,580
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,852,615</b>	<b>8,267,422</b>
<b>TOTAL ASSETS</b>		<b>10,605,097</b>	<b>11,525,807</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	794,174	793,015
Provisions	10	440,659	384,445
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,234,833</b>	<b>1,177,460</b>
<b>NON-CURRENT LIABILITIES</b>			
Stable lease in advance		602,532	609,379
Provisions	10	9,189	27,375
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>611,721</b>	<b>636,754</b>
<b>TOTAL LIABILITIES</b>		<b>1,846,554</b>	<b>1,814,214</b>
<b>NET ASSETS</b>		<b>8,758,543</b>	<b>9,711,593</b>
<b>EQUITY</b>			
Reserves		203,768	161,227
Accumulated surplus		8,554,775	9,550,366
<b>TOTAL EQUITY</b>		<b>8,758,543</b>	<b>9,711,593</b>

## Canberra Racing Club Incorporated

ABN: 21 423 896 409

### Statement of Changes in Equity For the Year Ended 30 June 2020

#### 2020

	Accumulated Surplus	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at the beginning of the year	9,550,366	161,227	9,711,593
Net surplus/(deficit)	(995,591)	-	(995,591)
Asset revaluation reserve	-	42,541	42,541
Balance at the end of the year	8,554,775	203,768	8,758,543

#### 2019

	Accumulated Surplus	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at the beginning of the year	10,444,534	-	10,444,534
Net surplus/(deficit)	(894,168)	-	(894,168)
Effect of adoption of new accounting standards at 1 July 2018	-	117,627	117,627
Asset revaluation reserve	-	43,600	43,600
Balance at the end of the year	9,550,366	161,227	9,711,593

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Statement of Cash Flows For the Year Ended 30 June 2020

	2020	2019
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers and others	13,008,390	12,209,062
Interest received	58,107	72,192
Prize money, trophies and subsidies	(5,951,855)	(5,842,210)
Other payments	(6,198,663)	(5,791,546)
Net cash provided by/(used in) operating activities	915,979	647,498
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from disposal of term deposits	1,528,670	-
Proceeds from sale of property, plant and equipment	8,182	104,545
Payments for property, plant and equipment	(525,806)	(297,537)
Net cash provided by/(used in) investing activities	1,011,046	(192,992)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	-	(162,482)
Net cash provided by/(used in) financing activities	-	(162,482)
Net increase/(decrease) in cash and cash equivalents	1,927,025	292,024
Cash and cash equivalents at beginning of year	686,353	394,329
Cash and cash equivalents at end of financial year	5 2,613,378	686,353



# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### Basis of preparation

The financial statements of Canberra Racing Club Incorporated (the Club) are general purpose financial statements that have been prepared in accordance with Accounting Standards (Reduced Disclosure Requirements of the Australian Accounting Standards Board) and the Associations Incorporation Act 1991.

The Club is an association incorporated in the Australian Capital Territory under the Associations Incorporation Act 1991. The financial statements cover the Club as an individual entity.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. The financial statements are presented in Australian dollars which is the Club's functional and presentation currency. The amounts presented in the financial statements have been rounded to the nearest dollar.

#### New, revised or amended accounting standards adopted

The Club has adopted all of the new, revised or amended accounting standards and interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the company in either the current or prior financial reporting periods except as described below.

For the year ended 30 June 2020, the Club has adopted the following new Accounting Standards (and their relevant amending standards issued by the AASB):

- AASB 15 Revenue from Contracts with Customers
- AASB 1058 Income of Not-for-Profit Entities
- AASB 16 Leases

#### *AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities*

The mandatory date of adoption for AASB 15 and AASB 1058 was 1 July 2019.

AASB 15 involves the use of a five-step recognition model for recognising revenue, the steps are:

Step 1 – Identify the contract with the customer

Step 2 – Identify the sufficiently specific performance obligations to be satisfied

Step 3 – Measure the expected consideration

Step 4 – Allocate that consideration to each of the performance obligations in the contract

Step 5 – Recognise revenue

The Club has described its new accounting policy below in Note 1(i). The Club has elected to adopt the practical expedient whereby contracts that are considered to be 'complete' (where revenue has been fully recognised in accordance with previous standards) are not adjusted upon the adoption of the new standards.

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### New, revised or amended accounting standards adopted (continued)

AASB 1058 measures income by reference to the fair value of the asset received. The asset received, which could be a financial or non-financial asset, is initially measured at fair value when the consideration paid for the asset is significantly less than fair value, and that difference is principally to enable the entity to further its objectives. Otherwise, assets acquired are recognised at cost.

Where the asset has been measured at fair value, AASB 1058 requires that elements of other Accounting Standards are identified before accounting for the residual component. These standards are:

- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1004 Contributions
- AASB 137 Provisions, Contingent Liabilities & Contingent Assets
- AASB 9 Financial Instruments

A transfer that requires the Club to use those funds to acquire or construct a recognisable non-financial asset to identified specifications; does not require the Club to transfer the non-financial asset to the transferor or other parties; and occurs under an enforceable agreement is recognised as income when (or as) the Club satisfies its obligations under the transfer.

Any donations, bequests or grants not recognised as described above are recognised as income when the entity obtains control of those funds.

#### *AASB 16 Leases*

AASB 16 replaces AASB 117 Leases and has been applied for the first time from 1 July 2019.

On initial application of AASB 16 and during the year, the Club did not have any leases.

### Accounting Policies

#### (a) Income Tax

The Club is a tax exempt body under relevant provisions of the Income Tax Assessment Act, 1997.

#### (b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification basis and include direct costs and appropriate overheads, if any. Costs are assigned on the weighted average costs basis.

#### (c) Property, Plant and Equipment

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

Where a revaluation has been performed, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (c) Property, Plant and Equipment (continued)

The carrying amount of property, plant and equipment is reviewed at the end of the reporting period to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably. All other costs (e.g. repairs and maintenance) are charged to the statement of comprehensive income during the financial period in which they are incurred.

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

#### (d) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

#### (e) Leases

At inception of a contract, the Club assesses whether a contract is, or contains, a lease. A contract is considered to contain a lease if it allows the Club the right to control the use of an identified asset over a period of time in return for consideration.

Where a contract or arrangement contains a lease, the Club recognises a right-of-use asset and a lease liability at the commencement date of the lease.

A right-of-use asset is initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred. Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Club's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments include fixed payments, amounts expected to be paid under a residual value guarantee, the exercise price of purchase options for which the Club is reasonably certain to exercise and incorporate the Club's expectations of lease extension options.

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets.

Short term leases (lease term of 12 months or less) and leases of low value assets (\$10,000 or less) are recognised as incurred as an expense in the statement comprehensive income.



# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (f) Financial Instruments

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately. In most circumstances trade receivables are initially measured at the transaction price.

##### Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value or amortised cost using the effective interest rate method. The subsequent measurement depends on the classification of the financial instrument as described below.

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The effective interest method is used to allocate interest income or interest expense over the relevant period.

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (f) Financial Instruments (continued)

Despite the above, the entity may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Club may irrevocably elect to present subsequent changes in fair value of an equity instrument in other comprehensive income if certain criteria are met; and
- the Club may irrevocably designate a financial asset that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch

#### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Borrowings are classified as current liabilities unless the entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

#### Impairment of financial assets

The Club recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost or at FVTOCI. No impairment loss is recognised for investments in equity instruments. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial asset.

The Club recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated based on the entity's historical credit loss experience adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the future direction of conditions at the reporting date, including time value of money where appropriate.

#### (g) Impairment of Assets

At the end of the reporting period, the carrying values of tangible and intangible assets are reviewed 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 profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash generating unit to which the asset belongs is estimated.

#### (h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (i) Revenue

In the previous financial year, revenue recognised in accordance with AASB 118 *Revenue* was measured at the fair value of the consideration received or receivable. The Club recognised revenue when the amount of revenue could be reliably measured, it was probable that future economic benefits would flow to the entity and specific criteria had been met for each of the Club's activities.

Revenue recognised under AASB 15 is measured at the amount which the Club expects to receive in consideration for satisfying performance obligations to a customer. A performance obligation is the distinct good or service defined within the contract with a customer. The transaction price is allocated to one or more performance obligations contained within the contract, with revenue being recognised as or when the performance obligation is satisfied.

Where consideration comprises variable components, the amount recognised as revenue is constrained to that amount that would not result in a significant reversal of the cumulative revenue recognised when that uncertainty is resolved.

#### *Timing of Revenue Recognition*

Revenue is recognised either at a point in time or over time, when (or as) the Club satisfies performance obligations by transferring the promised goods or services to its customers.

If the Club satisfies a performance obligation before it receives the consideration, the Club recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

#### *Grant revenue*

Grant revenue is recognised in the profit or loss when the Club satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the Club is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

#### *Government assistance*

Government assistance has been received during the year under the Cash Flow Boost program. Payments under this program are recognised as revenue once the Club is entitled to receive the payments. A receivable is recognised at year end for any payments that the Club is entitled to that have not been received. Payments received are included as part of 'other income' in the statement of comprehensive income.

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

#### (j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except 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. Receivables and payables in the statement of financial position are shown inclusive of the GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.



# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 1 Summary of Significant Accounting Policies (continued)

#### (k) Employee Benefits

Provision is made for the liability for employee benefits arising from services rendered by employees to the reporting date. The benefits due to be settled within one year to employees for their entitlements have been measured at the amounts expected to be paid including on-costs and are disclosed as current liabilities. Employee benefits payable later than one year are measured at the present value of the estimated future cash outflows to be made in respect of those benefits. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data.

#### (l) Provisions

Provisions are recognised when the Club has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured.

#### (m) Comparative Figures

Comparative figures have been adjusted, where necessary to conform to changes in presentation for the current financial year.

### Critical accounting estimates and judgments

The Committee members evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Club.

The shares held by the Club in Racing Australia (RA) are recorded at fair value in accordance with the requirements of AASB 9 Financial Instruments. The Club approached RA for assistance with having a valuation conducted but was unsuccessful in obtaining a formal valuation.

In the absence of a formal valuation, recent trade history in the shares, or a recent history of paying dividends, the Club assessed that it was reasonably reliable and conservative to use the net book value of RA according to its latest published audited accounts, and this methodology was likely to be more reliable than basing a value on future profits or cash flows in the absence of detailed knowledge around RA's future operations.

The Club's assessment assumes that net book value reasonably approximates fair value. The Club acknowledges that fair value could be higher than book value as items such as intangible assets may have a fair value that exceeds cost, but the Club is not in a position to accurately assess the market value of such items without detailed internal knowledge.

The Club acknowledges that the assessed fair value of its RA shares of \$332,121 (2019: \$289,580) at 30 June 2020 may be subject to adjustment in the future if more facts are available, but do not believe that any such adjustment would be material to the financial statements.

The Committee members do not believe that there were any other key estimates or key judgments used in the development of the financial statements that give rise to a significant risk of material adjustment in the future.

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 2 Revenue

	2020	2019
	\$	\$
ACT Government distribution	<b>6,546,436</b>	6,417,856
Admissions	<b>102,167</b>	112,195
Bookmaker's revenue	-	1,200
Net catering income (refer note 3)	<b>348,864</b>	429,589
Membership subscriptions	<b>59,013</b>	64,870
Nomination and acceptance fees	<b>208,465</b>	179,471
Other income (refer note 3)	<b>1,029,195</b>	840,722
Race fields revenue	<b>3,676,163</b>	3,221,571
Net sponsorship revenue	<b>566,604</b>	474,893
	<b>12,536,907</b>	11,742,367

### 3 Catering and Other Income

Included in the net catering income and net other income disclosed in note 2, are the following specific items of revenue and expenditure:

	2020	2019
	\$	\$
Bar sales	<b>698,641</b>	721,823
Food sales	<b>498,926</b>	588,140
Venue and equipment hire	<b>282,176</b>	288,630
Interest received	<b>58,107</b>	74,198
Other income	<b>1,007,827</b>	809,956
Cost of goods sold - bar	<b>(247,880)</b>	(294,480)
Cost of goods sold - food	<b>(164,607)</b>	(173,147)
Depreciation - bar	<b>(3,365)</b>	(6,336)
Depreciation - food	<b>(15,784)</b>	(20,986)
Other bar and food expenses	<b>(699,243)</b>	(674,055)
Other expenses	<b>(36,739)</b>	(43,432)
	<b>1,378,059</b>	1,270,311

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 4 Racing Expenditure

	2020	2019
	\$	\$
Advertising and promotional expenditure	248,750	221,296
Jockeys' insurance	474,562	462,698
Other administrative expenses	252,021	291,958
Principal club expenses	55,651	69,015
Prize money, trophies and subsidies	5,951,855	5,842,210
Race meeting expenses	944,565	883,320
	<b>7,927,404</b>	<b>7,770,497</b>

### 5 Cash and Cash Equivalents

	2020	2019
	\$	\$
Cash at bank and on hand	<b>2,613,378</b>	686,353

### 6 Other Financial Assets

	2020	2019
	\$	\$
Term deposits	<b>480,355</b>	2,009,025

### 7 Trade and Other Receivables

	2020	2019
	\$	\$
Trade debtors	546,439	434,480
Less provision for doubtful debts	(9,315)	(9,315)
Prepayments:		
- Other	56,730	76,155
	<b>593,854</b>	<b>501,320</b>

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 8 Property, Plant and Equipment

	2020 \$	2019 \$
Buildings/course improvements on leasehold land - at cost	23,979,551	25,342,748
Less accumulated depreciation	(17,970,175)	(18,223,329)
	<b>6,009,376</b>	<b>7,119,419</b>
Plant, fixtures and fittings - at cost	862,439	1,527,023
Less accumulated depreciation	(488,106)	(823,909)
	<b>374,333</b>	<b>703,114</b>
Motor vehicles - at cost	-	83,244
Less accumulated depreciation	-	(66,432)
	<b>-</b>	<b>16,812</b>
	<b>6,383,709</b>	<b>7,839,345</b>

#### Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Building/course improvements \$	Plant, fixtures and fittings - at cost \$	Motor vehicles \$	Total \$
Balance at the beginning of year	7,119,419	703,114	16,812	7,839,345
Additions	477,347	48,459	-	525,806
Disposals/write-offs	(137,330)	(94,001)	(1,704)	(233,035)
Depreciation expense	(1,450,060)	(283,239)	(15,108)	(1,748,407)
<b>Balance at the end of the year</b>	<b>6,009,376</b>	<b>374,333</b>	<b>-</b>	<b>6,383,709</b>

Depreciation is calculated on a prime cost basis. The following depreciation rates were used:

Class of Asset	Depreciation Rates
Buildings/course improvements on leasehold land	1% to 33%
Plant, fixtures and fittings	5% to 33%
Motor vehicles	20% to 33%



# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 9 Trade and Other Payables

	2020 \$	2019 \$
Trade and other payables	741,771	701,239
Income in advance	52,403	65,030
Other payables - Harness Racing	-	26,746
	<b>794,174</b>	<b>793,015</b>

Other payables - Harness Racing relate to Race Field Legislation revenue collected by Canberra Racing Club on behalf of Harness Racing. There is a corresponding amount included in the trade and other receivables balance in Note 7 of these financial statements.

### 10 Provisions

	2020 \$	2019 \$
<b>Current</b>		
Provision for annual leave	220,189	201,189
Provision for long service leave	220,470	183,256
	<b>440,659</b>	<b>384,445</b>
<b>Non-current</b>		
Provision for long service leave	9,189	27,375

### 11 Key Management Personnel Compensation

Key management personnel is defined by AASB 124 "Related Party Disclosures" as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Committee members of the entity.

The total of remuneration paid (including annual and long service leave paid) to the key management personnel of Canberra Racing Club Incorporated during the year are as follows:

	2020 \$	2019 \$
Total key management personnel compensation	<b>200,597</b>	<b>400,742</b>

Committee members do not receive any direct financial or loan benefit in their role as a Committee member which is an honorary position.

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 12 Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable and leases.

The accounting policies and terms and conditions of each class of financial asset, financial liability and equity instrument at the reporting date are consistent with those regularly adopted by businesses in Australia.

The totals for each category of financial instruments, measured in accordance with AASB 9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

		2020 \$	2019 \$
<b>Financial Assets</b>			
<i>Financial assets at amortised cost:</i>			
Cash and cash equivalents	5	2,613,378	686,353
Other financial assets	6	480,355	2,009,025
Trade and other receivables	7	593,854	501,320
		<b>3,687,587</b>	<b>3,196,698</b>
<i>Financial assets at fair value through other comprehensive income:</i>			
Investment in Racing Australia		332,121	289,580
<b>Total financial assets</b>		<b>4,019,708</b>	<b>3,486,278</b>
<b>Financial Liabilities</b>			
<i>Financial liabilities at amortised cost:</i>			
- Trade and other payables	9	741,771	727,985
<b>Total financial liabilities</b>		<b>741,771</b>	<b>727,985</b>

#### *Investment in Racing Australia*

The Club holds shares in Racing Australia. The shares were issued to the Club free of charge on the establishment of Racing Australia. The Club may only sell the shares with Racing Australia's consent.

#### *Finance Facilities*

The Club has an overdraft facility of \$250,000 (2019: \$250,000). The unused portion of this facility at 30 June 2020 is \$250,000 (2019: \$250,000). The overdraft facility has been established to assist with cash flow requirements. The overdraft facility is secured over the Club's non-current assets. The Club also has a credit card facility limit of \$40,000 (2019: \$40,000) which is cleared monthly.

### 13 Related Party Disclosures

Key management personnel transact with the Club from time to time on normal terms and conditions that are no more favourable than those available to others. The types of transactions involved include gaming and the purchase of food, beverages and membership. The transactions are settled at the time of the transaction, and no amounts are owing to the Club at year end in respect of these transactions. The total value of these transactions is low and is considered by the Club to be immaterial.

Other than the transactions disclosed above, and compensation of key management personnel, which is separately disclosed in these statements, there were no other related party transactions during the financial year.

# Canberra Racing Club Incorporated

ABN: 21 423 896 409

## Notes to the Financial Statements For the Year Ended 30 June 2020

### 14 RDF Funded Assets

Depreciation of RDF funded assets and interest on borrowings to cover RDF funded assets relate to the assets acquired from the funding received from the Racing Development Fund (RDF) for the development of the track and facilities before the RDF was abolished. The assets are depreciated at 5% per annum.

### 15 Contingent Liabilities and Contingent Assets

The Club has potential contingent liabilities at 30 June 2020 in relation to the following:

- An incident in 2017 when a track worker rider was involved in an accident during the course of work resulting in severe injuries and subsequent death. The Club has received a notice of civil claim from solicitors acting for family members of the deceased rider. The Club has paid the excess expense on this public liability insurance in this financial year. Based on the facts and circumstances known to the Club at the time of this report there is no evidence to suggest that a claim may be successful.
- There were two instances during the year where track work riders were injured during the course of work. The Club has received notices of civil claims from solicitors on behalf of the claimants. The public liability insurance of the Club will respond to any such claims and the exposure to the Club is expected to be limited to the excess amounts for the claims which have been accrued in these financial statements.

The Club had no other contingent liabilities or contingent assets at the end of the financial year.

### 16 Events after the Reporting Period

These financial statements were authorised for issue by the Committee on the date of signing the attached Report of the Committee. The Committee have the power to amend the financial statements after they are issued.

There are no events after the reporting date which require amendment of, or further disclosure in, the financial statements.

### 17 Statutory Details

The Club is incorporated under the Associations Incorporation Act 1991 (ACT), and operates within the Australian Capital Territory promoting the development of thoroughbred horse racing. The Club is domiciled in Australia and its principal place of business is located at Randwick Road, Lyneham, ACT.

## **Independent Auditor's Report To the Members of Canberra Racing Club Incorporated**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Canberra Racing Club Incorporated (the Club), which comprise the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion,

- (a) the financial statements of the Club are properly drawn up:
  - (i) so as to give a true and fair view of the assets and liabilities of the Club as at 30 June 2020, the income and expenditure and cash flows of the Club for the financial year ended on that date and the other matters required by subsection 72(2) of the Associations Incorporation Act 1991 (ACT) to be dealt with in the financial statements;
  - (ii) in accordance with the provisions of the Associations Incorporation Act 1991 (ACT); and
  - (iii) in accordance with Australian Accounting Standards – Reduced Disclosure Requirements.
- (b) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
- (c) proper accounting records and other records have been kept by the Club as required by the Act; and
- (d) the audit was conducted in accordance with the rules of the Club.

#### **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 responsibility for the audit of the financial statements section of our report. We are independent of the Club in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### **Other information**

The Committee are responsible for the other information. The other information comprises the information included in the Club's report of the Committee for the year ended 30 June 2020, but does not include the financial statements and our auditor's report thereon.

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Our opinion on the financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Committee for the Financial Statements**

The Committee of the Club are responsible for the preparation and fair presentation of the financial statements in accordance with the Associations Incorporation Act 1991 (ACT) and Australian Accounting Standards – Reduced Disclosure Requirements, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee are responsible for assessing the Club's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

The Committee are responsible for overseeing the Club's financial reporting process.

### **Auditor's responsibility for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 the financial statements.

A further description of our responsibilities for the audit of the financial statements is located at The Australian Auditing and Assurance Standards Board website at:  
[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



**Nexia Duesburys (Audit)**  
Canberra, 25 August 2020



**R C Scott**  
Partner





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