

SAPPHIRE COAST TURF CLUB INCORPORATED
ABN 21 575 469 350

FINANCIAL REPORT

For the year ended 30th June 2020

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SAPPHIRE COAST TURF CLUB INCORPORATED

ABN 21 575 469 350

DECLARATION BY MEMBERS OF THE COMMITTEE
FOR THE YEAR ENDED 30 JUNE 2020

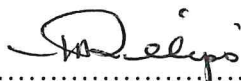
The Committee declare that:

1. The financial statements and notes, present fairly the financial position of the Sapphire Coast Turf Club Incorporated as at 30 June 2020 and its performance for the year ended on that date in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements; and
2. There are reasonable grounds to believe that the Incorporated Association will be able to pay its debts as and when they fall due.
3. The financial report satisfies the financial reporting requirements of the Associations Incorporation Act (NSW) 2009 and the Associations Incorporation Regulation (NSW) 2016.

This declaration is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:



..... ,
Chairperson



..... ,
Treasurer

Kalaru, 23rd Day of November, 2020

SAPPHIRE COAST TURF CLUB INCORPORATED
ABN 21 575 469 350

COMMITTEE MEMBER'S REPORT
FOR THE YEAR ENDED 30 JUNE 2020

The Committee members present their report on the financial statements for the year ended 30 June 2020.

Committee members:-

The following persons held office as Committee members during the financial year and up to the date of this report:

Robyn Bain (Chairperson)
Adam Spitzer (Vice Chairperson until 2019 AGM)
Vince Phillips (Treasurer)
Robert Bain
Rodney Apps
Peter Joseph
Mike Walcott (Vice Chairperson after 2019 AGM)
Kerry McKee
Nathan O'Donnell
Graeme Payten

Principal activities:-

The principal activities of the Association during the financial year were to conduct thoroughbred horse racing and comply with the objectives and constitution of the Sapphire Coast Turf Club Incorporated.

Significant changes:-

No significant change in the nature of these activities occurred during the year. No matters or circumstances arose during and since the end of the financial year which have significantly affected the operations of the association, the results of the operations, and the state of affairs of the association in future financial years.

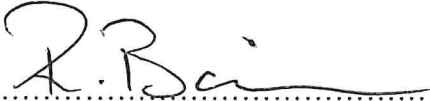
Result:-


The deficit of the association for the financial year was \$59,466 (2019 surplus of \$355,963).

SAPPHIRE COAST TURF CLUB INCORPORATED
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COMMITTEE MEMBER'S REPORT (cont)
FOR THE YEAR ENDED 30 JUNE 2020

This report is made in accordance with a resolution of the Members of the Committee:


..... Chairperson


..... Treasurer

23-11-20
.....

Date
Kalaru

SAPPHIRE COAST TURF CLUB INCORPORATED
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	<u>Note</u>	<u>2020</u> \$	<u>2019</u> \$
Revenue	2	2,403,376	2,448,208
Profit on sale of assets		0	405,887
 <u>Cost of Sales</u>			
Race day		(31,346)	(45,958)
Non Race day		(0)	(0)
Non Trading		(0)	(518)
Total Cost of Sales		(31,346)	(46,476)
 <u>Race Meeting Expenditure</u>			
Returns to owners		(1,661,185)	(1,707,253)
General		(86,368)	(95,590)
Marketing		(48,830)	(64,628)
Other		(2,765)	(4,044)
Total Race Meeting Expenditure		(1,799,148)	(1,871,515)
 <u>General Costs</u>			
Racecourse/Facilities		(384,130)	(350,380)
Administration/Committee		(217,073)	(198,451)
Marketing		(31,145)	(31,310)
Non Race day		(0)	(0)
Total General Costs		(632,348)	(580,141)
 Surplus/(Deficit) before income tax		 (59,466)	 355,963
Income tax expense		0	0
 Surplus/(Deficit) after income tax		 (59,466)	 355,963
Other comprehensive income for the year (net of tax)		0	0
 Total comprehensive income for the year		 (59,466)	 355,963

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

SAPPHIRE COAST TURF CLUB INCORPORATED
ABN 21 575 469 350

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	2020	2019
		\$	\$
Current Assets			
Cash and Term Deposits	3	1,192,449	1,246,677
Receivables	4	163,200	152,634
Inventories	5	4,374	10,015
Accrued expenses		<u>0</u>	<u>0</u>
Total Current Assets		<u>1,360,023</u>	<u>1,409,326</u>
Non-Current Assets			
Fixed Assets	6	6,442,938	6,503,599
Total Non Current Assets		<u>6,442,938</u>	<u>6,503,599</u>
Total Assets		<u>7,802,961</u>	<u>7,912,925</u>
Current Liabilities			
Trade and Other Payables	7	86,655	147,609
Provisions		<u>30,073</u>	<u>23,748</u>
Total Current Liabilities		<u>116,728</u>	<u>171,357</u>
Non-Current Liabilities			
Provisions	8	13,245	9,114
Other payables		<u>0</u>	<u>0</u>
Total Non-Current Liabilities		<u>13,245</u>	<u>9,114</u>
Total Liabilities		<u>129,973</u>	<u>180,471</u>
Net Assets		<u>7,672,988</u>	<u>7,732,454</u>
Members' Equity			
Retained Profits		<u>7,672,988</u>	<u>7,732,454</u>
Total Equity		<u>7,672,988</u>	<u>7,732,454</u>

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

SAPPHIRE COAST TURF CLUB INCORPORATED
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STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2020

	2020	2019
	\$	\$
Balance at Start of Year	7,732,454	7,376,491
Comprehensive Income/(Loss) for Year	(59,466)	355,963
Balance at End of Year	<u>7,672,988</u>	<u>7,732,454</u>

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

SAPPHIRE COAST TURF CLUB INCORPORATED
ABN 21 575 469 350

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDING 30 JUNE 2020

	2020	2019
	\$	\$
Receipts from meetings and T.A.B. (inc GST)	2,248,284	2,712,696
Payments to Suppliers and Employees (inc GST)	(2,311,221)	(2,487,068)
Interest Received	13,508	16,688
Grants and subsidies Received	119,418	837
Subscriptions	<u>11,600</u>	<u>11,500</u>
Net cash provided by operating activities 9(b)	81,589	254,653
 Cash Flow from Investing Activities		
Proceeds from sale of Plant and Equipment	0	430,887
Payments for Plant and Equipment and Buildings	<u>(135,817)</u>	<u>(142,054)</u>
Net cash used by Investing Activities	<u>(135,817)</u>	<u>288,833</u>
 Net increase (decrease) in cash held		
	(54,228)	543,486
Cash at the beginning of the year	<u>1,246,677</u>	<u>703,191</u>
Cash at the end of the year 9(a)	<u>1,192,449</u>	<u>1,246,677</u>

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

SAPPHIRE COAST TURF CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Significant Accounting Policies

General Information

The financial statements cover the Sapphire Coast Turf Club Incorporated as an individual entity, incorporated and domiciled in Australia. Sapphire Coast Turf Club Incorporated is a not for profit association incorporated under the Associations Incorporation Act (NSW) 2009.

The financial statements were authorised for issue on 23rd November 2020, by the members of the committee.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB), the Associations Incorporation Act (NSW) 2009 and the Associations Incorporation Regulation (NSW) 2016.

The Incorporated Association 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 association has adopted all of the new and revised standards and interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods. The adoption of these new standards and interpretations has not resulted in any changes to the association's accounting policies.

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

The Incorporated Association has no leases in place therefore the adoption of this Standard did not impact the Incorporated Association.

During the year the Incorporated Association adopted AASB 1058 Income of Not-for-Profit Entities

SAPPHIRE COAST TURF CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

As the vast majority of the Incorporated Association's Income comes in the form of a monthly payment from Racing NSW, the adoption of this Standard did not impact the Incorporated Association.

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted AASB 2019-4 and disclosed its compliance with the recognition and measurement requirements of Australian Accounting Standards and Interpretations.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 30 June 2020. The incorporated association 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 and membership 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 Committee believes it is exempt from income tax.

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

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.

SAPPHIRE COAST TURF CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 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
Buildings	2.5 – 7%
Plant & Equipment	7.5 – 25%

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 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

Sapphire Coast Turf Club Incorporated (SCTC) 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, SCTC 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 30 JUNE 2020

Note 1 Significant Accounting Policies (cont)

H. Impairment of Assets

At each reporting date, the association 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 Incorporated Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

SAPPHIRE COAST TURF CLUB INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Significant Accounting Policies (cont)

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 Incorporated Association '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 Incorporated Association assesses impairment at each reporting date by evaluating conditions specific to the Incorporated Association 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 Committee members believe that the full amount of the receivables is recoverable and no provision of impairment of receivables has been made at 30 June 2019.

J. Employee Benefits

Provision is made for the association'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 charged 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.

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

Note 1 Significant Accounting Policies (cont)

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 Incorporated Association 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. Economic Dependency

The Association is dependent on the ongoing support from Racing NSW to ensure its continuing viability.

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

Note 2. Revenue	2020	2019
	\$	\$
T.A.B. Distribution	1,672,152	1,772,508
Admissions	15,300	38,607
Bar Sales	60,399	114,932
Race Book Sales	3,471	5,536
Nominations & Acceptances	30,470	26,751
Sponsorships	231,000	213,905
General Racing Revenue	221,561	218,116
Other Income - Race Meeting	14,747	7,588
- Book makers incentive	7,696	10,504
	<u>2,256,796</u>	<u>2,408,447</u>
 Non-Operating Income		
Profit on sale of assets		
Subscriptions	11,600	11,500
Grants and Subsidies	119,418	838
Non Race day functions	864	1,476
Rent	0	6,566
Sundry	1,190	2,693
Interest Received	13,508	16,688
Total Non-Operating Income	<u>146,580</u>	<u>39,761</u>
Total Revenue and other income	<u>2,403,376</u>	<u>2,448,208</u>

Note 3. Cash and Cash Equivalents

CURRENT

Cash at Bank	<u>1,192,449</u>	<u>1,246,677</u>
	<u>1,192,449</u>	<u>1,246,677</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>1,192,449</u>	<u>1,246,677</u>
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Note 4. Trade and Other Receivables

CURRENT

RNSW	138,688	119,569
Trade and Other Debtors	<u>24,512</u>	<u>33,065</u>
	<u>163,200</u>	<u>152,634</u>

SAPPHIRE COAST TURF CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 5. Inventories	2020	2019
	\$	\$
CURRENT		
Bar Stocks – at Cost	4,374	10,015
	<u>4,374</u>	<u>10,015</u>
Note 6. Fixed assets		
Plant and equipment – At Cost	714,610	698,753
Less: Accumulated depreciation	<u>(471,741)</u>	<u>(413,051)</u>
	<u>242,869</u>	<u>285,702</u>
Solar Power unit – At Cost	62,781	62,781
Less: Accumulated depreciation	<u>(44,163)</u>	<u>(37,885)</u>
	<u>18,618</u>	<u>24,896</u>
Total plant and equipment	<u>261,487</u>	<u>310,598</u>
Land & Buildings – At Cost	3,966,058	3,846,098
Less: Accumulated depreciation	<u>(2,167,767)</u>	<u>(2,036,257)</u>
	<u>1,798,291</u>	<u>1,809,841</u>
Racecourse and Surround – at cost	<u>4,383,160</u>	<u>4,383,160</u>
Total Buildings	<u>6,181,451</u>	<u>6,193,001</u>
Total Fixed Assets	<u>6,442,938</u>	<u>6,503,599</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.

Plant and equipment		
Balance – Start of Year	310,598	248,934
Additions	15,857	119,538
Disposals	-	-
Depreciation	<u>(64,968)</u>	<u>(57,874)</u>
Carrying Amount – End of Year	<u>261,487</u>	<u>310,598</u>

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

(b) Impairment Losses

No impairment losses were incurred during the year.

	2020	2019
	\$	\$
Note 7. Trade and Other Payables		
CURRENT		
Unsecured liabilities		
Trade Payables and accruals	16,106	39,194
Advance payments	33,297	33,866
GST	20,847	66,466
Payroll and super liabilities	16,405	8,083
Leave provisions	<u>30,073</u>	<u>23,748</u>
	<u>116,728</u>	<u>171,357</u>
Note 8. Other Liabilities		
NON CURRENT		
Leave provisions	13,245	9,114
Other liabilities	<u>0</u>	<u>0</u>
	13,245	9,114

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
	\$	\$
Bendigo Cheque Account	128,113	48,857
Bendigo At Call	103,820	248,582
Bendigo – Debit Mastercard	2,267	4,232
Cash	200	200
Bendigo – Sub Division rentals	0	0
Bendigo Term Deposit 1	239,639	235,954
Bendigo Term Deposit 2	<u>718,410</u>	<u>708,852</u>
	<u>1,192,449</u>	<u>1,246,677</u>

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

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

	2020	2019
	\$	\$
Surplus/(Deficit) after Income Tax	(59,466)	355,963
Profit/Loss on sale of assets	(0)	(405,887)
Depreciation	196,478	177,833
Changes in Assets & Liabilities		
Decrease (Increase) in Receivables	(10,566)	46,904
Decrease (Increase) in Inventories	5,641	1,516
Decrease (Increase) in Other Assets	0	0
(Decrease) Increase in Creditors & Accruals	(60,954)	70,393
(Decrease) Increase in Provisions	10,456	7,931
Net Cash Provided by (Used in) Operating Activities	<u>81,589</u>	<u>254,653</u>

Note 10. Related Party Transactions

There were no transactions with related parties during the year.

Note 11. Subsequent Events

On 28/09/2020 the Incorporated Association registered a company called Sapphire Coast Turf Club Limited with the intention to begin to transition from an Incorporated Association and trade as a company limited by guarantee once all the necessary steps to facilitate this have been taken.

The Incorporated Association is currently undertaking an Irrigation project expected to cost in the region of \$750k, partly funded by Racing NSW and partly funded by CDRF and partly funded by the Club itself.

COVID 19 has had a significant impact on the Club during FY20 and continues to do so. The financial effect of these continuing disruptions to operations has so far not been significant to the Club. Due to the uncertainty of the effects of the ongoing COVID-19 virus disruptions however, the future financial viability of the Incorporated Association may be affected.

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

SAPPHIRE COAST TURF CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 12. Contingent Assets and Liabilities

The Incorporated Association is not aware of any contingent assets or liabilities that would potentially affect the Incorporated Association, other than as noted below:

There has been a ruling by the Federal Court regarding whether the Racing industry should be paying Super GS for jockeys. The Federal Court recently ruled in favour of the ATO and as such Racing Clubs have been issued with a liability statement. The liability of the Sapphire Coast Turf Club is \$ 48,965.47. RNSW has advised the Club that they are appealing the decision. If the appeal is lost then, subject to the direction of Racing NSW then the Club may need to make this payment.

Note 13. Financial Risk Management

a) Capital Risk Management

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

b)	Note	2020 \$	2019 \$
FINANCIAL ASSETS			
Cash at Bank	3	1,192,449	1,246,677
Trade and receivables	4	<u>163,200</u>	<u>152,634</u>
		<u>1,355,649</u>	<u>1,399,311</u>
FINANCIAL LIABILITIES			
Trade and Other Payables	7, 8	<u>129,973</u>	<u>180,471</u>
NET FINANCIAL ASSETS		<u>1,225,676</u>	<u>1,218,840</u>

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

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

c) Financial Risk Management Objectives

The Committee members manage the financial risks relating to the operations of the Incorporated Association. These risks include credit risk and liquidity risk. The Incorporated Association does not enter into or trade financial instruments.

d) Market Risk

The Incorporated Association'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 Incorporated Association's exposure to market risks.

e) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Committee Members. Liquidity risk arises from the possibility that the Incorporated Association might encounter difficulty in settling its debts or otherwise meeting its obligation in relation to financial liabilities.

The Incorporated Association 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.

SAPPHIRE COAST TURF CLUB INCORPORATED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 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	1,192,449		1,246,677
Trade and Receivables	4	163,200		163,200
Total anticipated inflows		1,355,649		1,355,649
Financial liabilities due for Payment:				
Trade Creditors	7	9,549		9,549
Current Tax Liabilities	7	32,942		32,942
Non-Current Liabilities				
Other Liabilities	8	74,237	13,245	87,482
Total expected outflows		116,728	13,245	129,973
Net (outflow/inflow) on financial instruments		1,238,921	(13,245)	1,225,676

2019	Note	Less than 1 year	Over 1 Year	Total Contractual Cash Flows
Financial Assets -				
Cash Flows Realisable:				
Cash at Bank	3	1,246,677		1,246,677
Trade and Receivables	4	152,634		152,634
Total anticipated inflows		1,399,311		1,399,311
Financial liabilities due for Payment:				
Trade Creditors	7	36,720		36,720
Current Tax Liabilities	7	72,887		72,887
Non-Current Liabilities				
Other Liabilities	8	61,750	9,114	70,864
Total expected outflows		171,357	9,114	180,471
Net (outflow/inflow) on financial instruments		1,227,954	(9,114)	1,218,840

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 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 Incorporated Association. To the extent the Incorporated Association 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 Incorporated Association to credit risk solely, consist of trade and other receivables. The Incorporated Association 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 Incorporated Association's maximum exposure to credit risk, without taking account of the value of any collateral obtained. The Incorporated Association 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 Committee members and other members of key management personnel of the Incorporated Association is \$0 (2019:\$0).

Note 15. Auditor Remuneration

	2020	2019
	\$	\$
Auditing Services	3,960	4,030

Note 16. Commitments

The Incorporated Association had no commitments as at 30 June 2020 (2019 - nil).

INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF
THE SAPPHIRE COAST TURF CLUB INCORPORATED
ABN 21 575 469 350

Opinion

We have audited the financial report of the Sapphire Coast Turf Club Incorporated, 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 Committee members' declaration.

In our opinion, the financial report of the Sapphire Coast Turf Club Incorporated has been prepared in accordance with the requirements of the Associations Incorporation Act 2009 (NSW) and in the Incorporations Regulation (NSW) 2016, including:

- a) giving a true and fair view of the association's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Requirements

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 Sapphire Coast Turf Club Incorporated in accordance with 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Committee's Responsibility for the Financial Report

The Committee of the Sapphire Coast Turf Club Incorporated are responsible for the preparation of the financial report in accordance with the Australian Accounting Standards – Reduced Disclosure Requirements. The Committee's responsibility also includes such internal control as the Committee determines is necessary to enable the preparation of a 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 Committee is responsible for assessing the Sapphire Coast Turf Club Incorporated's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Committee either intend to liquidate the Sapphire Coast Turf Club Incorporated or to cease operations, or have no realistic alternative but to do so. The Committee are responsible for overseeing the Sapphire Coast Turf Club Incorporated's financial reporting process.

INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF
THE SAPPHIRE COAST TURF CLUB INCORPORATED
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Auditor's Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. As part of an audit in accordance with 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 South Coast Turf Club Incorporated's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of Committee's 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 Sapphire Coast Turf Club Incorporated'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 Sapphire Coast Turf Club Incorporated 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
THE SAPPHIRE COAST TURF CLUB INCORPORATED
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We communicate with the Committee 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.



Colin Salt
Tanner Salt & Associates
Pambula

23rd November 2020