

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**FINANCIAL REPORT**

**For the year ended 30<sup>th</sup> June 2021**

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**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**DIRECTORS' DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2021**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

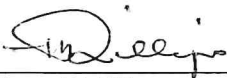
On behalf of the directors



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Robyn Bain  
Director

13 December 2021  
Merimbula



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Vince Phillips  
Director

13 December 2021  
Merimbula

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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

Robyn Bain  
Mike Walcott  
Vince Phillips  
Adam Spitzer  
Robert Bain  
Rodney Apps  
Peter Joseph  
Kerry McKee  
Nathan O'Donnell  
Graeme Payten

During the financial year 6 meetings were held, attendances were:

<b><u>Meetings of Directors</u></b>	<b><u>Number eligible to attend</u></b>	<b><u>Apologies Recorded</u></b>	<b><u>Number Attended</u></b>
Robyn Bain	6	0	6
Mike Walcott	6	1	5
Vince Phillips	6	0	6
Adam Spitzer	6	1	5
Robert Bain	6	0	6
Rodney Apps	6	6	0
Peter Joseph	6	2	4
Kerry McKee	6	3	3
Nathan O'Donnell	6	2	4
Graeme Payten	6	2	4

**SAPPHIRE COAST TURF CLUB LTD**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Objectives and Principal Activities**

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

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

**Review and Results of Operations**

The Board of Directors are satisfied with the results from activities for the year which amounted to a net profit of \$244,485 compared with net loss of \$59,466 for the prior year.

The operations of the Sapphire Coast Turf Club Ltd were impacted by (and continue to be impacted by) the COVID 19 Pandemic.

**Strategy for achieving the objectives**

The Board and management of the Club operate the Sapphire Coast Turf Club Ltd with a focus on operating a safe and enjoyable horse racing facility. In addition to operating and maintaining the race course and surrounds, funds are allocated to the capital improvement of the site.

**Performance measures**

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

**Information on directors**

Name: Robyn Bain

Title: Non-Executive Director and Chairperson

Experience and expertise: Robyn has been the President for the past 12 years, has a keen interest in horse racing and a background in Government.

Special Responsibilities: President, Finance Committee

Name: Vince Phillips

Title: Non-Executive Director

Experience and expertise: Vince has been the Treasurer for the past 7 years, was formally an accountant and a keen interest in horse racing.

Special Responsibilities: Treasurer and Member of the Finance Committee, Member of the Alcohol Committee



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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Name: Vince Phillips  
Title: Non-Executive Director  
Experience and expertise: Vince has been the Treasurer for the past 7 years, was formally an accountant and a keen interest in horse racing.  
Special Responsibilities: Treasurer and Member of the Finance Committee, Member of the Alcohol Committee

Name: Mike Walcott  
Title: Non-Executive Director and Vice Chairperson  
Experience and expertise: Mike is a keen racing person, was formally involved in the oil and extractive industries as well as farming.  
Special Responsibilities: Member of the Finance Committee and Member of the Gardening Committee

Name: Adam Spitzer  
Title: Non-Executive Director  
Experience and expertise: Adam was previously a horse trainer in the Sydney region with extensive knowledge of the horse racing industry.  
Special responsibilities: SERA Representative

Name: Robert Bain  
Title: Non-Executive Director  
Experience and expertise: Robert has been on the Committee for the past 11 years and was formally a economist for the Federal Government and medical industry.  
Special responsibilities: Member of the Finance Committee, Member of the Gardening Committee

Name: Graeme Payten  
Title: Non-Executive Director  
Experience and expertise: Graham was formally on the Bombala Jockey Club Committee for 12 years before joining SCTC. He was a hotelier for many years within the region  
Special responsibilities: Member of the Alcohol Committee

Name: Kerry McKee  
Title: Non-Executive Director  
Experience and expertise: Kerry is a keen race goer, active member of many community groups within the Bega Valley and has a background in the medical industry

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Name: Nathan O'Donnell  
Title: Non-Executive Director  
Experience and expertise: Nathan has a background in small business focusing on the hospitality industry and is a keen race goer.

Name: Peter Joseph  
Title: Non-Executive Director  
Experience and expertise: Peter has family ties within the racing industry over many years and is an active farmer.

Name: Rodney Apps  
Title: Non-Executive Director  
Experience and expertise: Rodney has a background in the dairy industry, has been on the Committee for 12 years and is a keen race industry participant.

**Membership**

The company is Ltd by guarantee and without share capital.  
The number of members as at 30 June, 2021 and the comparison with last year is as follows:

	<u>2021</u>	<u>2020</u>
Number of Members	359	340

**Contributions on winding up**

The liability of a Member of the Company to contribute towards the payment of the debts and liabilities of the Company or the costs, charges and expenses of the winding up of the Company is Ltd to the amount, if any, unpaid by the Member in respect of their membership of the Company.

**State of Affairs**

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

**Environmental Issues**

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

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Likely Developments**

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

**Events Subsequent to Reporting Date**

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

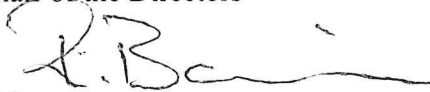
In September 2021 the Sapphire Coast Turf Club Ltd sold the industrial land that it owns located to the east of the race track to a private developer. The funds from this sale will be invested by the Club and used for the improvement of the race course and its surrounds.

**Auditor's Independence Declaration**

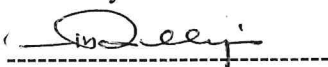
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5.

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

On behalf of the Directors

  
Director \_\_\_\_\_  
Robyn Bain

Dated this 13th Day of December 2021

  
Director \_\_\_\_\_  
Vince Phillips

Dated this 13th Day of December 2021

### **AUDITOR'S INDEPENDENCE DECLARATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there has been:

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

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Elizabeth Royds  
Registered Company Auditor 389386  
13<sup>th</sup> December

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	<u>Note</u>	<u>2021</u> \$	<u>2020</u> \$
<b>Revenue</b>	<b>2</b>	<b>2,911,118</b>	<b>2,403,376</b>
<u>Cost of Sales</u>			
Race day		(38,918)	(31,346)
Non Race day		(0)	(0)
Non Trading		(1,050)	(0)
Total Cost of Sales		(39,968)	(31,346)
<u>Race Meeting Expenditure</u>			
Returns to owners		(1,812,859)	(1,661,185)
General		(104,792)	(86,368)
Marketing		(57,283)	(48,830)
Other		(14,775)	(2,765)
Total Race Meeting Expenditure		(1,989,709)	(1,799,148)
<u>General Costs</u>			
Racecourse/Facilities		(384,086)	(384,130)
Administration		(220,347)	(217,073)
Marketing		(32,523)	(31,145)
Non Race day		(0)	(0)
Total General Costs		(636,956)	(632,348)
<b>Surplus/(Deficit) before income tax</b>		<b>244,485</b>	<b>(59,466)</b>
Income tax expense		0	0
<b>Surplus/(Deficit) after income tax</b>		<b>244,485</b>	<b>(59,466)</b>
Other comprehensive income for the year (net of tax)		0	0
<b>Total comprehensive income for the year</b>		<b>244,485</b>	<b>(59,466)</b>

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

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	NOTE	2021	2020
		\$	\$
<b>Current Assets</b>			
Cash and Term Deposits	3	1,249,080	1,192,449
Receivables	4	400,083	163,200
Inventories	5	4,535	4,374
Accrued expenses		<u>0</u>	<u>0</u>
<b>Total Current Assets</b>		<b><u>1,653,698</u></b>	<b><u>1,360,023</u></b>
<b>Non-Current Assets</b>			
Fixed Assets	6	<u>6,630,552</u>	<u>6,442,938</u>
<b>Total Non Current Assets</b>		<b><u>6,630,552</u></b>	<b><u>6,442,938</u></b>
<b>Total Assets</b>		<b><u>8,284,250</u></b>	<b><u>7,802,961</u></b>
<b>Current Liabilities</b>			
Trade and Other Payables	7	329,604	86,655
Provisions		<u>23,300</u>	<u>30,073</u>
<b>Total Current Liabilities</b>		<b><u>352,904</u></b>	<b><u>116,728</u></b>
<b>Non-Current Liabilities</b>			
Provisions	8	13,873	13,245
Other payables		<u>0</u>	<u>0</u>
<b>Total Non-Current Liabilities</b>		<b><u>13,873</u></b>	<b><u>13,245</u></b>
<b>Total Liabilities</b>		<b><u>366,777</u></b>	<b><u>129,973</u></b>
<b>Net Assets</b>		<b><u>7,917,473</u></b>	<b><u>7,672,988</u></b>
<b>Equity</b>			
Retained Profits		<u>7,917,473</u>	<u>7,672,988</u>
<b>Total Equity</b>		<b><u>7,917,473</u></b>	<b><u>7,672,988</u></b>

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

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**STATEMENT OF CHANGES IN EQUITY**  
**AS AT 30 JUNE 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Balance at Start of Year	7,672,988	7,732,454
Comprehensive Income/(Loss) for Year	244,485	(59,466)
Balance at End of Year	<u>7,917,473</u>	<u>7,672,988</u>

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

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDING 30 JUNE 2021**

	<b>2021</b>	<b>2020</b>
	\$	\$
<b>Cash Flow from Operating Activities</b>		
Receipts from meetings and T.A.B. (inc GST)	2,318,265	2,248,284
Payments to Suppliers and Employees (inc GST)	(2,233,226)	(2,311,221)
Interest Received	10,911	13,508
Grants and subsidies Received	343,364	119,418
Subscriptions	<u>1,695</u>	<u>11,600</u>
Net cash provided by operating activities <b>9(b)</b>	441,009	81,589
<b>Cash Flow from Investing Activities</b>		
Proceeds from sale of Plant and Equipment	-	-
Payments for Plant and Equipment and Buildings	<u>(384,378)</u>	<u>(135,817)</u>
Net cash used by Investing Activities	<u>(384,378)</u>	<u>(135,817)</u>
<b>Net increase (decrease) in cash held</b>	56,631	(54,228)
Cash at the beginning of the year	<u>1,192,449</u>	<u>1,246,677</u>
Cash at the end of the year <b>9(a)</b>	<u>1,249,080</u>	<u>1,192,449</u>

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



**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Note 1 Significant Accounting Policies**

**General Information**

The financial statements cover the Sapphire Coast Turf Club Ltd as an individual entity, domiciled in Australia. Sapphire Coast Turf Club Ltd is a not-for-profit unlisted public company, Limited by guarantee. The financial statements are presented in Australian dollars, which is Sapphire Coast Turf Club Ltd functional and presentation currency.

The financial statements were authorised for issue on 13th December 2021, by the directors of the company.

**Change in structure – from Incorporated Association to Company Ltd by guarantee**

On the 28<sup>th</sup> of September 2020, Sapphire Coast Turf Club Incorporated registered with ASIC as a public company Ltd by guarantee. The ACN of the company is 642 528 283. There has been no changes to the trading or nature of the operations of the entity as a result of this change in structure. For accounting purposes this has been treated as a restructure, and both the current and comparative periods have been presented as a continuation of previous accounting.

**Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (including Australian Accounting Interpretations), and the Corporations Act 2001. The company is a not for profit entity for the financial reporting purposes under Australian Accounting Standards

Material accounting policies adopted in the preparation of these financial statements are presented below and have consistently applied unless stated otherwise. The financial statements have been prepared on an accruals basis under the historical cost convention.

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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

**New or amended Accounting Standards and Interpretations adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the annual reporting period ended 30 June 2022. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**A. Revenue**

The main revenue stream of the Company is the Scheme of Distribution and other payments received from Racing New South Wales. These are recognised in the period that they relate to as per the statements received from Racing New South Wales.

Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met.

Race day revenue is recognised on receipt.

Other income is recognised on an accruals basis when the Company is entitled to it.

**B. Income Tax**

Under the provisions of the Income Tax Assessment Act, 1997, the Club is considered a non-profit organisation established to promote and carry on the sport of horse racing. Accordingly, the Directors believe that 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 LTD**  
**ABN 21 575 469 350**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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

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

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

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

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

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

**E. Plant and Equipment**

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

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

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

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Buildings	2.5 – 7%
Plant & Equipment	7.5 – 25%

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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 Ltd (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.

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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

**H. Impairment of Assets**

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

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

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**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 Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

*Key Estimates – Impairment*

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

*Key Judgements – Provision for Impairment of Receivables*

The Directors believe that the full amount of the receivables is recoverable and no provision of impairment of receivables has been made at 30 June 2021.

**J. Employee Benefits**

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

Contributions are made by the economic entity to an employee Superannuation fund and are 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.

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

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

**N. Trade and Other Receivables**

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

**O. Economic Dependency**

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

There has been no significant impact on the Company's financial performance due to the COVID19 pandemic. As the Company is supported by Racing NSW, the COVID-19 pandemic is not expected to have a material impact on the Company's future performance.

**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	2021	2020
	\$	\$
<b>Note 2. Revenue</b>		
T.A.B. Distribution	1,858,575	1,672,152
Admissions	26,538	15,300
Bar Sales	106,027	60,399
Race Book Sales	4,635	3,471
Nominations & Acceptances	36,154	30,470
Sponsorships	257,651	231,000
General Racing Revenue	233,323	221,561
Other Income - Race Meeting	12,411	14,747
- Book makers incentive	9,388	7,696
	<b><u>2,544,702</u></b>	<b><u>2,256,796</u></b>
 <b>Non-Operating Income</b>		
Subscriptions	1,695	11,600
Grants and Subsidies	343,364	119,418
Non Race day functions	8,147	864
Rent	0	0
Sundry	2,299	1,190
Interest Received	<u>10,911</u>	<u>13,508</u>
Total Non-Operating Income	<b><u>366,416</u></b>	<b><u>146,580</u></b>
<b>Total Revenue and other income</b>	<b><u>2,911,118</u></b>	<b><u>2,403,376</u></b>
 <b>Note 3. Cash and Cash Equivalents</b>		
CURRENT		
Cash at Bank	<u>1,249,080</u>	<u>1,192,449</u>
	<b><u>1,249,080</u></b>	<b><u>1,192,449</u></b>
<b>Reconciliation of cash</b>		
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>1,249,080</u>	<u>1,192,449</u>
 <b>Note 4. Trade and Other Receivables</b>		
CURRENT		
RNSW	391,515	138,688
Trade and Other Debtors	<u>8,568</u>	<u>24,512</u>
	<b><u>400,083</u></b>	<b><u>163,200</u></b>



**SAPPHIRE COAST TURF CLUB LTD**  
**ABN 21 575 469 350**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

<b>Note 5. Inventories</b>	<b>2021</b>	<b>2020</b>
	\$	\$
<b>CURRENT</b>		
Bar Stocks – at Cost	<u>4,535</u>	<u>4,374</u>
	<b><u>4,535</u></b>	<b><u>4,374</u></b>
<b>Note 6. Fixed assets</b>		
Plant and equipment – At Cost	752,809	714,610
Less: Accumulated depreciation	<u>(533,074)</u>	<u>(471,741)</u>
	<u>219,735</u>	<u>242,869</u>
Solar Power unit – At Cost	73,948	62,781
Less: Accumulated depreciation	<u>(50,150)</u>	<u>(44,163)</u>
	<u>23,798</u>	<u>18,618</u>
<b>Total plant and equipment</b>	<b><u>243,533</u></b>	<b><u>261,487</u></b>
Land & Buildings – At Cost	4,301,070	3,966,058
Less: Accumulated depreciation	<u>(2,297,211)</u>	<u>(2,167,767)</u>
	<u>2,003,859</u>	<u>1,798,291</u>
Racecourse and Surround – at cost	<u>4,383,160</u>	<u>4,383,160</u>
<b>Total Buildings</b>	<b><u>6,387,019</u></b>	<b><u>6,181,451</u></b>
<b>Total Fixed Assets</b>	<b><u>6,630,552</u></b>	<b><u>6,442,938</u></b>

**(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.

<b>Plant and equipment</b>		
Balance – Start of Year	261,487	248,934
Additions	49,366	119,538
Disposals	-	-
Depreciation	<u>(67,320)</u>	<u>(57,874)</u>
Carrying Amount – End of Year	<b><u>243,533</u></b>	<b><u>310,598</u></b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**(b) Impairment Losses**

No impairment losses were incurred during the year.

	2021	2020
	\$	\$
<b>Note 7. Trade and Other Payables</b>		
<b>CURRENT</b>		
<b>Unsecured liabilities</b>		
Trade Payables and accruals	251,249	16,106
Advance payments	36,604	33,297
GST	34,313	20,847
Payroll and super liabilities	7,438	16,405
Leave provisions	<u>23,300</u>	<u>30,073</u>
	<b><u>352,904</u></b>	<b><u>116,728</u></b>
<b>Note 8. Other Liabilities</b>		
<b>NON CURRENT</b>		
Leave provisions	13,873	13,245
Other liabilities	<u>0</u>	<u>0</u>
	<b><u>13,873</u></b>	<b><u>13,245</u></b>

**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:-

	2021	2020
	\$	\$
Bendigo Cheque Account	71,423	128,113
Bendigo At Call	203,949	103,820
Bendigo – Debit Mastercard	4,210	2,267
Cash	680	200
Bendigo Term Deposit 1	240,091	239,639
Bendigo Term Deposit 2	<u>728,727</u>	<u>718,410</u>
	<b><u>1,249,080</u></b>	<b><u>1,192,449</u></b>

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

	2021	2020
	\$	\$
Surplus/(Deficit) after Income Tax	244,485	(59,466)
Profit/Loss on sale of assets	(0)	(0)
Depreciation	196,764	196,478
Changes in Assets & Liabilities		
Decrease (Increase) in Receivables	(236,883)	(10,566)
Decrease (Increase) in Inventories	(160)	5,641
Decrease (Increase) in Other Assets	0	0
(Decrease) Increase in Creditors & Accruals	242,947	(60,954)
(Decrease) Increase in Provisions	<u>(6,144)</u>	<u>10,456</u>
Net Cash Provided by (Used in) Operating Activities	<u>441,009</u>	<u>81,589</u>

**Note 10. Related Party Transactions**

There were no transactions with related parties during the year.

**Note 11. Subsequent Events**

In September 2021 the Sapphire Coast Turf Club Ltd sold the industrial land that it owns located to the east of the race track to a private developer. The funds from this sale will be invested by the Club and used for the improvement of the race course and its surrounds.

The Company is currently undertaking an Irrigation project expected to cost in the region of \$700k, 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 operations Club during FY21 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 Pandemic disruptions however, the future financial viability of the Company 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 Company or the results of those operations in subsequent financial years.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 12. Contingent Assets and Liabilities**

The Company is not aware of any contingent assets or liabilities that would potentially affect the Company, 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 ruled in favour of the Tax Office and as such Racing Clubs have been issued with a liability statement. RNSW has advised the Club that they are appealing the decision and that if the appeal is lost then they will make payment on behalf of the Club.

**Note 13. Financial Risk Management**

a) Capital Risk Management

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

b)	Note	2021 \$	2020 \$
FINANCIAL ASSETS			
Cash at Bank	3	1,249,080	1,192,449
Trade and receivables	4	<u>400,083</u>	<u>163,200</u>
		<u>1,649,163</u>	<u>1,355,649</u>
FINANCIAL LIABILITIES			
Trade and Other Payables	7, 8	<u>366,777</u>	<u>129,973</u>
NET FINANCIAL ASSETS		<u>1,282,386</u>	<u>1,225,676</u>

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

c) Financial Risk Management Objectives

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

d) Market Risk

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

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

e) Liquidity Risk

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

The Company manages this risk through the following mechanisms:

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

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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.

2021	Note	Less than 1 year	Over 1 Year	Total Contractual Cash Flows
Financial Assets -				
Cash Flows Realisable:				
Cash at Bank	3	1,249,080		1,249,080
Trade and Receivables	4	400,083		400,083
Total anticipated inflows		1,649,163		1,649,163
Financial liabilities due for Payment:				
Trade Creditors	7	215,972		215,972
Current Tax Liabilities	7	41,751		32,942
Non-Current Liabilities				
Other Liabilities	8	95,181	13,873	109,054
Total expected outflows		352,904	13,873	366,777
Net (outflow/inflow) on financial instruments		1,296,259	(13,873)	1,282,386

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

f) Fair Value

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

g) Credit Risk

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

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

h) Fair value of financial instruments

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

**Note 14. Key Management Personnel**

The aggregate compensation made to Directors and other members of key management personnel of the Company is \$0 (2020:\$0).

**Note 15. Auditor Remuneration**

	2021	2020
	\$	\$
Auditing Services	4,160	3,960

**Note 16. Commitments**

The Company had commitments as at 30 June 2021 of \$45,646.84 in relation to the irrigation upgrade (2020 - nil).

**INDEPENDENT AUDITORS' REPORT TO**  
**THE MEMBERS OF**  
**THE SAPPHIRE COAST TURF CLUB LTD**

**Opinion**

We have audited the financial report of the Sapphire Coast Turf Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration. In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year ended; and
- complying with Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Regulations 2001.

**Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

**Responsibilities of Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Directors are responsible for overseeing the Company's financial reporting process.



**INDEPENDENT AUDITORS' REPORT TO**  
**THE MEMBERS OF**  
**THE SAPPHIRE COAST TURF CLUB LTD (CONT'D)**

**Auditor's Responsibilities 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 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 Ltd's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sapphire Coast Turf Club Ltd'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 Ltd 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 LTD (CONT'D)**

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

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Elizabeth Royds  
Registered Company Auditor 389386  
13<sup>th</sup> December 2021