

Sapphire Coast Turf Club Ltd

ACN: 642 528 283

Financial Statements

For the Year Ended 30 June 2022

Sapphire Coast Turf Club Ltd

ACN: 642 528 283

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For the Year Ended 30 June 2022

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Sapphire Coast Turf Club Ltd

ACN: 642 528 283

Directors' Report 30 June 2022

The directors present their report on Sapphire Coast Turf Club Ltd for the financial year ended 30 June 2022.

Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Robyn BAIN

Title Non-Executive Director and Chairperson
Experience and expertise Robyn has been the President for the past 13 years, has a keen interest in horse racing and a background in Government.
Special responsibilities President, Member of the Finance Committee

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

Vince PHILLIPS

Title Non-Executive Director
Experience and expertise Vince has been the Treasurer for the past 8 years, was formally an accountant and has a keen interest in horse racing.
Special responsibilities Treasurer and Member of the Finance Committee, Member of the Alcohol Committee

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

Robert BAIN

Title Non-Executive Director
Experience and expertise Robert has been on the Committee/Board for the past twelve years and was formally an economist for the Federal Government and medical industry.
Special responsibilities Member of the Finance Committee, Member of the Gardening Committee

Rodney APPS

Title Non-Executive Director
Experience and expertise Rodney has a background in the dairy industry, has been on the Committee/Board for 13 years and is a keen race industry participant.

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.

Sapphire Coast Turf Club Ltd

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Directors' Report

30 June 2022

Information on directors

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.

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.

Graeme PAYTEN

Title

Non-Executive Director

Experience and expertise

Graham was formerly 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

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Principal activities and objective

The principal activities and objective of Sapphire Coast Turf Club Ltd during the financial year was to promote and carry on the sport of horse racing.

No significant changes in the nature of the Company's activities occurred during the financial year.

Strategy for achieving the objectives

The Board and management of the Club operate the Sapphire Coast Turf Club with a focus on operating a safe and enjoyable horse racing facility. In addition to operating and maintaining the race course 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, attendances, bar takings and Scheme of Distribution figures are the prime measures of performance.

Members' guarantee

Sapphire Coast Turf Club Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to unpaid membership fees subject to the provisions of the company's constitution. At 30 June 2022 the number of members was 320 (2021: 359).

Sapphire Coast Turf Club Ltd

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Directors' Report

30 June 2022

Meetings of directors


During the financial year, 10 meetings of directors were held. Attendances by each director during the year were as follows:

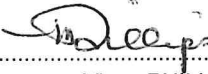
	Directors' Meetings	
	Number eligible to attend	Number attended
Robyn BAIN	10	10
Mike WALCOTT	10	10
Vince PHILLIPS	10	8
Adam SPITZER	10	9
Robert BAIN	10	8
Rodney APPS	10	3
Peter JOSEPH	10	5
Kerry MCKEE	10	5
Nathan O'DONNELL	10	4
Graeme PAYTEN	10	8

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2022 has been received and can be found on page 5 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
Robyn BAIN

Director: 
Vince PHILLIPS

Dated:



Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Sapphire Coast Turf Club Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have 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 code of professional conduct in relation to the audit.

KOTHES
Chartered Accountants

A handwritten signature in black ink, appearing to read 'S. Byrne', is written over a horizontal line.

SIMON BYRNE
Partner
Registered Company Auditor (#153624)
6 December 2022

Sapphire Coast Turf Club Ltd

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue	4	3,088,711	2,898,207
Finance income - interest income		4,442	10,911
Other income - surplus on disposal of fixed assets		292,692	2,000
<u>Cost of sales</u>			
Race day		(54,176)	(38,918)
Non trading		(550)	(1,050)
Total cost of sales		(54,726)	(39,968)
<u>Race meeting expenditure</u>			
Returns to owners		(1,895,705)	(1,812,859)
General		(106,380)	(104,792)
Marketing		(63,628)	(57,283)
Other		(20,850)	(14,775)
Total race meeting expenditure		(2,086,563)	(1,989,709)
<u>General costs</u>			
Racecourse/Facilities		(484,303)	(384,086)
Administration		(268,100)	(220,347)
Marketing		(33,271)	(32,523)
Total general costs		(785,674)	(636,956)
Surplus before income tax		458,882	244,485
Income tax expense	2(b)	-	-
Surplus from continuing operations		458,882	244,485
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		458,882	244,485

The accompanying notes form part of these financial statements.

Sapphire Coast Turf Club Ltd

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Statement of Financial Position

As At 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,312,727	1,249,080
Trade and other receivables	7	194,219	400,083
Inventories - bar stocks at cost		5,891	4,535
TOTAL CURRENT ASSETS		1,512,837	1,653,698
NON-CURRENT ASSETS			
Property, plant and equipment	8	7,056,949	6,630,552
TOTAL NON-CURRENT ASSETS		7,056,949	6,630,552
TOTAL ASSETS		8,569,786	8,284,250
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	106,667	293,000
Employee benefits	10	60,499	37,173
Income in advance		26,265	36,604
TOTAL CURRENT LIABILITIES		193,431	366,777
TOTAL LIABILITIES		193,431	366,777
NET ASSETS		8,376,355	7,917,473
EQUITY			
Retained earnings		8,376,355	7,917,473
TOTAL EQUITY		8,376,355	7,917,473

The accompanying notes form part of these financial statements.

Sapphire Coast Turf Club Ltd

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Statement of Changes in Equity For the Year Ended 30 June 2022

2022

	Retained Earnings
	\$
Balance at 1 July 2021	<u>7,917,473</u>
Result for the year	<u>458,882</u>
Balance at 30 June 2022	<u><u>8,376,355</u></u>

2021

	Retained Earnings
	\$
Balance at 1 July 2020	<u>7,672,988</u>
Result for the year	<u>244,485</u>
Balance at 30 June 2021	<u><u>7,917,473</u></u>

The accompanying notes form part of these financial statements.

Sapphire Coast Turf Club Ltd

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Statement of Cash Flows For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	3,251,594	2,319,960
Payments to suppliers and employees	(3,161,584)	(2,233,226)
Interest received	4,442	10,911
Receipt from grants and subsidies	332,537	343,364
Net cash provided by/(used in) operating activities	15(b) <u>426,989</u>	<u>441,009</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of plant and equipment	438,662	-
Purchase of property, plant and equipment	(802,004)	(384,378)
Net cash provided by/(used in) investing activities	<u>(363,342)</u>	<u>(384,378)</u>
Net increase/(decrease) in cash and cash equivalents held	63,647	56,631
Cash and cash equivalents at beginning of year	1,249,080	1,192,449
Cash and cash equivalents at end of financial year	15(a) <u>1,312,727</u>	<u>1,249,080</u>

The accompanying notes form part of these financial statements.

Sapphire Coast Turf Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial report covers Sapphire Coast Turf Club Ltd as an individual entity. Sapphire Coast Turf Club Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia. The company was incorporated on 28 September 2020 (# 642 528 283). The Company was formerly an Incorporated Association (#Y2106502) which was incorporated on 17 January 1955. It is registered with the Australian Business Register (Australian Business Number 21 575 469 350) and is registered for Goods & Services Tax purposes. The registered office and principal place of business of the company is 1659 Sapphire Coast Drive, Kalaru, NSW, 2550.

The functional and presentation currency of Sapphire Coast Turf Club Ltd is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Sapphire Coast Turf Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Racing New South Wales (NSW) Income

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

Race Day Revenue

Race day revenue is recognised upon receipt.

Membership and Sponsorship income

Membership income is received in advance for the period of membership paid for. Sponsorship income can be received in advance for varying periods. A liability is booked for membership and sponsorship income received in advance with the income spread over the period paid for.

Grant Revenue

Grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Amounts arising from grants in the scope of AASB 1058 are recognised at the assets fair value when the asset is received. The company considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard. Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

Other income

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

(b) Income Tax

The Company is a Not-for-Profit Entity with a main objective the promotion and providing facilities for the sport of horse racing at the Sapphire Coast Turf Club. The Board has reviewed its income tax status and have assessed the Company to be exempt from income tax under section 50-45 of the Income Tax Assessment Act, 1997 (Cth). Consequently, no provision for taxation has been made in the financial statements.

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of GST. Cash flows in the statement of cash flows are included on a gross basis and 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.

Sapphire Coast Turf Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(d) Volunteer services

No amounts are included in the financial statements for services donated by volunteers.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value.

(f) 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.

Items of property, plant and equipment acquired for significantly less than fair value have been recorded at the acquisition date fair value.

Land and buildings

Land and buildings are measured using the cost model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5 - 10%
Plant and Equipment	7.5 - 33%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial instruments

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Sapphire Coast Turf Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Financial instruments

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.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held).

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Financial instruments

Financial assets

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default. The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance. Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method. The financial liabilities of the Company comprise of trade payables.

(h) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(i) Employee benefits

Provision is made for the Company's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Sapphire Coast Turf Club Ltd

ACN: 642 528 283

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(j) Economic dependence

Sapphire Coast Turf Club Ltd is dependent on support from Racing NSW for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the Racing NSW will not continue to support Sapphire Coast Turf Club Ltd.

There has been no significant impact on the Company's financial performance due to the COVID-19 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.

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

4 Revenue and Other Income

Revenue from continuing operations

	2022	2021
	\$	\$
Revenue from contracts with customers (AASB 15)		
- TAB Distribution	1,961,557	1,858,575
- Admissions	28,600	26,538
- Bar sales	138,877	106,027
- Race book sales	8,621	4,635
- Nominations & Acceptances	34,656	36,154
- Sponsorships	270,114	257,651
- General racing revenue	271,984	233,323
- Other income - Race meeting	12,450	12,411
- Other income - Bookmakers incentive	9,497	9,388
- Member subscriptions	15,213	1,695
- Grants and subsidies	332,537	343,364
- Non-race day functions	4,308	8,147
- Other income	297	299
Total Revenue	3,088,711	2,898,207

Sapphire Coast Turf Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

5 Result for the Year

The result for the year includes the following specific expenses:

	2022	2021
	\$	\$
Employee benefit expenses	331,080	313,238
Depreciation expenses	229,637	196,764

6 Cash and Cash Equivalents

Cash at bank and in hand	<u>1,312,727</u>	<u>1,249,080</u>
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7 Trade and Other Receivables

CURRENT		
Trade and other receivables	4,801	8,568
RNSW	<u>189,418</u>	<u>391,515</u>
Total current trade and other receivables	<u>194,219</u>	<u>400,083</u>

8 Property, plant and equipment

LAND AND BUILDINGS

Freehold land		
At cost	<u>244,806</u>	<u>244,806</u>
Buildings and Racecourse & Surrounds		
Buildings at cost	4,652,810	4,056,264
Racecourse & Surrounds at cost	4,386,560	4,383,160
Accumulated depreciation	<u>(2,459,973)</u>	<u>(2,297,211)</u>
Total buildings and racecourse & surrounds	<u>6,579,397</u>	<u>6,142,213</u>
Total land, buildings and racecourse surrounds	<u>6,824,203</u>	<u>6,387,019</u>

PLANT AND EQUIPMENT

Plant and equipment		
At cost	797,730	752,809
Accumulated depreciation	<u>(590,994)</u>	<u>(533,074)</u>
Total plant and equipment	<u>206,736</u>	<u>219,735</u>
Solar power unit		
At cost	85,115	73,948
Accumulated depreciation	<u>(59,105)</u>	<u>(50,150)</u>
Total solar power unit	<u>26,010</u>	<u>23,798</u>
Total plant and equipment	<u>232,746</u>	<u>243,533</u>
Total property, plant and equipment	<u>7,056,949</u>	<u>6,630,552</u>

Sapphire Coast Turf Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2022

8 Property, plant and equipment

(a) 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:

	Land, Buildings and Racecourse Surrounds \$	Plant and Equipment \$	Total \$
Year ended 30 June 2022			
Balance at the beginning of year	6,387,019	243,533	6,630,552
Additions	745,916	56,088	802,004
Disposals	(145,970)	-	(145,970)
Depreciation expense	(162,762)	(66,875)	(229,637)
Balance at the end of the year	6,824,203	232,746	7,056,949

(b) Buildings and Improvements

Buildings and improvements were valued for insurance purposes on 29 March 2022 by an independent valuer. This value far exceeded the book value that is carried in the financial statements.

9 Trade and Other Payables

	2022 \$	2021 \$
CURRENT		
Trade payables	4,077	220,063
GST payable	49,019	34,313
Sundry payables and accrued expenses	39,887	31,186
Payroll and super liabilities	13,684	7,438
	106,667	293,000

10 Employee Benefits

Current liabilities		
Provision for long service leave	23,434	13,873
Provision for annual leave	19,315	11,437
Provision for personal leave	17,750	11,863
	60,499	37,173

Sapphire Coast Turf Club Ltd

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Notes to the Financial Statements For the Year Ended 30 June 2022

11 Key Management Personnel Disclosures

The directors did not receive any remuneration from the company during the year other than reimbursement of out of pocket expenses that have been fully substantiated.

Other key management personnel transactions

The Company is run by the Board of Directors. All major business decisions are made by the Board. The day to day business of the Company is run by the employees of the Company. As all major business decisions are made by the Board, no key management personnel disclosures are deemed appropriate.

12 Auditors' Remuneration

	2022	2021
	\$	\$
Remuneration of the auditor - Tanner & Salt Accountants, for:		
- auditing the financial statements (paid 2022)	-	4,420
Remuneration of the auditor - Kothes Chartered Accountants, for:		
- auditing the financial statements (to be paid in 2023)	<u>4,420</u>	-
Total	<u><u>4,420</u></u>	<u><u>4,420</u></u>

13 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

14 Related Parties

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 11.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. There were no transactions with related parties during the year.

Sapphire Coast Turf Club Ltd

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Notes to the Financial Statements

For the Year Ended 30 June 2022

15 Cash Flow Information

(a) Reconciliation of cash

		2022	2021
		\$	\$
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:			
Cash and cash equivalents	6	<u>1,312,727</u>	<u>1,249,080</u>

(b) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:			
Result for the year		458,882	244,485
Non-cash flows in profit:			
- depreciation		229,637	196,764
- net gain on disposal of property, plant and equipment		(292,692)	-
Changes in assets and liabilities:			
- (increase)/decrease in trade and other receivables		205,864	(236,883)
- (increase)/decrease in inventories		(1,356)	(161)
- increase/(decrease) in income in advance		(10,339)	3,307
- increase/(decrease) in trade and other payables		(186,333)	239,642
- increase/(decrease) in employee benefits		23,326	(6,145)
Cashflows from operations		<u>426,989</u>	<u>441,009</u>

16 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Sapphire Coast Turf Club Ltd


ACN: 642 528 283

Directors' Declaration

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 6 to 19, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards - Reduced Disclosure Requirements; and
 - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....
Robyn BAIN

Director .....
Vince PHILLIPS

Dated:



Independent Audit Report to the members of Sapphire Coast Turf Club Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sapphire Coast Turf Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2022, 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:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

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

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.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report, (but does not include the financial report and our auditor's report thereon). Our opinion on the financial report 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 report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.



CHARTERED ACCOUNTANTS
AUSTRALIA • NEW ZEALAND

Liability limited by a scheme
approved under Professional
Standards Legislation

DIRECTORS

Simon Byrne
Fiona Dunham
Gary Pearce
Kevin Philistin
Gary Skelton

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Independent Audit Report to the members of Sapphire Coast Turf Club Ltd (Continued)

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 the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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.

KOTHES
Chartered Accountants



SIMON BYRNE
Partner
Registered Company Auditor (#153624)
6 December 2022

