



BUNBURY TURF CLUB INC
FINANCIAL REPORT
FOR THE YEAR ENDED 31 JULY 2020

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Statement of Financial Position as at 31 July 2020

	Note	2020 \$	2019 \$
Current Assets			
Cash	2	848,332	628,647
Accounts Receivable		235,874	153,706
Stocks on Hand		21,160	36,661
GST Receivable (Net)		62,031	28,914
Total Current Assets		<u>1,167,397</u>	<u>847,927</u>
Total Non-Current Assets			
Land and Land Improvements	3	4,425,000	4,425,000
Buildings and Improvements	3	1,616,599	1,767,559
Plant and Equipment	3	711,860	766,180
Work in Progress	3	180,616	135,068
Total Non-Current Assets		<u>6,934,075</u>	<u>7,093,807</u>
Total Assets		<u>8,101,472</u>	<u>7,941,734</u>
Current Liabilities			
Accounts Payable	5	10,631	42,972
Funds Held In Trust		32,515	24,747
Employee Benefits		61,844	54,939
Superannuation Payable		-	6,549
Borrowings	6	51,642	49,009
Prepaid Income		39,843	16,893
Accrued Expenses		41,884	17,660
Unamortised Grant Income	4	66,447	69,120
Total Current Liabilities		<u>304,806</u>	<u>281,979</u>
Non-Current Liabilities			
Borrowings	6	45,787	53,272
Provision for Long Service Leave		10,400	10,616
Unamortised Grant Income	4	851,132	884,420
Total Non-Current Liabilities		<u>907,319</u>	<u>948,307</u>
Total Liabilities		<u>1,212,125</u>	<u>1,230,286</u>
Net Assets		<u>6,889,347</u>	<u>6,711,448</u>
Members' Funds			
General Reserve		5,100	5,100
Asset Revaluation Reserve	9	4,425,300	4,425,300
Retained Profits	10	2,458,947	2,281,048
Total Members' Funds		<u>6,889,347</u>	<u>6,711,448</u>

Statement of Profit or Loss and Other Comprehensive Income for the year ended 31 July 2020

	Note	2020 \$	2019 \$
Income			
Bookmaker Income		10,593	11,758
Distribution and Funding		5,654,000	3,956,612
Trialling Commission		38,272	37,437
Hospitality Income		645,406	716,320
Membership and Interest Income		40,873	57,457
Sponsorship		305,950	296,934
Sundry Gambling Income		-	1,107
Totalisator Income		249,354	354,258
Training and Trials		701,645	636,872
Race Day Venue fee		765,000	687,500
Cash Flow Stimulus Income		92,500	-
Amortisation of Grant Income		70,219	72,859
Other Income		21,514	58,447
Total Income		<u>8,595,326</u>	<u>6,887,561</u>
Expenditure			
Advertising		(75,809)	(91,830)
Depreciation		(276,288)	(260,646)
Distribution and Funding Expenses		(5,474,636)	(3,762,163)
Hospitality Expenses		(379,884)	(365,443)
Bank charges and Interest		(15,377)	(13,378)
Maintenance		(286,302)	(195,139)
Overheads	8	(382,454)	(383,652)
Race Day Expenses	7	(494,941)	(476,500)
Salaries and Wages		(948,349)	(1,080,286)
Totalisator Expenses		(72,814)	(92,581)
Trials Expenses		(10,573)	(88,913)
Total Expenditure		<u>(8,417,427)</u>	<u>(6,811,430)</u>
Profit/(Loss) Attributable to Club		<u>177,899</u>	<u>76,131</u>
Total Comprehensive Income/(Loss)		<u>177,899</u>	<u>76,131</u>

Statement of Changes in Equity for the year ended 31 July 2020

	Reserves	Retained	Total Member's
	\$	earnings	funds
Notes		\$	\$
Balance at 1 August 2018	4,430,400	2,204,917	6,635,317
Profit for the year	-	76,131	76,131
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	76,131	76,131
Balance at 31 July 2019	4,430,400	2,281,048	6,711,448
Balance at 1 August 2019	4,430,400	2,281,048	6,711,448
Profit for the year	-	177,899	177,899
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	177,899	177,899
Balance at 31 July 2020	4,430,400	2,458,947	6,889,347

Statement of Cash Flows for the year ended 31 July 2020

	2020	2019
Note	\$	\$
Cash Flows from Operating Activities		
Bar Receipts	645,407	716,320
Receipts from Tab/RWWA	6,432,272	4,019,049
Other Receipts	1,412,066	2,060,691
Interest Paid	(5,556)	(5,705)
Payments to Employees	(1,105,619)	(1,134,164)
Payments to Suppliers	(1,597,098)	(1,678,906)
Payments for Stakes	(5,474,636)	(3,762,163)
Net Cash Provided by Operating Activities	<u>306,836</u>	<u>215,122</u>
Cash Flows from Investing Activities		
Payments for Property, Plant and Equipment	(134,557)	(162,706)
Proceeds from the Sale of Fixed Assets	18,000	(16,336)
Net Cash Used in Investing Activities	<u>(116,557)</u>	<u>(179,042)</u>
Cash Flows from Financing Activities		
Repayment/Proceeds of Borrowings	(4,852)	(49,009)
Receipt of grants for capital expenditure	34,258	40,000
Net cash provided by/ (used in) financing activities	<u>29,406</u>	<u>(9,009)</u>
Net (Decrease) / Increase in Cash Held	219,685	27,071
Cash at the Beginning of the Financial Year	628,647	601,576
Cash at the End of the Financial Year	2 <u><u>848,332</u></u>	<u><u>628,647</u></u>

Notes to the financial statements for the year ended 31 July 2020

1. Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Associations Incorporation Act (WA) 2015* and the Constitution of Bunbury Turf Club (Inc.). The Committee has determined that the Association is not a reporting entity. The Committee has prepared the financial statements on the basis that the Club is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the *Associations Incorporation Act (WA) 2015* and the Constitution of Bunbury Turf Club (Inc.).

1.1 Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Depreciation

Depreciation on Plant and Equipment is provided by way of a systematic charge against income, using the diminishing value method of depreciation, based on the useful life of the Plant and Equipment.

Depreciation on Buildings is provided by way of a systematic charge against income, using the prime cost rate of depreciation, based on the useful life of the Buildings.

(b) Land

Land is shown at valuation determined by the Committee based on a market appraisal received from a licensed Real Estate and Business Agent in 2015. Buildings, plant and equipment are recorded at their written down value at 31 July 2020.

(c) Employee Entitlements

Provision is made for the Club's liability for employee entitlements arising from services rendered by employee's to balance date. Employee entitlements arising from annual leave and long service leave have been measured at their future expected amounts to be paid.

(d) Comparative Figures

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

Bunbury Turf Club Inc.

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(e) Grant income

Grant income contributed by government bodies for the purpose of funding operating activities is recognised as revenues when the Entity obtains control over the funds.

Grant income contributed by government bodies for the purpose of funding capital projects is recognised on a systematic basis, in-line with the amortisation of the related capital asset purchased with the funds. The resulting unamortised grant income is classified Current and Non-Current based on the expected timing as to when amortised grant income will be recognised. Amounts to be recognised greater than one year from the balance date are recognised as Non-Current.

	Note	2020 \$	2019 \$
2. Reconciliation of Cash			
Cash at Bank	(a)	847,132	628,339
Cash on Hand		1,200	307
		<u>848,332</u>	<u>628,647</u>

(a) The Club has an overdraft facility available from its bankers to a limit of \$500,000.

3. Fixed Assets

Land and Land Improvements

Fair Value:

Opening Value		4,425,000	4,425,000
Additions		-	-
Disposals/Reclassification		-	-
Revaluation increment	(a)	-	-
Closing Value		<u>4,425,000</u>	<u>4,425,000</u>

(a) Land was revalued during the 2014/15 financial period by an independent third party.

Buildings and Improvements

Cost:

Opening Value		2,856,676	2,809,403
Transfers from Work in Progress		-	15,989
Additions		-	31,284
Disposals		-	-
Closing Value		<u>2,856,676</u>	<u>2,856,676</u>

Accumulated Depreciation:

Opening Value		1,089,117	938,732
Depreciation		150,960	150,385
Closing Value		<u>1,240,077</u>	<u>1,089,117</u>
Written Down Value:		<u>1,616,599</u>	<u>1,767,559</u>

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	2020	2019
Note	\$	\$
3. Fixed Assets (Continued)		
Plant and Equipment		
Opening Value		
Cost:	2,923,150	2,810,599
Transfers from Work in Progress	-	-
Additions	100,835	129,604
Disposals	(54,547)	(17,053)
Closing Value	<u>2,969,438</u>	<u>2,923,150</u>
Accumulated Depreciation:		
Opening Value:	2,156,970	2,046,708
Disposals	(24,720)	(3,499)
Depreciation	125,328	113,761
Closing Value	<u>2,257,578</u>	<u>2,156,970</u>
Written Down Value:	<u>711,860</u>	<u>766,180</u>
Work in progress		
Opening Value		
Cost:	135,068	132,186
Additions	45,548	18,871
Write off to Profit & Loss	-	-
Transfers to completed assets	-	(15,989)
Closing Value	<u>180,616</u>	<u>135,068</u>

Notes to the financial statements for the year ended 31 July 2020

	2020	2019
Note	\$	\$
4. Unamortised Grant Income		
Opening Balance	1,222,351	1,182,351
Additions	33,991	40,000
Closing Value	<u>1,256,342</u>	<u>1,222,351</u>
Accumulated Amortisation:		
Opening Value:	268,811	195,952
Amortisation	69,952	72,859
Closing Value	<u>338,763</u>	<u>268,811</u>
Written Down Value:	<u>917,579</u>	<u>953,540</u>
5. Accounts Payable		
Trade Payables	10,631	21,888
National Visa Account	-	(747)
PAYG Payable	-	21,830
	<u>10,631</u>	<u>42,972</u>
6. Borrowings		
Current		
CHN Capital Loan	17,670	17,670
Solar Equipment Loan	10,604	10,604
2017 Holden Colorado	8,666	13,000
Holden Colorado 7 Chattel Mortgage	-	7,735
Toyota Hilux Loan	14,702	-
Total Current Borrowings	<u>51,642</u>	<u>49,009</u>
Non-Current		
CHN Capital Loan	4,418	22,087
Solar Equipment Loan	3,535	14,139
2017 Holden Colorado	-	8,349
Holden Colorado 7 Chattel Mortgage	-	8,697
Toyota Hilux Loan	37,834	-
Total Non-Current Borrowings	<u>45,787</u>	<u>53,272</u>
Total Borrowings	<u>(a) 97,429</u>	<u>102,281</u>

(a) The Club has an asset financial leasing facility available from its bankers of \$184,566.

Notes to the financial statements for the year ended 31 July 2020

	Note	2020 \$	2019 \$
7. Race Day Expenses			
Ambulance and First Aid		27,480	23,479
Raceday Barrier R & M		-	1,761
Raceday Consumables		10,310	16,716
Raceday Contractors		15,258	35,435
Raceday Decorating		-	3,240
Raceday Doctors		18,844	21,517
Raceday Entertainment		36,149	30,277
Raceday Laundry		510	5,474
Raceday PA System Broadcasting		8,304	10,877
Raceday Printing - Books		34,815	34,169
Raceday Promotions		33,257	28,195
Raceday Security		54,983	57,617
Raceday Trophies		10,469	10,091
Raceday Veterinary		13,883	14,642
Raceday Other Costs		2,633	-
Raceday Official Food & Beverage		17,954	11,931
Raceday Equipment Hire		75,326	74,124
Raceday Waste Removal		-	4,665
Raceday Casual Staff		134,313	90,168
Raceday Sectionals		-	1,990
Raceday Overs/Unders		(600)	131
		<u>494,941</u>	<u>476,500</u>

Notes to the financial statements for the year ended 31 July 2020

	Note	2020 \$	2019 \$
8. Overheads			
Accounting & Consulting Fees		2,376	4,075
Audit Fees		13,919	15,430
Committee Expenses - Raceday		-	6,390
Committee & AGM - Expenses		210	8,590
Computer Expenses		10,663	9,065
Discount allowed		-	-
Electricity - General		55,825	32,275
Entertainment - Non Raceday		4,622	3,711
FBT		1,682	6,984
Freight		4,771	-
Fuel		43,263	12,397
Gifts and Donations		2,907	-
Hire of Plant and Equipment		3,144	-
Insurance – General		30,920	28,308
Insurance – Motor Vehicle		4,996	5,862
Insurance – Workers Comp		59,588	47,036
Lease and Rental		3,420	-
Licenses and Permits		1,473	3,985
Loss on Sale of Assets		-	20,290
Loss on Stock Write-off		-	41
Members Expense – Beverages		-	1,221
Members Expense – Newsletters		2,816	2,068
Motor Vehicle Expenses		9,090	7,538
Non Raceday – Beverages		-	2,477
Non Raceday – Catering		-	2,310
Non Raceday – Equipment Hire		-	670
Non Raceday – Security		-	1,069
Occupational Health & Safety		-	2,081
Other expenses		-	9,775
Photocopier Payments & Repairs		-	5,110
Postage & Stationery		6,826	6,269
Printing		3,451	1,539
Rates and Taxes		66,029	87,414
Security Monitored – Call Out		2,970	1,631
Staff Amenities		1,711	3,096
Staff Training		405	-
Subscriptions		3,475	3,248
Telephone and Internet		18,075	21,565
Travel Accommodation and Meals		19,060	11,380
Uniforms – Staff		3,409	6,830
Write off Bad Debts		1,358	1,923
		<u>382,454</u>	<u>383,652</u>

Notes to the financial statements for the year ended 31 July 2020**9. Asset Revaluation Reserve**

Opening Balance	4,425,300	4,425,300
Movements:		
Revaluation Increment on Land	-	-
Closing Balance	<u>4,425,300</u>	<u>4,425,300</u>

10. Retained Profits

Opening Balance	2,281,048	2,204,917
Add Profit/(Loss)	<u>177,899</u>	<u>76,131</u>
Closing Balance	<u>2,458,947</u>	<u>2,281,048</u>

Bunbury Turf Club Inc.

Annual Financial Report for the year ended 31 July 2020

Statement by Members of the Committee

The Committee have determined that the Club is not a reporting entity.

The Committee have determined that this special purpose financial report should be prepared in accordance with the *Associations Incorporation Act (WA) 2015* and accounting policies outlined in Note 1 to the financial statements.


In the opinion of the Committee:

1. The financial statements and notes satisfy the requirements of the *Associations Incorporation Act (WA) 2015*; and
2. At the date of this statement, there are reasonable grounds to believe that Bunbury Turf Club (Inc.) will be able to pay its debts as and when they fall due.

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



MARK BAYLISS
CHAIRMAN



BRAD O'REILLY
TREASURER

DATED this 24th day of September 2020

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 80 OF THE ASSOCIATIONS INCORPORATION ACT (WA) 2015
TO THE COMMITTEE OF BUNBURY TURF CLUB INC.**

I declare that, to the best of my knowledge and beliefs, during the year ended 31 July 2020 there have been no contraventions of:

- i) The auditor independence requirements as set out in section 80 of the *Associations Incorporation Act (WA) 2015* in relation the audit; and
- ii) Any applicable code of professional conduct in relation to the audit.

AMD Chartered Accountants



TIM PARTRIDGE
Director

Bunbury, Western Australia

Dated this 23rd day of September 2020



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUNBURY TURF CLUB INC.

Opinion

We have audited the financial report of Bunbury Turf Club Inc. which comprises the statement of financial position as at 31 July 2020, the statement of profit or loss, 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 declaration by those charged with governance.

In our opinion, the accompanying financial report gives a true and fair view of the financial position of Bunbury Turf Club Inc. as at 31 July 2020, and of its financial performance and its cash flows for the year then ended in accordance with the *Associations Incorporation Act (WA) 2015* and the accounting policies described in Note 1 to the financial statements.

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 Bunbury Turf Club Inc. 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.

Emphasis of Matter- Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Bunbury Turf Club Inc. to meet the requirements of the *Associations Incorporation Act (WA) 2015*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Bunbury Turf Club Inc. annual report for the year ended 31 July 2020, 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act (Western Australia) 2015* and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management are responsible for assessing the Bunbury Turf Club Inc. ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the Bunbury Turf Club Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bunbury Turf Club Inc. financial reporting process.

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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- Conclude on the appropriateness of the 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 registered entity'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 registered entity 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 those charged with governance 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.

AMD Chartered Accountants

A handwritten signature in black ink, appearing to read 'TIM PARTRIDGE', written over a horizontal line.

TIM PARTRIDGE
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 29th day of September 2020