

Oakbank Racing Club Incorporated

Financial Statements

For the Year Ended 30 June 2021

Oakbank Racing Club Incorporated
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For the Year Ended 30 June 2021

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Oakbank Racing Club Incorporated

Board Members' Report

30 June 2021

The Committee members present their report on Oakbank Racing Club Incorporated for the financial year ended 30 June 2021.

1. General information

Information on committee

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

Ms A Branson (Chair)

Mr B Gask (Deputy Chair)

Mr Charlton

Mr J Glatz OAM (retired 15 April 2021)

Mr C Dittmar

Mr M Angus

Mr A Watson

Ms R Williams

Mr J Lewis

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

Principal activities

The principal activity of Oakbank Racing Club Incorporated during the financial year was that of Thoroughbred Racing.

No significant changes in the nature of the Club's activity occurred during the financial year.

2. Operating results and review of operations for the year

Operating results

The surplus of the Club after providing for income tax amounted to \$ 76,183 (2020: \$ 127,563).

3. Other items

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Club during the year.

Oakbank Racing Club Incorporated
Board Members' Report
30 June 2021

3. Other items

Events after the reporting date

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

Signed in accordance with a resolution of the Committee members:

Committee member: 
Ms A Branson (Chair)

Committee member: 
Mr B Gask (Deputy Chair)

Dated this 14th day of SEPTEMBER 2021

Oakbank Racing Club Incorporated
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
Operating Income	939,945	560,535
Operating Expenses	<u>(879,920)</u>	<u>(508,110)</u>
Operating Surplus / (Deficit)	60,025	52,425
Industry Capital Grants	48,890	96,414
Depreciation on Industry Funded Assets	<u>(32,732)</u>	<u>(21,276)</u>
Operating Surplus / (Deficit) for the year	76,183	127,563
Accumulated surplus at the beginning of the financial year	<u>1,964,890</u>	<u>1,837,327</u>
Accumulated surplus at the end of the financial year	<u>2,041,073</u>	<u>1,964,890</u>

The accompanying notes form part of these financial statements.

Oakbank Racing Club Incorporated
Statement of Financial Position
As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2	470,247	254,663
Trade and other receivables	3	35,198	22,672
Inventories		16,468	11,833
TOTAL CURRENT ASSETS		521,913	289,168
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,830,468	1,855,362
Capital work in progress		14,929	14,949
TOTAL NON-CURRENT ASSETS		1,845,397	1,870,311
TOTAL ASSETS		2,367,310	2,159,479
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	261,522	139,310
Short-term provisions	6	54,707	50,727
TOTAL CURRENT LIABILITIES		316,229	190,037
NON-CURRENT LIABILITIES			
Long-term provisions	6	10,008	4,552
TOTAL NON-CURRENT LIABILITIES		10,008	4,552
TOTAL LIABILITIES		326,237	194,589
NET ASSETS		2,041,073	1,964,890
MEMBERS' FUNDS			
Accumulated surplus		2,041,073	1,964,890
TOTAL MEMBERS' FUNDS		2,041,073	1,964,890

The accompanying notes form part of these financial statements.

Oakbank Racing Club Incorporated

Notes to the Financial Statements

For the Year Ended 30 June 2021

The financial statements cover Oakbank Racing Club Incorporated as an individual entity. Oakbank Racing Club Incorporated is a not-for-profit Club incorporated in South Australia under the *Associations Incorporation Act (SA) 1985* ('the Act').

The functional and presentation currency of Oakbank Racing Club Incorporated is Australian dollars.

The financial statements are prepared on a going concern basis.

1 Summary of Significant Accounting Policies

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Association Incorporation Act (SA) 1985. The Board has determined that the Club is not a reporting entity.

The financial statements have been prepared on an accrual basis and are based on historic costs and do not take into account changing money values or except, where specifically stated, current valuations of non-current assets.

The responsibility for the control of the Racing Industry in South Australia is that of Racing SA Limited ("RSA").

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of these financials.

(a) Funding by RSA

RSA is a company established as the controlling authority for the thoroughbred racing code and provides funding to the club for operational, development and capital purposes.

(b) Inventories

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

(c) Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or directors' valuation. All assets excluding freehold land and buildings, are depreciated over their useful lives to the Club.

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all property, plant and equipment is depreciated over the useful lives of the assets to the Club commencing from the time the asset is held ready for use. In arriving at the operating result for the period, depreciation is provided on all plant and equipment funded by the club so as to write off the assets progressively over the economic lives. The economic lives of the various assets are under regular review and rates are adjusted where necessary.

Oakbank Racing Club Incorporated
Notes to the Financial Statements
For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(d) Impairment of Assets

At each reporting date, the Club 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 statement of income and expenditure.

(e) Prize Money and Trophies

This relates to Club funded and RSA supplement amounts.

(f) Income Tax

The Club is exempt from income tax under Division 50 on the Income Tax Assessment Act 1997.

(g) Employee benefits

Provision is made for the club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured at the amounts expected to be paid when the liability is settled, plus related on costs.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax 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. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Receivables and payables in the statement of financial position are shown inclusive of GST.

(i) Cash and cash equivalents

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

(j) Trade and other payables

Trade and other payables represents the liability outstanding at the end of the reporting period for goods and services rendered by the Club during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Oakbank Racing Club Incorporated
Notes to the Financial Statements
For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(k) 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 Club expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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 Club have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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.

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

The Club's key revenue streams are as follows:

Sale of services

The Club provides various services to organisation and communities and recognises revenue at a point in time when the services have been rendered.

Sale of goods

Revenue from the sale of goods is considered at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Oakbank Racing Club Incorporated
Notes to the Financial Statements
For the Year Ended 30 June 2021

1 Summary of Significant Accounting Policies

(k) Revenue and other income

Grant revenue

When the Club receives operating grant revenue, donations or bequests, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15.

When both these conditions are satisfied, the Club identifies each performance obligation relating to the grant, recognises a contract liability for its obligations under the agreement, and recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Club recognises the asset received in accordance with the recognition requirements of other applicable Accounting Standards (for example AASB 9, AASB 16 and AASB 138), recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer), and recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and related amount.

Interest revenue

Interest revenue is recognised using the effective interest rate method

(l) Trade and other receivables

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current. All other receivables are classified as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses.

The Club has applied the simplified approach measuring expected credit losses, which uses a lifetime expected loss allowance. In using this practical expedient, the Club uses its historical experience, external factors and forward-looking information to calculate the expected credit losses using a provision matrix.

(m) Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation of the current financial year.

Oakbank Racing Club Incorporated
Notes to the Financial Statements
For the Year Ended 30 June 2021

2 Cash and cash equivalents

	2021	2020
	\$	\$
Petty cash	500	-
Cash at bank	469,514	254,380
Term deposit	233	283
	<u>470,247</u>	<u>254,663</u>

3 Trade and other receivables

CURRENT

Trade and other receivables	34,006	8,356
GST receivable / (payable)	1,192	(684)
Accrued income	-	15,000
	<u>35,198</u>	<u>22,672</u>

4 Property, plant and equipment

NON-CURRENT

Land at independent valuation	<u>627,542</u>	<u>627,542</u>
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Buildings and improvements at cost	1,438,260	1,438,260
Accumulated depreciation	(681,433)	(653,446)
Total buildings	<u>756,827</u>	<u>784,814</u>
Total land, buildings and improvements	<u>1,384,369</u>	<u>1,412,356</u>

Plant and equipment at cost	1,155,745	1,090,475
Accumulated depreciation	(709,646)	(647,469)
Total plant and equipment	<u>446,099</u>	<u>443,006</u>

Total property, plant and equipment	<u>1,830,468</u>	<u>1,855,362</u>
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5 Trade and other payables

CURRENT

Trade and other payables	238,732	151,859
PAYG payable / (receivable)	15,580	(12,549)
Other payables	7,210	-
Total trade and other payables	<u>261,522</u>	<u>139,310</u>

Oakbank Racing Club Incorporated
Notes to the Financial Statements
For the Year Ended 30 June 2021

6 Provisions

	2021	2020
	\$	\$
CURRENT		
Provision for annual leave	29,351	23,378
Provision for long service leave	25,356	27,349
	54,707	50,727
NON-CURRENT		
Provision for long service leave	10,008	4,552
	10,008	4,552

7 Related Parties

(a) The Oakbank Racing Club. Committee

Some members of the committee, either directly or through corporations in which they have a substantial interest, provide certain minor goods or services in the normal course of the Club's activities.

Members of the Committee, or their relatives, may from time to time receive prize money from the Club or RSA following success of horses owned or trained by them. This prize money is paid by the Club or RSA on the same terms and conditions as it apply to any other owner or trainer.

8 Lease Commitments

Aggregate lease expenditure contracted for at balance date but not provided for in the financial statements:

- not later than one year	2,316	2,316
- between one year and five years	444	5,539
	2,760	7,855

This relates to a rental lease agreement for the use of photocopier machine for a term of 5 years. This lease has not been recognised on the Statement of Financial Position as it is considered a low-value lease, therefore, exempted under AASB 16: Leases. It is recognised as an operating lease on a straight-line basis over the term of the lease.

9 Contingencies

In the opinion of the Committee members, the Club did not have any contingencies at 30 June 2021 (30 June 2020:None).

Oakbank Racing Club Incorporated
Notes to the Financial Statements
For the Year Ended 30 June 2021

10 Events Occurring After the Reporting Date

The financial report was authorised for issue on 14 September 2021 by the Committee members.

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

11 Association Details

The registered office and principal place of business of the Club is:

Oakbank Racing Club Incorporated
Oakbank Racecourse
Oakwood Road
Oakbank SA 5243

Oakbank Racing Club Incorporated Statement by the Committee

Your Committee has determined that the Association is not a reporting entity.

The Committee has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial report.

In the opinion of the Members of the Committee:

1) The financial report as set out on pages 1 to 11 presents fairly the financial position of the Oakbank Racing Club Incorporated as at 30 June 2021 and its performance for the year then ended on that date; and.

2) At the date of this declaration there are reasonable grounds to believe that the Oakbank Racing Club Incorporated will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Committee for and on behalf of the Committee by:


.....
(Committee Member)
.....
(Committee Member)

Dated this 15th day of September 2021

Oakbank Racing Club Incorporated Committee Report


Your Committee submits the attached financial report of the Association for the financial year end 30 June 2021.

- 1) No Committee member or office of the Association has received or become entitled to receive during the financial year a benefit as a result of a contract made by the Association with a Committee member or officer of the Association, a firm of with a Committee member is a member or an entity in which a Committee member has substantial financial interest, other than as is disclosed in the financial report.

- 2) No Committee member has received pecuniary benefits from the Association during the financial period other than as is disclosed in the financial report.

Signed in accordance with a resolution of the Committee for and on behalf of the Committee by:


.....
(Committee Member)


.....
(Committee Member)

Dated this 13th day of September 2021

Oakbank Racing Club Inc.

Independent auditor's report to members

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial report of Oakbank Racing Club Inc. (the Association), which comprises the balance sheet as at 30 June 2021, the profit and loss statement, notes to the financial statements, including a summary of significant accounting policies, and the statement by the committee.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the accompanying financial report presents fairly, in all material respects, the financial position of the Association as at 30 June 2021, and its financial performance for the year then ended in accordance with the accounting policies in Note 1 and the Association Incorporations Act (SA) 1985.

Basis for Qualified Opinion

Cash receipts are a significant source of revenue for Oakbank Racing Club Inc. The association has determined that it is impracticable to establish control over the collection of cash receipts prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to cash receipts had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether cash receipts the association has recorded is complete.

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 Association 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 modified opinion.

ACCOUNTANTS & ADVISORS
Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
williambuck.com

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 Oakbank Racing Club Inc. to meet the requirements of the Associations Incorporation Act (SA) 1985. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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 (SA) 1985 and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

A handwritten signature in black ink that reads 'William Buck'.

William Buck (SA)
ABN 38 280 203 274

Dated this 14th day of September, 2021.

A handwritten signature in black ink that reads 'G.W. Martinella'.

G.W. Martinella
Partner

OAKBANK RACING CLUB INCORPORATED**AUDITOR'S DISCLAIMER**

The additional financial data presented in the following pages is in accordance with the books and records of Oakbank Racing Club Incorporated which have been subjected to the auditing procedures applied in our statutory audit of the association for the year ended 30 June 2021. It will be appreciated that our statutory audit did not cover all details of the additional financial data.

Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given. Neither the firm, nor any member or employee of the firm, undertakes responsibility in any way whatsoever to any person in respect of such data, including any errors or omissions therein however caused.



William Buck (SA)
ABN: 38 280 203 274



G.W. Martinella
Partner

Dated this 14 day of September, 2021.

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
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Adelaide SA 5001
Telephone: +61 8 8409 4333
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Oakbank Racing Club Incorporated
Detailed Statement of Income and Expenditure
For the Year Ended 30 June 2021

	2021	2020
	\$	\$
Income		
Race Meetings		
- Admission - General	94,750	1,982
- Membership	23,576	6,269
- Packages - General	69,072	(1,923)
- Sideshow Concessions	4,700	600
- Catering - Bars	63,386	5,567
- Racebooks	2,328	60
- On Course Tote	36,031	1,423
- Nominations and Acceptances	53,410	4,140
- Advertising and Sponsorships	65,020	52,744
	412,273	70,862
Training		
Track Fees	17,673	14,100
Track Subsidy	87,000	78,000
	104,673	92,100
Other Income		
- Interest	114	220
- Merchandise	8,800	36
- Government Subsidy	55,312	99,939
- Rent and Hire Fees	25,901	39,236
- Industry Grants BDF	38,403	-
- Industry Grants Operational	291,000	254,000
- Industry Grants Capital	48,890	96,414
- Sundry Income	3,469	4,142
	471,889	493,987
Total Income	988,835	656,949

The accompanying notes form part of these financial statements.

Oakbank Racing Club Incorporated
Detailed Statement of Income and Expenditure
For the Year Ended 30 June 2021

	2021	2020
	\$	\$
Expenditure		
- Advertising	35,687	20,754
- Catering	3,383	509
- Cleaning and Waste Removal	11,730	5,260
- Depreciation	90,184	76,372
- Equipment Hire	47,445	4,170
- Insurance	41,183	(27,764)
- Legal Fees	-	1,982
- Luncheons	952	327
- Management Fees	50,830	87,049
- Other Expenses	124,483	80,125
- Postage	208	543
Computer and Internet Expenses	32,210	2,027
- Printing and Stationary	3,022	3,573
- Labour Hire	3,034	-
- Promotion	22,710	2,885
- Raceday Packages	27,242	(1,273)
- Rates	45,680	44,299
- Repairs and Maintenance	27,590	23,678
- Security	48,072	4,287
- Sponsorship	24,105	808
- Superannuation	16,959	21,259
- Telephone and Fax	10,002	9,802
- Tote Expenses	34,407	2,246
- Travel and Accommodation	1,221	-
- Casual Wages	77,324	30,486
- Wages Permanent	130,314	130,339
- WorkCover	2,675	5,643
Total Expenditure	912,652	529,386
Operating Surplus / (Deficit)	76,183	127,563

The accompanying notes form part of these financial statements.