

CLARENCE RIVER JOCKEY CLUB 2020 ANNUAL REPORT



SACRED DAY
2019 Grafton Cup Winner



Annual General Meeting

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Clarence River Jockey Club Limited will be held in the Members Bar, Grafton Racecourse, Powell Street Grafton on Wednesday, 18 November 2020 commencing at 6.30pm.

BUSINESS

1. Receive and table Apologies
2. Confirm the minutes of the previous Annual General Meeting
3. Receive and consider the reports of the Board of Directors
4. Receive and consider the Financial Statements for the year ending 30 June 2020
5. Appoint Auditors to hold office until the next AGM
6. Deal with any business of which due notice has been given
7. Consider any other business of which the meeting may approve
8. Declaration of Directors for the next 2 years

Michael Beattie
Chief Executive Officer



CLARENCE RIVER JOCKEY CLUB

Grafton Racecourse
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CRJC Directors & Staff

Clarence River Jockey Club Board of Directors



Back Row L to R: Graeme Rickwood Andrew Hayes (Treasurer) Bob Pavitt Gerry McMullan Terry Green
Front Row L to R: Damien Rouse Jack McIntyre Graeme Green (Chairman) Julie Hutchings Stephen Haines (Vice Chairman)

Clarence River Jockey Club Staff



Michael Beattie
Chief Executive Officer



Drew Cookson
Racecourse Manager



Wayne Phillips
Hospitality & Events Manager



Trish McNeilly
Finance / Administration



Sue Donohoe
Administration



Wayne Hicks
Trackwork Supervisor





Chairman's Report

Dear Members

I hereby present the annual report to members for the financial year to 30 June 2020, which takes into consideration the July 2019 Carnival. When reading this year's report I ask that members kindly keep in mind this was the last "complete" Carnival prior to the onset and impacts of the Covid-19 pandemic which significantly impacts all aspects of our 2020 Carnival and almost certainly all future Carnivals.

I doubt that we will ever return to Carnivals like we used to know them; however, I do sincerely ask members to continue supporting your club in the best ways possible for you and your circumstances. I realise everyone has many different situations, so support may be by your regular attendance at our great race days, your much needed memberships and sponsorship when at all possible.

Our July 19 Carnival was one of the most successful in recent years, with improved attendances. We again had excellent racing on all days with the best of thoroughbreds participating along with all the top trainers from across the country areas as well as support from the leading City and Provincial trainers.

Treasurer Mr Andrew Hayes will report on our financial position and performance in the following pages, which I recommend to all. The financial report shows a small deficit of \$20,000 compared to a deficit of around \$26,000 last year again taking into account further insurance payments related to storm repairs etc. as well as some Jobkeeper adjustments. Again, for more detail please see the notes.

The 2019 \$160,000 Cup was taken out by one of our favourite sons, Jockey Mr Ben Looker riding 4yo gelding Sacred Day, trained by Kiwi Mr Tony Pike. Congratulations to all connections for coming all the way and supporting the Cup.

Our other feature and famous GDSC Ramornie Handicap went to second time winner the most reliable gelding "Havasay" trained by Mr Toby Edmonds. This equals successive wins by the great country gallopers Credit Again and The Jackal, several years ago. A fantastic effort and our congratulations must go to all connections. Thank you to all owners and trainers for your ongoing support.

I also take this opportunity to thank my fellow Directors for their support and thank our great staff at all levels for their terrific efforts, particularly at July during the very busy Carnival and the lead into it, they all do a fantastic job. Thank you to everyone.

Yours sincerely

Graeme Green

Chairman

Clarence River Jockey Club Ltd



Treasurer's Report



TREASURER'S REPORT – 30 JUNE 2020

The Club has reported a loss of \$192,831 for the year ended 30 June 2020 as compared to a profit of \$411,075 the previous year. Whilst this appears to be a significant deterioration on the prior year, it is appropriate to look at the underlying performance of the Club on a normalised basis, which is explained later in this report.

When reviewing these reports it is important to note that the recent July 2020 carnival is not included in these results (with the exception of prelude day run on 28/6/20) and will be reported on as part of next year's annual report.

Race meeting trading

I draw your attention firstly to the Detailed Income Statement set out at the end of the report.

Total race meeting income was \$6,490,334 which represented a reduction of \$445,324 on the previous year. The larger variances are represented by;

- A reduction in distribution from Racing NSW of \$463,698
- A reduction in net proceeds from bar trading of \$68,376
- An increase in Sky International rights fee payments of \$67,609

Total race meeting expenditure was \$327,283 less than the previous year and is almost entirely due to the reduction in returns to owners (prizemoney) of \$306,350.

With the exception of the items identified above, most other raceday items are largely comparable with the previous year. Overall the net income from race meetings was \$1,040,307 which was a reduction of \$118,041 on the previous year (2019: \$1,158,348).

Non-raceday income & expenditure

Non-race day income totalled \$581,176 compared to \$393,650 the previous year, representing an increase of \$187,526. The significant items are as follows;

- COVID-19 related grants and subsidies totalled \$275,936
- Grants from Racing NSW in the current year of \$7,079 (2019: \$84,840). These grants related to the ongoing water study project.
- Members subscriptions were down \$15,564 on last year.

Non-race day expenditure totalled \$1,814,314 which was an increase of \$673,391 on the previous year. Most items are largely consistent with the prior year, with the exception of the increase in occupancy costs of \$605,498 and the Jobkeeper wages top-up of \$112,235.

Racecourse occupancy costs are detailed in Note 16, with the major variances being;

- A reduction in repairs & maintenance of grounds and buildings of \$65,795. The total annual expenditure of \$346,427 includes approximately \$200k in storm damage repairs to buildings.
- A reduction in repairs & maintenance to tracks of \$76,940
- A reduction in Insurance recoveries of \$758k of which \$200k was expended as noted above.

Capital purchases

During the financial year the club purchased the following capital items totalling \$21,000 (refer to Note 10);

- Used Hino Tipper costing \$21,000

Normalised results – 5 year comparison

The following table summarises the Club's performance over the past 5 years after adjusting for abnormal or one-off items, as well as non-cash expenses.

Year ended 30 June	2020	2019	2018	2017	2016
Reported net profit (loss)	(192,831)	411,075	(35,655)	267,832	311,385
Add (less) abnormal items;					
RNSW – operating costs	-	-	-	(52,731)	-
Grants received	(26,015)	(84,480)	(213,782)	(183,815)	-
Jobkeeper/Cash Flow boost(257,000)					
Jobkeeper top-up payments	112,235				
Pro-ride renovations	-	-	-	-	-
Betting ring upgrade	-	-	209,025	-	-
Water study costs	12,880	28,550	18,200	-	-
Insurance recoveries	-	(758,434)	(250,426)	-	-
Running rail replacement	-	-	113,050	-	-
R&M – storm related	198,902	258,434	160,000	-	-
R&M – parade yard	-	-	-	29,980	-
Solar panel credits	-	-	-	(29,701)	-
Raceday super adjustment	-	-	-	-	(60,210)
Add back non-cash items;					
Trust charges	19,667	19,667	19,667	19,667	19,667
Depreciation	112,058	99,156	80,296	63,000	61,226
Normalised cash profit (loss)	(20,104)	(26,932)	100,375	114,232	332,108

Financial position

The Club remains in a sound financial position with net current assets of \$802,800 as at 30 June 2020 compared to \$892,249 the prior year, a reduction of \$89,449. Cash and cash equivalents at 30 June 2020 were \$493,637 and represents a reduction of \$150,679 on last year.

The year ahead

Due to COVID-19 and the uncertainty around compensation payments to be received from RNSW, the budget for the 2021 financial year is yet to be finalised. However, we do expect that the indicated compensation from RNSW and the Federal Government will be sufficient to largely offset the impact of COVID-19 on the financial position of the Club.

I refer you to the further detailed financial information contained within the 2020 Annual Report on the following pages.

Mr A. H. Hayes
Treasurer



2020 Financial Statements: Directors' Report for the year ended 30 June 2020

Your directors present their report on the company for the financial year ended 30 June 2020.

Principal Activities

The company's principal activities are the promotion and conduct of thoroughbred horse racing in Grafton and the surrounding district. The company is also the trustee of the Grafton Racecourse & Recreation Reserve.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing facilities for members, industry stakeholders and the community.
- providing entertainment and social facilities for members and the community.
- providing turnover, cash flow and profit to meet the financial objectives of the company.

Short and Long Term Objectives of the Company

The company has identified the following short term objectives:

- to meet racing industry benchmarks.
- to continue to provide training facilities for industry stakeholders.
- to maintain and provide racing facilities for members and the community.
- to operate in a financially prudent manner that allows for ongoing maintenance and future capital improvements.
- to increase function centre patronage.

The company has identified the following long term objectives:

- to continue to be financially secure.
- to promote thoroughbred racing in the community and maintain our existing standing as a leading country club in NSW.

Strategies

The company has adopted the followings strategies in order to achieve these objectives:

- the preparation of an annual budget and ongoing review, and the review of the strategic plan.
- the review of the company operations and compliance with legislative obligations such as workplace health and safety and industry expectations.
- the development of existing and additional revenue streams and the maintenance of the race track and facilities to encourage industry and community participation at Grafton.

Performance Measurement

The company uses the following key performance indicators to measure performance:

- Deficit after income tax expense, for the financial year was \$192,831 (2019 Surplus: \$411,075).
- Cash used in operating activities for the financial year was \$129,783 (provided by 2019: \$439,842).
- Total Grafton TAB turnover generated during the financial year was \$13,223,261 and Fixed Odds \$11,356,001 (2019: TAB \$17,096,941 and Fixed Odds \$13,851,731).
- Total race meetings held during the year was 26 (2019: 26).
- Total Grafton trained starters during the financial year was 1,221 (2019: 1,396).
- The compliance with workplace health and safety and environmental requirements.
- Total members (including members and members guests) 540 (2019: 707).

Directors' Report

for the year ended 30 June 2020

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

Directors Name	Special Responsibilities	Period as Director	Qualifications and Experience
Graeme E Green	- Chairman - Member of executive committee	Appointed 8 March 2000	Retired Financial Services Executive Diploma of Financial Services Retired Vice Chairman Summerland Credit Union
Stephen F Haines	- Vice Chairman - Member of executive committee - Review of bar operations	Appointed 28 November 2001	Licensed Real Estate Agent Real Estate Certificate of Registration Certificate IV Business Management Certificate IV Property Services Real Estate Certificate IV Property Services Stock & Station Agency
Andrew H Hayes	- Treasurer - Member of executive committee	Appointed 27 November 2012	Chartered Accountant, Bachelor of Business, Graduate Diploma in Financial Planning Director, Chief Financial Officer and Company Secretary of Westlawn Finance Limited
Robert J Pavitt	Director	Appointed 28 February 1991	Retired Town Planner Northern Rivers Racing Association Chairman Racing NSW Country Chairman
Julie A Hutchings	Director	Appointed 27 February 1992	Businesswoman Artist Farmer
Graeme J Rickwood	Director	Appointed 8 March 2000	Retired Businessman - Retail Industry
Terence M Green	Director	Appointed 26 November 2014	Property Manager and Valuer holding - Diploma in Business. Has had a number of years experience in the Racing Industry
James "Gerry" McMullan	Director	Appointed 16 November 2016	Self-employed Business Owner Earthmoving and Construction
John C "Jack" McIntyre	Director	Appointed 14 November 2018	Businessman Hotelier
Damien K Rouse	Director	Appointed 14 November 2018	Business Development Manager - Westlawn Finance Certificate IV in Financial Services Justice of the Peace



Directors' Report for the year ended 30 June 2020

Company Secretary

Michael Beattie was appointed as the company secretary on 12 November 2014. Michael is the Chief Executive Officer of the company and has been working within the industry for 42 years.

Meetings of Directors

During the financial year, 11 meetings of directors (including special meetings) were held and the attendances by each director during the year were as follows:

	Directors' Meetings	
	Eligible to attend	Number attended
Graeme E Green	11	10
Stephen F Haines	11	9
Andrew H Hayes	11	10
Robert J Pavitt	11	9
Julie A Hutchings	10	6
Graeme J Rickwood	10	10
Terence M Green	10	7
John C "Jack" McIntyre	10	7
Damien K Rouse	10	10
James "Gerry" McMullan	10	5

Membership Details

The Clarence River Jockey Club Ltd is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the company.

Membership Class	Number of Members	Individual Members Contribution on winding up of Company	Total Members Contribution on winding up of Company
Life / Honorary	41	\$ 2	\$ 82
Ordinary	394	\$ 2	\$ 788
Junior Members	17	\$ 2	\$ 34
Young Members	26	\$ 2	\$ 52
Total	478	\$ 2	\$ 956



Auditors' Independence Declaration



Crowe Central North
ABN 91 680 058 554

24 Queen Street
Grafton NSW 2460 Australia
PO Box 13
Grafton NSW 2460 Australia

**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATION ACT 2001
TO THE DIRECTORS OF
CLARENCE RIVER JOCKEY CLUB LTD**

Main +61 02 6640 9200
Fax +61 02 6642 7993
www.crowe.com.au

ABN 24 001 892 459

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 2020 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 code of professional conduct in relation to the audit.

Crowe Central North

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
24 Queen Street
Grafton NSW 2460

Dated: 28 October 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Statement of Comprehensive Income for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Revenues	2	7,264,481	7,847,166
Interest revenue calculated using the effective interest method		3,449	3,796
Other Income	3	258,986	755,671
Cost of goods sold	4	(328,977)	(388,439)
Depreciation expense	4	(112,058)	(99,156)
Employee benefits expense		(700,115)	(609,745)
Racecourse occupancy costs		(1,399,172)	(1,562,945)
Returns to owners (including prize money and trophies)	4	(4,820,147)	(5,126,497)
Other expenses		(359,278)	(408,776)
(Deficit)/Surplus before income tax expense attributable to members		(192,831)	411,075
Income tax expense	1 (b)	-	-
(Deficit)/Surplus after income tax expense		(192,831)	411,075
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to members		(192,831)	411,075

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	493,637	644,316
Trade and other receivables	6	695,763	619,845
Inventories	7	52,446	45,881
Investments and other financial assets	8	109,777	107,186
Other current assets	9	1,018	6,499
TOTAL CURRENT ASSETS		1,352,641	1,423,727
NON CURRENT ASSETS			
Investments and other financial assets	8	112,326	131,993
Property, plant and equipment	10	945,277	1,037,986
TOTAL NON CURRENT ASSETS		1,057,603	1,169,979
TOTAL ASSETS		2,410,244	2,593,706
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	421,933	269,806
Financial liabilities	12	-	6,423
Employee benefits	13	109,448	127,960
Other liabilities	14	-	127,289
Contract liabilities	15	18,460	-
TOTAL CURRENT LIABILITIES		549,841	531,478
NON CURRENT LIABILITIES			
Employee benefits	13	15,808	24,802
TOTAL NON CURRENT LIABILITIES		15,808	24,802
TOTAL LIABILITIES		565,649	556,280
NET ASSETS		1,844,595	2,037,426
EQUITY			
Retained earnings		1,844,595	2,037,426
TOTAL EQUITY		1,844,595	2,037,426

The accompanying notes form part of these financial statements.



Statement of Changes in Equity for the year ended 30 June 2020

	Retained Earnings \$	Total \$
Balance at 01 July 2018	1,626,351	1,626,351
Surplus after income tax expense	411,075	411,075
Total other comprehensive income for the year	-	-
Balance at 30 June 2019	<u>2,037,426</u>	<u>2,037,426</u>
Deficit after income tax expense	(192,831)	(192,831)
Total other comprehensive income for the year	-	-
Balance at 30 June 2020	<u>1,844,595</u>	<u>1,844,595</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		8,053,650	9,363,342
Interest received		3,449	3,796
Payments to suppliers and employees		(8,186,808)	(8,928,507)
Interest paid		(74)	1,211
Net cash (used in)/provided by operating activities		(129,783)	439,842
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		3,636	601
Purchase of property, plant and equipment		(21,000)	(106,561)
Payments for investments		2,891	(1,568)
Net cash used in investing activities		(14,473)	(107,528)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(6,423)	(20,181)
Net cash used in financing activities		(6,423)	(20,181)
Net (decrease)/increase in cash held		(150,679)	312,133
Cash at the beginning of the financial year		644,316	332,183
Cash at the end of the financial year	5 (a)	493,637	644,316

Notes to the Financial Statements for the year ended 30 June 2020

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Clarence River Jockey Club Limited as an individual entity. Clarence River Jockey Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

The financial statements, except for the cash flow information, 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. The amounts presented in the financial statements have been rounded to the nearest dollar.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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 in note 1 (I).

The financial statements were authorised for issue by the directors on 28 October 2020.

Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Revenue

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of Goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of Services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

The accompanying notes form part of these financial statements.

Clarence River Jockey Club Limited - ABN: 24 001 892 459

Notes to the Financial Statements for the year ended 30 June 2020

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Volunteer services

The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Income Tax

The directors consider that the company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchange or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at 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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(e) Trade and Other Receivables

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. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(f) Property, Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Class of Fixed Asset	Depreciation Rate
Buildings and Improvements	2.5%
Plant and equipment	5 - 33%
Motor vehicles	25%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.



Notes to the Financial Statements for the year ended 30 June 2020

(g) Investments and Other Financial Assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(h) Impairment of Non-Financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

(i) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company 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.

Notes to the Financial Statements for the year ended 30 June 2020

(j) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(k) Goods and Services Tax

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

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from Contracts with Customers

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee Benefits Provision

As discussed in note 1 (j), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.



Notes to the Financial Statements for the year ended 30 June 2020

(m) Changes in accounting policy, disclosures, standards and interpretations

New of amended Accounting Standards and Interpretations Adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

Impact of Adoption

AASB 15 and AASB 1058 have been adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

	Carrying amount at 30 June 2019 \$	Reclassification \$	Remeasurement \$	AASB 16 Carrying amount at 1 July 2019 \$
Contract liabilities	-	(127,289)	-	(127,289)
Other current liabilities	(127,289)	127,289	-	-
Total	(127,289)	-	-	(127,289)

Notes to the Financial Statements for the year ended 30 June 2020

(n) Accounting Policies, Changes in Accounting Estimates and Errors

In order to provide more relevant reporting to the users of the financial statements and to ensure the financial statements comply with AASB 101 Presentation of Financial Statements, the allocation of some items in the Statement of Profit Loss and Other Comprehensive Income have been restated. As a result of this amendment and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the prior period accounts have been restated. What follows is the result of the restatement.

	Original 2019 \$	Effect of Restatement \$	Restated 2019 \$
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME			
Revenues	8,606,635	(759,469)	7,847,166
Interest revenue calculated using the effective interest method	-	3,796	3,796
Other Income	-	755,671	755,671
Returns to owners (including prize money and trophies)	(5,126,497)	-	(5,126,497)
Other expenses	(408,778)	2	(408,776)
Surplus before income tax expense attributable to members	411,075	-	411,075
Income tax expense	-	-	-
Surplus after income tax expense	411,075	-	411,075
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year attributable to members	411,075	-	411,075



Notes to the Financial Statements

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Note 2: Revenue			
Revenue from contracts with customers			
Racing New South Wales revenue		6,066,522	6,441,642
Racing admissions		69,906	92,997
Racing sales		571,973	656,270
Track fees		46,956	53,215
Membership fees		37,968	53,532
Sponsorship		188,467	206,605
Equipment hire		10,830	9,725
Racing New South Wales reimbursements		26,015	84,840
Stable rents		97,289	101,197
Function sales		102,774	111,958
Other revenue		16,355	7,000
Total revenue from contracts with customers		7,235,055	7,818,981
Other revenue:			
Other income		6,240	4,712
Rent		23,186	23,473
Total other revenue		29,426	28,185
Total revenue		7,264,481	7,847,166
Interest calculated using the effective interest rate method:			
financial institutions		3,449	3,796
		3,449	3,796
Disaggregation of revenue			
Timing of revenue recognition			
Goods transferred at a point in time		830,902	-
Service transferred over time		6,404,153	-
		7,235,055	-
AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.			
Note 3: Other Income			
Insurance recoveries		-	758,434
Profit/(Loss) on sale of fixed assets		1,986	(2,763)
Government stimulus		257,000	-
Total other income		258,986	755,671

Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 \$	2019 \$
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Note 4: Expenses

(Deficit)/Surplus before income tax includes the following specific expenses:

Cost of sales		328,977	388,439
Depreciation expense			
Property plant & equipment		112,058	99,156
Provision for employee entitlements		(27,507)	13,955
Salaries, wages and superannuation		613,710	579,934
Finance costs			
Interest and finance charges paid/payable on borrowings		74	(1,211)
Advertising and promotion		58,413	68,091
Racecourse occupancy costs	15	1,399,172	1,562,945
Returns to owners (including prize money and trophies)		4,820,147	5,126,497

Note 5: Cash and Cash Equivalents

Cash on hand		2,216	90,821
Cash at bank		491,421	553,495
		<u>493,637</u>	<u>644,316</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above		<u>493,637</u>	<u>644,316</u>
Balance as per statement of cash flows		<u>493,637</u>	<u>644,316</u>

Note 6: Trade and Other Receivables

Expected to be settled within 12 months

Trade receivables		707,968	633,386
Less: allowance for expected credit losses		(12,205)	(13,541)
		<u>695,763</u>	<u>619,845</u>

Note 7: Inventories

CURRENT

Stock on Hand, at cost:

Bar		43,351	37,447
Other		9,095	8,434
		<u>52,446</u>	<u>45,881</u>



Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Note 8: Investments and Other Financial Assets			
(a) Financial assets at amortised cost (current)			
Financial assets at amortised cost include the following debt investments			
- unsecured notes		90,110	87,519
- Grafton Racecourse and Recreation Reserve		19,667	19,667
		<u>109,777</u>	<u>107,186</u>
(b) Financial assets at amortised cost (non-current)			
- Loan to Grafton Racecourse and Recreation Reserve		<u>112,326</u>	<u>131,993</u>
Loans and receivable assets comprise various loans made to the Grafton Racing and Recreation Reserve Trust. There are no fixed rate returns upon maturity of these assets.			
Note 9: Other Assets			
CURRENT			
Prepayments		<u>1,018</u>	<u>6,499</u>
		<u>1,018</u>	<u>6,499</u>
Note 10: Property, Plant & Equipment			
Land and Buildings (at cost)			
Freehold land		<u>200,000</u>	<u>200,000</u>
Buildings and improvements		463,719	463,720
Less: Accumulated depreciation		<u>(200,471)</u>	<u>(183,288)</u>
		<u>263,248</u>	<u>280,432</u>
Total Land and Buildings		<u>463,248</u>	<u>480,432</u>
Plant and Equipment (at cost)			
Plant and equipment		665,708	665,708
Less: Accumulated depreciation		<u>(285,294)</u>	<u>(236,139)</u>
		<u>380,414</u>	<u>429,569</u>
Office Furniture, Fixtures & Equipment		58,762	58,762
Less: Accumulated depreciation		<u>(45,063)</u>	<u>(40,952)</u>
		<u>13,699</u>	<u>17,810</u>
Machinery and motor vehicles		307,622	294,522
Less: Accumulated depreciation		<u>(219,706)</u>	<u>(184,347)</u>
		<u>87,916</u>	<u>110,175</u>
Total Plant and Equipment		<u>482,029</u>	<u>557,554</u>
Total Property, Plant and Equipment		<u>945,277</u>	<u>1,037,986</u>

Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 \$	2019 \$
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(a) Movements in carrying amounts

	Land and Buildings \$	Plant and Equipment \$	Total \$
Balance at the beginning of the year	480,432	557,554	1,037,986
Additions	-	21,000	21,000
Disposals	-	(1,650)	(1,650)
Depreciation expense	(17,184)	(94,875)	(112,059)
Carrying amount at the end of the year	463,248	482,029	945,277

(b) No impairment has been recognised in respect of plant and equipment.

Note 11: Trade and Other Payables

CURRENT

Unsecured liabilities;

Trade payables	52,032	91,374
GST and PAYG payable	293,853	136,019
Sundry payables and accrued expenses	76,048	42,413
	421,933	269,806

Note 12: Financial Liabilities

CURRENT

Secured liabilities:

Equipment loan	-	6,423
Total Financial Liabilities	-	6,423

(a) Total current and non-current secured liabilities:

Equipment loan	-	6,423
	-	6,423

Note 13: Employee Benefits

CURRENT

Provision for employee benefits	109,448	127,960
	109,448	127,960

NON-CURRENT

Provision for employee benefits	15,808	24,802
	15,808	24,802

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.



Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 \$	2019 \$
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Note 14: Other Liabilities

CURRENT

Income received in advance	-	110,643
Membership subscriptions received in advance	-	16,646
	-	127,289

Note 15: Contract Liabilities

CURRENT

Income received in advance	8,364	-
Membership subscriptions received in advance	10,096	-
	18,460	-

Note 16: Company's Activity as a Trustee

The company is trustee of the Grafton Racecourse & Recreation Reserve. In its capacity as Trustee, the following net costs were incurred during the financial period and are disclosed in the Detailed Income Statement as Racecourse Occupancy Costs.

Racecourse Occupancy Costs

Cleaning	21,010	18,200
Course wages and superannuation	515,391	510,910
Electricity and gas	60,582	56,027
Garbage disposal	2,304	2,513
Insurance	125,033	121,042
Trust asset charges	19,667	19,667
Other staff costs	17,174	14,620
Plant operating costs	59,141	61,015
Rates	9,320	9,078
Repairs and maintenance - grounds and buildings	346,427	412,222
Repairs and maintenance - track	70,112	147,052
Security	3,850	3,485
Trust improvements	-	1,695
Water charges	149,161	185,419
Total Race Course Costs Incurred	1,399,172	1,562,945
Less: Costs Recouped		
Excess water charges recouped	11,421	12,091
Insurance recoveries	-	758,434
Stable rents	97,289	101,198
Track fees	46,956	53,215
Total Costs Recouped	155,666	924,938
Total Race Course Costs	1,243,506	638,007

Trust Assets

Buildings and improvements - at cost	3,270,688	3,270,688
Plant, equipment and furnishings - at cost	172,223	175,270
Total Trust Assets	3,442,911	3,445,958

Clarence River Jockey Club Limited - ABN: 24 001 892 459

Notes to the Financial Statements

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Trust Liabilities			
Loan from Clarence River Jockey Club Limited		<u>131,993</u>	<u>151,660</u>
Total Trust Liabilities		<u>131,993</u>	<u>151,660</u>
Net Trust Assets		<u>3,310,918</u>	<u>3,294,298</u>

Note 17: Trust Liabilities and Right of Indemnity

The company acts as trustee, and liabilities have been incurred on behalf of that trust in the company's capacity as corporate trustee.

Liabilities incurred on behalf of the trust are not recognised in the financial statements when it is not probable that the company will have to meet any of those trust liabilities from its own resources. When it is probable that the company will have to meet some trust liabilities, a liability deficiency in trust right of indemnity is brought to account. Details of trust liabilities, the offsetting right of indemnity, and any deficiency in the right of indemnity are disclosed by way of note to the financial statements.

Liabilities of Grafton Racecourse & Recreation Reserve Trust not recorded in the financial statements of the company were:

Current Liabilities

Financial Liabilities	<u>19,667</u>	<u>19,667</u>
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Non-current Liabilities

Financial Liabilities	<u>112,326</u>	<u>131,993</u>
-----------------------	----------------	----------------

Total Liabilities	<u>131,993</u>	<u>151,660</u>
--------------------------	----------------	----------------

Right of indemnity for liabilities incurred by the company on behalf of the Grafton Racecourse & Recreation Reserve Trust and not recorded in the financial statements of the company were:

	<u>131,993</u>	<u>151,660</u>
--	----------------	----------------

The assets of the trust, which lie behind the right of indemnity, are not directly available to meet any liabilities of the company acting in its own right. The assets of the trust were sufficient to discharge all the liabilities of the trust at 30 June 2020.

Note 18: Capital and Leasing Commitments

As at 30 June 2020, the company had not engaged in any capital commitments.

Note 19: Events After the End of the Reporting Period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other 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.



Notes to the Financial Statements for the year ended 30 June 2020

	Note	2020 \$	2019 \$
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Note 20: Contingent Liabilities

In December 2019 the Full Federal Court ruled in favour of the Australian Taxation Office (ATO), agreeing that horse racing clubs and state racing boards are required to pay superannuation contributions on behalf of jockeys. Racing NSW is currently lobbying the decision. In the event that the decision is not overturned Clarence River Jockey Club will have a liability which cannot be measured at this time.

Note 21: Economic Dependency

The ability of the company to continue as a going concern is dependent upon the continuation of funding received from Racing NSW.

Note 22: Related Party Transactions

Key Management Personnel

The totals of remuneration paid to key management personnel (KMP) during the year are as follows:

Key management personnel compensation	<u>217,091</u>	<u>206,067</u>
Number of key management personnel	<u>2</u>	<u>2</u>

Other 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.

Transactions with related parties were:

Director, A Hayes is a Director of Westlawn Finance Limited. The company had 2 secured business loans that were paid out during the year (2019 balance:\$6,423). The company also holds an unsecured note with Westlawn Finance Limited to the value of \$90,110 as at 30 June 2020 (2019: \$87,519) upon which the company receives interest.

Note 23: Standby Arrangements and Credit Facilities

The Company has access to:

- Overdraft facility secured by equitable mortgage over Clubs assets and uncalled capital	<u>60,000</u>	<u>60,000</u>
- Amount of credit unused	<u>60,000</u>	<u>60,000</u>

Note 24: Company Details

The registered office and principal place of business is:

Grafton Race Course
273 Powell Street
Grafton NSW

2019 JULY RACING CARNIVAL



Directors' Declaration for the year ended 30 June 2020

CLARENCE RIVER JOCKEY CLUB LTD
ABN 24 001 892 459

**DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020**

The directors of the company declare that:

1. the financial statements and notes, as set out in pages 9-25, are in accordance with the Corporations Act 2001, and:
 - (a) comply with Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001;
 - (b) give a true and fair view of the financial position as at 30 June 2020 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.


Graeme E Green
Chairman
Dated: 28 October 2020


Andrew H Hayes
Treasurer

Independent Auditors' Report to the Members of the CRJC



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLARENCE RIVER JOCKEY CLUB LTD

ABN 24 001 892 459

Opinion

We have audited the accompanying financial report of Clarence River Jockey Club Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion the financial report of Clarence River Jockey Club Ltd is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards Reduced Disclosure Requirements as described in Note 1 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 committee of the association, 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.

Emphasis of Matter

We draw attention to Note 19 of the financial statements, which describes the effects of the World Health Organisation's declaration of a global health emergency relating to the spread of COVID-19. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the Directors Report included in the Company's annual report for the year ended 30 June 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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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Independent Auditors' Report to the Members of the CRJC



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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLARENCE RIVER JOCKEY CLUB LTD

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Responsibilities of the 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 ability of the Company 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.

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 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.

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.

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

Findex (Aust) Pty Ltd, trading as Crowe Australasia is a member of Crowe Global, a Swiss Verein. Each member firm of Crowe Global is a separate and independent legal entity. Findex (Aust) Pty Ltd and its affiliates are not responsible or liable for any acts or omissions of Crowe Global or any other member of Crowe Global. Crowe Global does not render any professional services and does not have an ownership or partnership interest in Findex (Aust) Pty Ltd. Services are provided by Crowe Central North, an affiliate of Findex (Aust) Pty Ltd. Liability limited by a scheme approved under Professional Standards Legislation. Liability limited other than for acts or omissions of financial services licensees. © 2019 Findex (Aust) Pty Ltd



Independent Auditors' Report to the Members of the CRJC



Crowe Central North
ABN 91 680 058 554

24 Queen Street
Grafton NSW 2460 Australia
PO Box 13
Grafton NSW 2460 Australia

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
CLARENCE RIVER JOCKEY CLUB LTD**

Main +61 02 6640 9200
Fax +61 02 6642 7993
www.crowe.com.au

ABN 24 001 892 459

- 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.

Crowe Central North

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
24 Queen Street
Grafton NSW 2460

Dated: 29 October 2020

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Disclaimer to the Members of the CRJC



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**DISCLAIMER
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The additional financial data presented on pages 32-33 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 June 2020. 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 we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Clarence River Jockey Club Ltd) in respect of such data, including any errors of omissions therein however caused.

Crowe Central North

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis
Partner
Registered Company Auditor (ASIC RAN 483424)
24 Queen Street
Grafton NSW 2460

Dated: 29 October 2020

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Detailed Income Statement

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Race Meeting Income			
Admission charges		69,906	92,997
Bookmakers stand fees and turnover tax		68,718	39,795
Racing NSW Distribution		5,122,349	5,586,047
Racing NSW digital wagering		86,650	73,936
Racing NSW TAB exclusivity		167,500	167,500
Net proceeds - Bar trading		238,784	307,160
Net proceeds - Catering		65,111	57,148
Net proceeds - Race day packages		28,588	18,181
Non acceptance and scratching fees		103,424	105,047
Sky Channel - Rights fees		314,413	246,804
Sponsorship contributions		198,467	226,105
Sundry income		26,424	14,938
Total Race Meeting Income		6,490,334	6,935,658
Race Meeting Expenditure			
Advertising and promotion		58,413	68,091
Ambulance fees		49,485	49,801
Equipment hire		8,082	28,027
Insurance - barrier trials		7,725	8,178
Jockeys riding fees		54,040	52,354
Loss on sale of race books		14,080	20,526
Officials meals		20,286	23,734
Other race day expenses		5,253	7,952
Raceday information services		1,200	1,250
Returns to owners (including prize money and trophies)		4,820,147	5,126,497
Security		45,361	44,452
Sponsors and special guests costs		15,160	15,523
Sundry expenses		5,450	7,793
Veterinary and farrier fees		10,010	10,010
Video hire, taping and photo finish		8,086	8,117
Wages and superannuation - Bar		120,861	106,619
Wages and superannuation - Catering		75,067	72,937
Wages and superannuation - Other		131,321	125,449
Total Race Meeting Expenditure		5,450,027	5,777,310
Net Income from Race Meetings		1,040,307	1,158,348

This statement is to be read in conjunction with the attached disclaimer.



Detailed Income Statement

for the year ended 30 June 2020

	Note	2020 \$	2019 \$
Non-Raceday Income			
Grants received		7,079	84,840
Interest received		3,449	3,796
Jobkeeper income		207,000	-
Cashflow boost		50,000	-
Club assistance - COVID		18,936	-
Member subscriptions		37,968	53,532
Less: Cost of badges		(895)	(931)
Net proceeds - Functions		55,461	47,288
Net proceeds - Promotional materials		(12,040)	(13,008)
Profit on rental operation		11,765	11,383
Profit on sale of non-current assets		1,986	(2,763)
Racing NSW - Track maintenance scheme		193,467	202,513
Secretarial services - Northern Rivers Racing Association		7,000	7,000
Total Non-Raceday Income		581,176	393,650
Non-Raceday Expenditure			
Affiliation fees and subscriptions		2,153	3,241
Bad and doubtful debts		(1,336)	11,026
Bank charges		4,892	5,884
Depreciation - Building and stable improvements		17,183	17,453
Depreciation - Plant and equipment		84,090	74,473
Depreciation - Motor vehicles		10,785	7,230
Fringe benefits tax		1,677	1,349
General expenses		4,795	3,104
Finance charges		74	(1,211)
Motor vehicle expenses		7,337	6,269
Office maintenance, cleaning and lighting		18,687	21,232
Payroll tax		-	14,337
Postage		2,461	2,374
Printing and stationery		11,814	13,112
Professional fees		17,420	14,897
Provision for employee leave		(27,507)	13,955
Racecourse occupancy costs	16	1,243,506	638,008
Staff training and welfare		-	170
Telephone		11,073	11,740
Travelling, accommodation and conferences		6,514	7,351
Wages and superannuation - Administration		256,265	239,075
Wages and superannuation - Functions		30,196	35,854
Jobkeeper top-up wages		112,235	-
Total Non-Raceday Expenditure		1,814,314	1,140,923
(Deficit)/Surplus before Income Tax Expense		(192,831)	411,075

This statement is to be read in conjunction with the attached disclaimer.



Stars of the 2019 July Carnival

GDSC Ramornie Handicap

MATTHEW MCGILLIVRAY - Jockey

HAVASAY

Trainer - TOBY EDMONDS



G McMullan Contracting Grafton Cup

BEN LOOKER - Jockey

SACRED DAY

Trainer - TONY PIKE



Grafton Toyota South Grafton Cup

BODEGA NEGRA

TURSA Employment Grafton Guineas

CHARMED PRINCESS

