



# 2020 ANNUAL REPORT

# Notice of Annual General Meeting

The 146<sup>th</sup> Annual General Meeting of the Tasmanian Racing Club will be held in the Ophir Doll Room at Ladbrokes Park Elwick on Monday 30<sup>th</sup> November 2020 at 6.00pm.

## AGENDA

1. Welcome by the Chairman
2. Apologies
3. Confirmation of the Minutes of the 145<sup>th</sup> Annual General Meeting
4. Presentation of the Annual Report and Audited Accounts for the year ended 31 July 2020
5. Election of three (3) Members to the Committee:  
The periods of appointment of Committee Members Andrew Scanlon, Cam Sorell and Cam Jones expire at the AGM in accordance with the rules of the TRC. All three are eligible to stand for re-election and have indicated that they intend to offer themselves for re-election.
6. Appointment of Auditor
7. Other matters
8. Conclusion

By order of the TRC Committee.

**Brendan Blomeley**  
Chief Executive Officer

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*Crowne Plaza Strutt Stakes 2020 winner Still A Star with TRC Ambassador Alycia Hall.  
Photography: Solstice Digital*

## Chairman's Report

The Tasmanian Racing Club has built on the success of the previous year and, despite a number of difficulties, has recorded a profit of \$117,758.

For the first part of the year no thoroughbred racing took place due to the redevelopment of the Elwick track. Derby Day on February 1st saw the re-start of racing and this was followed by a very successful Hobart Cup on February 9th. Despite a few problems associated with overuse later in the year, the Elwick track should continue to improve and will serve us well for many years to come.

The global Covid-19 pandemic has presented many challenges to the Club. On the 16th of March spectators were excluded from race meetings and the business of the Club was effectively put on hold. This was the situation across Australia as all codes of racing put measures in place to ensure the safety of participants and the continuation of racing. Unfortunately racing itself was closed in Tasmania on April 2nd. Tasmania was the only State or Territory to do this and I believe it was a mistake. The industry lost significant revenue during this period. Racing recommenced on the 14th of June and the process of bringing spectators back commenced soon after. I want to thank all our staff for the hard work on putting Covid-safe plans in place and ensuring that our events were safely run and complied with all relevant requirements.

I want to thank our staff for the initiatives and events for Members during the non-racing periods. Thank you to our CEO Brendan Blomeley, as well as Bianca Stiglic, Rodney Boucher, Olivia Appleby, Nadine Patmore and volunteer, Tony Scott. Thank you also to our Club Ambassador Alycia Hall and to our Committee, Kim Boyer, Tony Field, Ross Burridge, Suzie Jacobson, Cam Jones, Peter Maczi, Cam Sorell and Martin Wallace, as well as their respective partners, for all their contributions.

Work continues on the identification and restoration of a large amount of our valuable memorabilia. Thank you to Ken and Jenny Briggs for their work on this.

I want to thank all our partners and sponsors. It hasn't been an easy year for anyone and we really appreciate their loyalty and continuing support.

At the end of our financial year we farewelled Jodi and Joel Wilson of Relish Catering and welcomed Iain and Barbara Grealish of Olive Tree Catering. We thank Jodi and Joel for their contribution over the past fifteen years and wish them well in their new endeavours. Iain, Barbara and their team have hit the ground running and continue to impress on the culinary front.

The TRC has been a strong advocate for restoration of appropriate stakes levels through its involvement in Racing Clubs Tasmania. I believe our campaigning was important in seeing two stakes increases this year and a commitment to a third in the new year. Stakes money is the lifeblood of the industry and we will continue to advocate for more appropriate levels in Tasmania.

We will also continue to work closely with the Tasmanian Trotting Club and Hobart Greyhound Racing Club on initiatives to improve our venue for the benefit of all racing patrons.

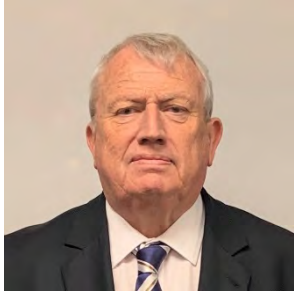
Last year I reported that progress on excision of land at the northern end of our property and closure of compensation associated with the Brooker Highway Project had been disappointingly slow. Unfortunately, these issues are still not resolved.

A decision had been taken earlier to extend our membership for two years due to the track rebuild and absence of racing. The Covid shutdown saw an extension of that period to the end of the calendar year. Club membership will now be on calendar year cycle. I want to thank all our members for their patience and support. I hope you will be regularly attending our future meetings and enjoying the new exclusive members' area.

**Andrew Scanlon**

**Chairman**

## Tasmanian Racing Club Committee



**Andrew Scanlon**  
Chairman



**Kim Boyer**  
Vice Chair



**Tony Field**  
Treasurer



**Ross Burridge**  
Committee Member



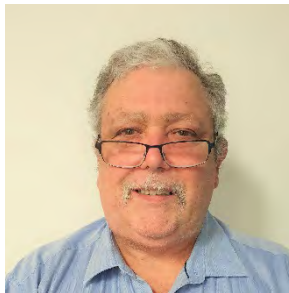
**Martin Wallace**  
Committee Member



**Cam Sorell**  
Committee Member



**Suzie Jacobson**  
Committee Member



**Peter Maczi**  
Committee Member



**Cam Jones**  
Committee Member



**Brendan Blomeley**  
Chief Executive Officer

## Committee Meetings

During the year the Committee met on 12 occasions. Committee members also met regularly at Sub-Committee meetings, conducted in accordance with the Rules of the Tasmanian Racing Club, to formalise recommendations prior to submission to the Committee.

Attendance by Committee at Committee Meetings was as follows:

Committee Member	No. Meetings
Andrew Scanlon (Chairman)	12
Kim Boyer (Vice Chair)	12
Tony Field (Treasurer)	11
Ross Burridge	11
Martin Wallace	12
Cam Sorell	12
Suzie Jacobson	11
Peter Maczi	10
Cam Jones	11

*\* Committee Members have been in office at the start of the financial year to the date of this report unless otherwise stated.*



# Racing Officials

**Official Photographer**

Milton Pettit

**Chaplain**

Rev Ross Ellwood

## Obituary

The TRC were saddened by the loss of Mr Rodney Berry and Mr Stuart Ellis who were both Members for Life of the TRC. Well known Thoroughbred and Pacing Veterinarian Art Meeker will also be sadly missed by all who knew him.

## Membership

### Life Members

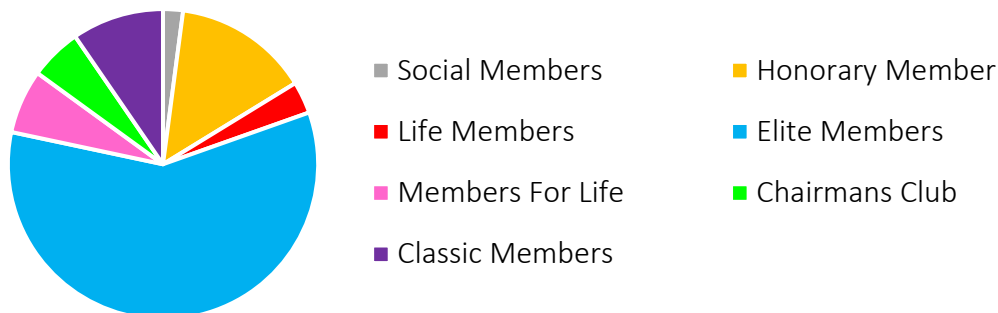
Mr R Burridge  
Mr G Harper  
Mr R Howlett  
Dr M Loughhead  
Dr G McLeod  
Dr B Tarranto  
Mr A Trethewey  
Mr M Wisby

### Members For Life

Mr W Anning  
Mr R Banks AM  
Mr D Boxall  
Dr A Buchan  
Mr P Burbury  
Mr G Cobern  
Mr P Dolan  
Mr M Downey  
Mr R Garity  
Mr K Graver OAM  
Mr N Gray  
Mr I Kean  
Mr G McShane  
Mr V Smith  
Mr C Sorell

### Chairman's Club

Australian Trainers Association  
Aviso Tas Insurance Brokers  
AWM Electrical  
Beetle Black Media  
Bennett's Petroleum  
Cambridge Self Storage  
D & W Electrical  
Hazell Bros  
PFD Food Service  
Rogerson and Birch Surveyors  
Snap Printing  
Spendthrift Australia  
Unique Doors & Windows



*Members For Life have been continuous members for over 40 years*



## Members

Mr B Ackerley	Mr J Conway	Ms P Hikairo	Ms M McTaggart	Mr B Sheahen
Mr D L Adams	Mr B Cooper	Mr J Hill	Mr J Morrison	Mr W Silver
Mr I Anderson	Mr G Costelloe	Mr G Hizartzidis	Mr T Mullen	Mr A Smith
Mr K Anderson	Ms T Cowle	Mr B Hope	Mr B Neill	Ms E Smith
Mr R W Archer	Mr I Creese	Mr J Horne	Mr D Newland	Mr M Smith
Mr J Atkins	Mr P Crowe	Mr C R Hues	Mr F Newton	Mr P W Smith
Mr P Ayers	Mr L Cubit	Mr M G Hughes	Mr M Norman	Ms M Sommerville
Ms K Backhouse	Mr I Cummins	Mr D Hutchinson	Mrs N Norman	Mr B Sorell
Ms K Baird	Mr S Cusack	Ms S Jacobson	Mrs M Notman	Mr M Spencer
Mr G Baird	Mr C Daly	Mr D Jago	Mr W Notman	Mr G Spurr
Ms E Ball	Mr S Davies	Mr R Jarvis	Ms S Novak	Mr M Stubbings
Ms S Ball	Ms S Dixon	Mr A Johnson	Mr S O'Brien	Mr P Stucki
Mr G Barrett	Mr S Dixon	Mr A Jones	Ms S Oldham	Ms T Taylor
Mr K Barrett	Ms B Doherty	Mr C Jones	Mr J Patmore	Ms T Tennick
Mr J Berry	Mr A Donald	Ms S K Jones	Mr K R Pearce	Ald B Thomas
Mr P Bester	Ms C Downie	Mr S Joyce	Mrs T M Pearce	Mr R Thomas
Mr M Beven	Mr R Downie	Ms L Joyce	Mr G R Pears	Ms B Thomson
Mr K Beveridge	Mr A Dykes	Mr A Kain	Mr J Peters	Ms D Thurley
Mr J Bevis	Mr A Eaton	Ms A Kaitinis	Mr R J Polley	Mr D K Trevor
Mr J Bevis	Ms V K Edwards	Ms E Keid	Mr R Poulson	Mrs F Twining
Ms C C Bidencepe	Mr C Elliss	Mr C Kent	Ms N Purcell	Mr A E Upton
Mr J D Blake	Ms J Elliss	Mr G King	Mr D Pybus	Mr W E Upton
Ms L Bloomfield	Mr J Elliss	Mr P King	Ms J Raymond	Mr A Usher
Mr R Booth	Mr J Erends	Mr R Latham	Mr M Reid	Ms C Verstraeten
Mr C Bovell	Mr N Evans	Ms D Lawler	Mr D Richards	Mr P A Virth
Mr G W Bowers	Mr R Falconer	Mr T Leo	Mr M Robinson	Mr D J Vos
Ms K Boyer	Mr T Field	Mr W Lewin	Mr P Ross	Mr M Wallace
Mr H Brazendale	Mr P Geard	Ms P Lincolne	Mr M Rowbottom	Mr N Wallis
Mr K Brazendale	Mr G Glover	Mr J Long	Mr R Sadek	Mr NM Warmbrunn
Mr R Brooks	Mr C Griffiths	Ms E Long	Mr A Scanlon	Mr A Westbrook
Mr J Broughton	Mr R Gudden	Mr G Lord	Mrs C Scanlon	Mr F D Westwood
Ms J Brumby	Mr S Gunn	Mr A Lyden	Mr M Schofield	Mr P M Wherrett
Mr D Butters	Ms A Hall	Mr B Lynch	Mr M Schultz	Mr M White
Mr C Carpenter	Ms R Hall	Mr R A W Lynch	Mr B Schwaiger	Ms S White
Mr P Casey	Ms J Hart	Mr P Maczi	Mr J Schwaiger	Ms T Williams
Mr F Casimaty	Ms S G Hayles	Ms M Maedler	Mr R Schwanke	Mr G Willis
Mr D Cherry	Mrs J Heather	Mr L V Marsh	Mr J Scott	Ms M Wilson
Mrs S Cherry	Ms M Heffernan	Ms K McInnes	Mr T Scott	Clr D Winter
Ms C Churchill	Ms K Henry	Mr D Mcleod	Ms J Scott	Mr G Woodham
Mr M Clarkson	Mr D W Higgins	Ms P McQuade	Mr A Shadforth	Ms A Woolnough

## Sponsors

Australian Trainers Association	Myer
Aviso Tas Insurance Brokers	PFD Food Services
AWM Electrical	Pub Banc Group
Beetle Black Media	Racehorse Owners Association Tasmania
Bennetts Petroleum	Relish Catering
Cambridge Self Storage	Rogerson and Birch Surveyors
Carbine Club of Tasmania	Salters Hire
Carlton United Breweries	Schweppes
Cessiah Alice Millinery	Silk Laser Clinics Hobart
Churchill Real Estate	Snap Printing
Clubs Tasmania	Spendthrift Australia
Crowne Plaza Hotel Hobart	StrathAyr
D & W Electrical	Strutt Design Studio
Diageo	Taking Shape
Dimension IV	TasBreeders
Ella Bache	Tasmanian Horse Transport
Elwick Function & Events	Tasmanian Hospitality Association
Federal Group	Tasmania's Own Redline
Gee Gees Horse Stud	The Mills New Norfolk
Gerard McShane	The Wakeful Club
Hazell Bros	Treasury Wine Estate
Hobart Events	Unique Doors and Windows
Hon Elise Archer MP	W L Shields
Kevin Sharkie	Waxed Beauty Therapy
Ladbrokes	Winning Edge
Little Bee	Winzenberg Family
Miss Haidee Millinery	

## Group, Listed and Feature Races

Prize Money	Race Name	Winner (Trainer)	Owner	DST	WGT	Jockey	Time	Date
<b>GROUP 3</b>								
\$250,000	Ladbroke's Hobart Cup	<b>TOORAK AFFAIR</b> (Michael Trinder)	Estate of the Late K R Wadley, R M Webb, T J Edwards & J R Atwood	2400m	54kg	Anthony Darmanin	02:30.29	09/02/2020
\$150,000	Kevin Sharkie Bow Mistress	<b>ZARGOS</b> (David & B Hayes & T Dabernig)	Ryco Equine Pty Ltd	1200m	56.5kg	Blaire McDougall	01:11.37	09/02/2020
<b>LISTED</b>								
\$150,000	Schweppes Tasmanian Derby	<b>SKYT</b> (Richard Laming)	Mrs J Laming, K D Hickey, A T Warren, R C Campbell, B F Ferrett, Ms J A Doran, N T Landy, Miss P S Landy, R Forsyth, Felgate Holdings (Mgr: P D Felgate), Pure Horn (Mgr: B W Wilson) & M & R Services Pty Ltd (Mgr: M Mant)	2200m	57kg	Anthony Darmanin	02:21.17	01/02/2020
\$100,000	The Mills New Norfolk Thomas Lyons	<b>MANDELA EFFECT</b> (Scott Brunton)	A P Scanlon, A J Eaton, S B Sullivan, R A Field, Mrs L M Schwaiger, B E Schwaiger, J P Schwaiger, E Scott, F D Mccrossen, Mrs V J Mccrossen, Mrs M A Notman, S P Brunton & R S Robinson & Stirling (Mgr: R J Burridge)	1400m	59kg	Craig Newitt	01:24.58	09/02/2020
\$100,000	Crowne Plaza Hobart Strutt Stakes	<b>STILL A STAR</b> (Bill Ryan)	W G Ryan, Mrs M L Ryan, Miss M A Ryan, R H Higgins, Mrs J M Higgins, R W Saunders, Mrs V J Saunders, R F Riley, Estate of the Late N J Roles, T G Allen, T D Allen, L G Allen, Miss T E Sharman, M J Fisher & K J Emery	2100m	56kg	Brendon McCoull	02:15.51	09/02/2020
<b>FEATURE</b>								
\$50,000	Little Bee Summer Cup	<b>TOORAK AFFAIR</b> (Michael Trinder)	Estate of the Late K R Wadley, R M Webb, T J Edwards & J R Atwood	2200m	57kg	Anthony Darmanin	02:18.07	01/02/2020
\$30,000	Carbine Club 3YO Handicap	<b>DEROCHE</b> (Leanne Gaffney)	Ms D J Martin, L Polglase, V Y K Ip, Mrs S M Sims, C J Leach, Mrs J A Leach, Mrs R Howard, Mrs C E Huisman, R J Foster, M A Paine, Armidale Stud (Mgr: Mrs R L Whishaw) & Paramount Racing (Mgr: Ms K M Wood)	1200m	55kg	Craig Newitt	01:11.36	01/02/2020



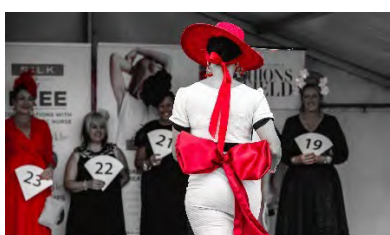
## Hobart Cup Carnival

The official opening and blessing of the \$12.5 million redeveloped Elwick Racecourse on Saturday, 1 February heralded the start to the 2020 Hobart Cup Carnival. We thank our honorary Chaplain, Rev Ross Ellwood and the former Minister for Racing, the Hon. Elise Archer MP, for officiating at this important milestone event for our Club.

Due to unseasonably hot weather, the decision was made to move the Schweppes Tasmanian Derby to Saturday 1 February. This decision paid dividends as the day was well attended and delivered some outstanding races, with Skyt ridden by Anthony Darmanin and trained by Richard Laming winning the Schweppes Tasmanian Derby. Zargos, ridden by Blake McDougall won the Kevin Sharkie Bow Mistress.



Ladbrokes Hobart Cup was held on Sunday 9 February 2020 and delivered a day of superb racing, high fashion and first-rate oncourse entertainment featuring award-winning Tasmanian-born country rock band, The Wolfe Brothers. In front of a record crowd, the Michael Trinder trained Toorak Affair, ridden by Anthony Darmanin, won the \$250,000 Group 3 Race.



# Independent Auditors Report



## Independent Auditor's Report

To the members of the Tasmanian Racing Club Inc.

### Disclaimer of Opinion

We were engaged to audit the **Financial Statements** of the Tasmanian Racing Club Inc. (the Association).

We do not express an opinion on the accompanying Financial Statements of the Association.

Because of the significance of the matters described in the Basis for Disclaimer of Opinion section, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Financial Statements.

The **Financial Statements** comprise:

- Statement of financial position as at 31 July 2020
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies

### Basis for Disclaimer of Opinion

#### *Property, Plant and Equipment*

Recorded within Property, Plant and Equipment and described in Note 9 are amounts for Freehold Land, Museum Exhibits & Memorabilia, and Plant & Equipment. We provide the following with respect to Freehold Land, Museum Exhibits & Memorabilia, and Buildings:

#### *Valuation of land*

The Association owns land which is recognised in the statement of financial position at carrying value of \$475,909 at 31 July 2019 and \$514,997 at 31 July 2020. We were unable to obtain sufficient appropriate audit evidence regarding the fair value of the land as at 31 July 2019 and 31 July 2020.

The value of land is recorded based on the Association's committee members calculation derived from an external market valuation of the land obtained in 2016. The Association has not obtained an external market valuation since 2016. There have been significant changes in valuations of land in many locations in Tasmania since the date of the last valuation in particular in recent years. We were unable to satisfy ourselves by alternative procedures given the absence of current information from the Association regarding the current fair value of the land owned, and its opening balance value.

As a result, we were unable to determine whether any adjustment to the carrying value of land as at 31 July 2019 and 31 July 2020, and whether any market movement in asset revaluation reserve for the years then ended, is necessary.

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*Recognition and valuation of building and associated government grant*

A building was constructed in 2004 on land owned by the Association. The construction of the building was funded via government funding.

a) Government funding

The government funding was not recognised as unearned grant income in the year of construction and unwound via recognising a portion thereof as grant income in each year since, being the periods commencing in 2004. The Australian Accounting Standards require recording using this approach.

We were unable to satisfy ourselves as to the amount of remaining unearned grant income, as the liability as at 31 July 2019 and 31 July 2020, and the amount of grant income to be recorded in the Statement of comprehensive income for the years ended 31 July 2019 and 31 July 2020 by alternative procedures given the absence of recording mechanisms, nor quantify the possible omission misstatement in the Financial Statements of the Association.

b) Building value

The building at 31 July 2019 and 31 July 2020 has been assessed by the Association as having a fair value of zero. Consequently, it has not been recognised in the statement of financial position as at 31 July 2019 and 31 July 2020. The Association did not record the building as it was constructed in 2004 from the government funding, nor has not obtained an independent valuation of the building, nor determined a fair value using an alternate source of data or method. Accordingly, we were unable to obtain sufficient appropriate audit evidence regarding the fair value of the building as at 31 July 2019 and 31 July 2020. As a result, we were unable to determine whether any amount is to be recorded as the carrying value of the building as at 31 July 2019 and 31 July 2020, and whether any fair value movement in asset revaluation reserve for the years then ended, is necessary.

*Existence and valuation of museum exhibits and memorabilia*

The Association owns museum exhibits and memorabilia which is recognised in the statement of financial position at carrying value of \$284,430 at 31 July 2019 and \$388,450 at 31 July 2020.

The carrying value of museum exhibits and memorabilia is recorded at the last external valuation obtained as at 30 September 2020. However, the Association's committee members have represented that the external valuation excluded a number of items, as they were unable to be physically located. This exclusion is not disclosed in Note 9 to the Financial Statements. An estimate of these items was not made by the Association's committee members, accordingly the carrying amount is incomplete for these items.

We were unable to obtain sufficient appropriate audit evidence regarding the existence and fair value of these items, impacting our procedures regarding the recognised total carrying value of museum exhibits and memorabilia as at 31 July 2019 and 31 July 2020. As a result, we were unable to determine whether any adjustment to the carrying value of museum exhibits and memorabilia as at 31 July 2019 and 31 July 2020, and whether any market movement in asset revaluation reserve for the years ended 31 July 2019 and 31 July 2020, is necessary.

*Completeness of gate takings revenue*

Gate takings revenue is a significant source of revenue for the Association. The Association has determined that it is not practicable to maintain controls over the collection of gate takings revenue 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 gate takings revenue had to be restricted to the amount recorded in the financial records. We were unable to satisfy ourselves by alternative procedures given the absence of controls or recording mechanisms, nor quantify the possible gate takings revenue omission misstatement in the Financial Statements of the Association.



#### *Valuation of other receivables*

The Association has recognised other receivables in the statement of financial position at 31 July 2019 and 31 July 2020 totaling \$297,500, and further described in Note 7. This receivable represents a claim against the Tasmanian government for compensation arising from a compulsory land acquisition that occurred in 2016.

The matter is ongoing and being negotiated and therefore, the final compensation to be received is uncertain. This amount has not been recorded in accordance with Australian Accounting Standard, AASB 9 Financial Instruments which would require the claim to be recorded only when the Association becomes a party to the contractual agreement.

Accordingly, the Financial Statements of the Association should be adjusted for the misstatement by decreasing the carrying value of other receivables by \$297,500 as at 31 July 2019 and 31 July 2020 and decreasing the accumulated funds for the years ended 31 July 2019 and 31 July 2020 by \$297,500.

As a result of all these matters, representing a critical revenue line item and over 65% of the Association's recorded assets, we are unable to form a conclusion whether the Financial Statements being true and fair is appropriate, and whether adjustments are required to the recorded values in the Financial Statements. Given the material and pervasive impacts of this to the Financial Statements as a whole, we are therefore unable to conclude on the Financial Statements.

#### **Emphasis of matter – basis of preparation and restriction on use**

We draw attention to Note 2 to the Financial Statements, which describes the basis of preparation.

The Financial Statements have been prepared to assist the Association's committee members in complying with the financial reporting requirements of s24 of *Associations Incorporations Act 1964*.

As a result, the Financial Statements and this Auditor's Report may not be suitable for another purpose. Reporting this matter does not alter our disclaimer of opinion as described in the Basis for Disclaimer of Opinion.

Our report is intended solely for the members of the Association and should not be used by parties other than the members of the Association. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Statements to which it relates, to any person other than the members of the Association or for any other purpose than that for which it was prepared.

#### **Responsibilities of the Association's committee members for the Financial Statements**

The Association's committee members are responsible for:

- preparing Financial Statements that give a true and fair view in accordance with the *Associations Incorporation Act 1964* and have determined that the basis of preparation described in Note 2 is appropriate to meet the needs of the members.
- implementing necessary internal control to enable the preparation of Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- assessing the Association's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Association or to cease operations or have no realistic alternative but to do so.





#### Auditor's responsibilities for the audit of the Financial Statements

Our responsibility is to conduct an audit of the Financial Statements in accordance with *Australian Auditing Standards* and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Financial Statements.

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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Statements in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Adelaide

19 November 2020

## Treasurer's Report

Could I please note that our auditors, KPMG, raised the following key matters during the audit, which has resulted in a disclaimer of opinion of the audit of the accounts for last financial year.

- *Club memorabilia*

In relation to memorabilia, the Club has undertaken cataloguing and valuation of our collection. This represents a significant achievement in better understanding the Club's collection of memorabilia and its value. A number of items have not yet been identified or valued at this stage. This has been noted in the audit.

- *Land and buildings*

The Elwick racecourse land and buildings represents our largest balance sheet item. KPMG noted that the current valuation for land is based on the 2016 valuation from the Office of the Valuer-General and discounted in recognition of the long-term lease over the property held by Tasracing. There has been an increase in land values in Hobart in general over the last four years and it is likely that the market value of the Elwick racecourse has increased over this period. Additionally, with the decline in inflation and interest rates it is arguable that the discount rate used in our valuation should be reviewed. KPMG also noted that buildings are currently valued at zero reflecting the depreciation over the remaining term of the Tasracing lease. KPMG have recommended that the Club procure a revised external valuation for land and buildings. It has not been possible to procure a revaluation to enable production of the report prior to the AGM. It is our intention to seek a revaluation for the purposes of updating our balance sheet for FY2020/21. The valuation will have no impact on the operating cash flows of the Club.

- *Other receivables*

The accounts recognised a receivable of approximately \$298k for compensation for the land compulsorily acquired by the Tasmanian Government in 2016. As the compensation to be received is by still under negotiation and the matter is ongoing, the amount to be recognised is uncertain and subject to high degree of variability.

- *Gate taking income*

In relation to gate taking, as a significant amount of this revenue is received in the form of cash receipts, KPMG's procedures were restricted to testing the amounts recorded in the Club's financial records. The matter raised by KPMG is an indication of an inability to obtain sufficient and appropriate audit evidence rather than any non-compliance by the Club and is consistent with KPMG's previous audit reports.

**Tony Field**

**Treasurer**

# Financial Statements

## Tasmanian Racing Club Inc Statement of Comprehensive Income

for the year ended 31 July 2020

	Note	2020 \$	2019 \$
<b>Revenue from operations</b>			
Revenue	4	1,219,704	1,340,879
Interest income		91	382
<b>Total revenue</b>		<b>1,219,795</b>	<b>1,341,261</b>
<b>Expenditure</b>			
Wages and salaries		525,228	440,579
Food, beverage and catering expenses		245,284	371,041
Equipment and services expenses		135,314	120,150
Sponsorship and member costs		39,641	35,035
Advertising and promotion		34,788	34,403
Accounting, legal and consultancy		30,028	40,850
Communication and utilities		10,829	12,767
Depreciation		10,613	9,888
Race book expenses		9,351	19,562
Bank charges		8,944	9,869
Cleaning and laundry expenses		3,298	1,670
Insurance expenses		-	8,080
Other expenses		48,719	68,960
<b>Total expenditure</b>		<b>1,102,037</b>	<b>1,172,854</b>
<b>Surplus for the period</b>		<b>117,758</b>	<b>168,407</b>
<b>Other comprehensive income</b>			
Revaluation of land and memorabilia		143,108	100,348
<b>Total other comprehensive income</b>		<b>143,108</b>	<b>100,348</b>
<b>Total comprehensive income for the period</b>		<b>260,866</b>	<b>268,755</b>

The notes on pages 5 to 16 are an integral part of these financial statements.

Tasmanian Racing Club Inc  
Statement of Financial Position

as at 31 July 2020

	Notes	2020 \$	2019 \$
<b>Assets</b>			
<i>Current</i>			
Cash and cash equivalents	6	428,498	272,258
Trade and other receivables	7	341,823	353,064
Inventories	8	43,412	41,839
<b>Total current assets</b>		<b>813,733</b>	<b>667,161</b>
<i>Non-current</i>			
Property, plant and equipment	9	956,416	788,261
<b>Total non-current assets</b>		<b>956,416</b>	<b>788,261</b>
<b>Total assets</b>		<b>1,770,149</b>	<b>1,455,422</b>
<b>Liabilities</b>			
<i>Current</i>			
Trade and other payables	10	96,451	72,061
Employee benefits	12	64,495	45,462
<b>Total current liabilities</b>		<b>160,946</b>	<b>117,523</b>
<i>Non-current</i>			
Employee benefits	12	13,265	2,827
<b>Total non-current liabilities</b>		<b>13,265</b>	<b>2,827</b>
<b>Total liabilities</b>		<b>174,211</b>	<b>120,350</b>
<b>Net assets</b>		<b>1,595,938</b>	<b>1,335,072</b>
<b>Equity</b>			
Accumulated funds		1,145,199	1,027,441
Reserves		450,739	307,631
<b>Total equity</b>		<b>1,595,938</b>	<b>1,335,072</b>

The notes on pages 5 to 16 are an integral part of these financial statements.

Tasmanian Racing Club Inc  
Statement of Changes in Equity  
for the year ended 31 July 2020

	Accumulated Funds \$	Asset Revaluation Reserve \$	Equity \$
<b>Balance at 1 August 2018</b>	<b>859,034</b>	<b>207,283</b>	<b>1,066,317</b>
<i>Changes in equity for the year ended 31 July 2019</i>			
<b>Total comprehensive income for the period</b>			
Surplus for the year	168,407	-	168,407
Other comprehensive income	-	100,348	100,348
Total comprehensive income for the period	<u>168,407</u>	<u>100,348</u>	<u>268,755</u>
<b>Balance at 31 July 2019</b>	<b><u>1,027,441</u></b>	<b><u>307,631</u></b>	<b><u>1,335,072</u></b>
<b>Balance at 1 August 2019</b>	1,027,441	307,631	1,335,072
<i>Changes in equity for the year ended 31 July 2020</i>			
<b>Total comprehensive income for the period</b>			
Surplus for the year	117,758	-	117,758
Other comprehensive income	-	143,108	143,108
Total comprehensive income for the period	<u>117,758</u>	<u>143,108</u>	<u>260,866</u>
<b>Balance at 31 July 2020</b>	<b><u>1,145,199</u></b>	<b><u>450,739</u></b>	<b><u>1,595,938</u></b>

**Revaluation Reserve**

The revaluation reserve relates to Museum Exhibits and Memorabilia and Land measured at fair value in accordance with applicable Australian Accounting Standards.

*The notes on pages 5 to 16 are an integral part of these financial statements.*

Tasmanian Racing Club Inc  
Statement of Cash Flows  
for the year ended 31 July 2020

	Note	2020 \$	2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers and government support		1,384,915	1,361,385
Cash paid to suppliers and employees		(1,191,160)	(1,398,608)
Interest received		91	382
<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	14	<u>193,846</u>	<u>(36,841)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property, plant & equipment		(35,660)	(9,513)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<u>(35,660)</u>	<u>(9,513)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Advances- Museum Trust Fund		(1,946)	2,302
<b>NET CASH (USED IN)/PROVIDED BY FINANCING ACTIVITIES</b>		<u>(1,946)</u>	<u>2,302</u>
Net increase (decrease) in cash and cash equivalents		156,240	(44,052)
Cash and cash equivalents at the beginning of financial year		272,258	316,310
<b>CASH AND CASH EQUIVALENTS END OF THE FINANCIAL YEAR</b>	6	<u>428,498</u>	<u>272,258</u>

The notes on pages 5 to 16 are an integral part of these financial statements.

## 1 REPORTING ENTITY

The Tasmanian Racing Club Inc. ("the TRC" or "the Club") is a not-for-profit (NFP) entity domiciled in Australia. The operations of the Club are conducted from Ladbrokes Park Elwick, Glenorchy, Tasmania 7010. The Club provides thoroughbred racing services and catering services at Ladbrokes Park Elwick.

## 2 BASIS OF PREPARATION

### (A) BASIS OF ACCOUNTING

In the opinion of the Committee, the Tasmanian Racing Club Inc (TRC) is not publicly accountable nor a reporting entity, as it is unlikely there are users of these financial statements that exist who are not in a position to require the preparation of reports tailored to their information needs. The financial report of the TRC has been drawn up as a special purpose financial report to meet the needs of and for distribution to the members and to meet the requirements of the Associations Incorporation Act 1964.

The special purpose financial report has been prepared in accordance with the requirements of the recognition and measurement aspects of all applicable Australian Accounting Standards, ("AASBs") and Interpretations adopted by the Australian Accounting Standards Board ("AASB").

The financial report does not include the disclosure requirements of all AASBs except for the following minimum requirements:

- AASB 101 *Presentation of Financial Statements*
- AASB 107 *Cash Flow Statements*
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- AASB 1048 *Interpretation and Application of Standards*
- AASB 1054 *Australian Additional Standards*

The financial statements do not comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

### (B) BASIS OF PREPARATION

The financial report has been prepared on the historical cost basis except for certain classes of property, plant and equipment carried at fair value.

### (C) FUNCTIONAL AND PRESENTATION CURRENCY

This financial report is in Australian Dollars which is the presentation and functional currency of the TRC.

### (D) USE OF ESTIMATES AND JUDGEMENTS

The preparation of a financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The significant judgements and estimates relating to the TRC relates to the valuation of land, museum exhibits and memorabilia and buildings. Refer to note 9 for further information on the determination of fair value.



## (E) CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

Except for the changes below, the financial statements have been prepared in accordance with the same accounting policies adopted in the Club's last annual financial statements for the year ended 31 July 2019 as set out above.

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income for Not-for-profit Entities and AASB 16 Leases have been applied, which became effective for periods beginning on or after 1 January 2019. Accordingly, the Club applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income for Not-for-profit Entities and AASB 16 Leases for the first time effective 1 August 2019. A number of other new standards are also effective from 1 August 2019, but they do not have a material effect on the Club's financial statements.

Due to the transition methods chosen by the Club in applying these standards, comparative information throughout these financial statements have not been restated to reflect the requirements of the new standards.

Changes to the Club's accounting policies arising from these standards are summarised below:

### (i) *AASB 16 Leases*

The Club initially applied AASB 16 Leases from 1 August 2019.

The Club applied AASB 16 using the modified retrospective approach. Accordingly, the comparative information presented for 2019 is not restated- i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

#### *Definition of a lease*

Previously, the Club determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*. The Club now assesses whether a contract is or contains a lease based on the definition of a lease.

On transition to AASB 16, the Club elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Club applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 16 and IFRIC 4 were not reassessed for whether there is a lease under AASB 16. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 August 2019.

#### *Impact on transition*

There was no significant impact on transition to AASB 16.

Refer to Note 3(J) for details.

### (ii) *AASB 15 Revenue from Contracts with Customers*

The Club has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 August 2019.

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance including, AASB 118 Revenue, Under AASB 15, revenue is recognised when a customer obtains control of goods or services. Determining the timing of the transfer of control requires judgement.

AASB 15 did not have a significant impact on the Club's accounting policies with respect to revenue.

Refer to Note 3(H) for details.

*(iii) AASB 1058 Income for Not-for-Profit Entities*

The Club initially applied AASB 1058 Income for Not-for-Profit Entities from 1 August 2019. AASB 1058 replaced the income recognition requirements relating to private sector NFP entities, as well as the majority of income recognition requirements relating to public sector NFP entities previously reflected in AASB 1004.

AASB 1058 established principles for NFP entities that apply specifically to transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a NFP entity to further its objectives and to volunteer services received.

Any revenue not captured by AASB 15 was accounted for under AASB 1058.

Refer to Note 3(H) for details.

### **3 SIGNIFICANT ACCOUNTING POLICIES**

**(A) PROPERTY, PLANT AND EQUIPMENT**

*(i) Owned Assets*

Items of property, plant and equipment are stated at cost (except for museum exhibits and memorabilia, land and buildings which are stated at fair value) less accumulated depreciation (see below) and impairment losses (see accounting policy E).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

*(ii) Subsequent Costs*

The TRC recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the TRC and the cost of the item can be measured reliably. All other costs are recognised in the statement of comprehensive income as an expense as incurred.

*(iii) Revaluations of Non-current Assets*

Classes of non-current assets measured at fair value (museum exhibits and memorabilia, land and buildings) are revalued with sufficient regularity to ensure the carrying amount of each asset does not materially differ from fair value at reporting date. Revaluation increments, on an individual asset basis, are recognised in the asset revaluation reserve except that amounts reversing a decrement previously recognised as an expense for the individual asset are recognised as revenues in the statement of comprehensive income. Revaluation decrements are only offset against revaluation increments relating to the same individual asset and any excess is recognised as expense.

(iv) *Depreciation*

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land and Museum Exhibits & Memorabilia are not depreciated. The estimated useful lives in the current and comparative periods are as follows:

Plant and Equipment	5 years
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The residual value, if not insignificant, is reassessed annually.

**(B) TRADE AND OTHER RECEIVABLES**

Trade and other receivables are initially measured at the transaction price less allowances for expected credit losses (ECLs). Trade receivables are generally settled within 30 days.

Loss allowances for receivables are measured at an amount equal to lifetime ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. When estimating ECLs, TRC considers supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions and are measured in a way that reflects an unbiased and probability-weighted amount and the time value of money.

**(C) INVENTORIES**

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of selling.

**(D) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprises cash balances and at call deposits. Bank overdrafts that are repayable on demand and form an integral part of the TRC's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

**(E) IMPAIRMENT OF NON-FINANCIAL ASSETS**

The carrying amounts of the TRC's assets, other than inventories (see accounting policy C), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(i) *Calculation of Recoverable Amount*

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) *Reversals of Impairment*

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(F) EMPLOYEE BENEFITS

(i) *Defined Contribution Plans*

Obligations for contributions to defined contribution superannuation plans are recognised as an expense in the statement of comprehensive income as incurred.

(ii) *Wages, Salaries, Annual Leave, Sick Leave and Non-monetary Benefits*

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the TRC expects to pay as at reporting date, including related on-costs such as workers compensation and superannuation.

(G) TRADE AND OTHER PAYABLES

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

(H) REVENUE

The Club has initially applied AASB 15 and AASB 1058 from 1 August 2019. Revenue is measured based on the consideration specified in a contract with a customer. The Club recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

<b>Nature and timing of satisfaction of performance obligations, including significant payment terms</b>	<b>Revenue recognition under AASB 15 and AASB 1058 (applicable from 1 August 2019)</b>	<b>Revenue recognition before 1 August 2019</b>
Catering revenue	Revenue from the sale of goods through the catering function is recognised when the goods have been provided and the performance obligation has been satisfied.	Revenue from the sale of goods through the catering function is recognised in the statement of comprehensive income when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the

		consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.
Membership revenue	Membership revenue is allocated across each of the three distinct services based on the relative standalone selling prices of each good or service and revenue is recognised as each service is delivered. Due to COVID-19, the membership period was extended from 31 July to 31 December. The value of unutilised services is treated as deferred income.	Membership revenue is recognised in the statement of comprehensive income in proportion to the stage of completion of the transaction at the balance sheet date. The membership period is 1 August to 31 July each year and therefore any membership revenue received prior to 31 July that relates to the following membership period is treated as deferred income.
Sponsorship income	Sponsorship revenue is recognised in the statement of comprehensive income as the performance obligation has been satisfied which generally results in income being recognised at the completion of each particular race day the sponsorship relates to. Any sponsorship funds received prior to 31 July that relates to a future race day event is treated as deferred income.	Sponsorship revenue is recognised in the statement of comprehensive income in proportion to the stage of completion of the transaction at the balance sheet date which generally results in income being recognised at the completion of each particular race day the sponsorship relates to. Any sponsorship funds received prior to 31 July that relates to a future race day event is treated as deferred income.

## (I) INCOME TAX

The TRC is exempt from taxation pursuant to section 50-45 of the Income Tax Assessment Act 1997.

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## (J) LEASES

The Group has applied AASB 16 Leases using the modified retrospective approach and therefore the comparative information has not been restated, and continues to be reported under AASB 117.

*Policy applicable from 1 August 2019*

At inception of a contract, the Club assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Club uses the definition of a lease in AASB 16.

*(i) As a lessee*

As a lessee, the Club leases property plant and equipment. The Club previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Club. Under AASB 16, the Club recognises right-of-use assets and lease liabilities for most of these leases- i.e. these leases are on-balance sheet.

At commencement or on modification of a contract that contains a lease component, the Club allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price.

*Property leases*

For leases of property the Club has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

In accordance with AASB 16, the TRC has chosen to measure the right of use assets in relation to leases with significantly below-market terms and is principally for the Club to achieve its not-for-profit objectives at cost. This lease is a sub-lease of the building leased out by the TRC. The lease term is for 50 years and is valued at \$1 per year and therefore due to its immaterial value has not been recognised on the balance sheet as a right-of-use asset and lease liability.

*Leases of equipment*

The TRC leases office equipment. These leases have been assessed and deemed to be operating leases. The TRC has elected not to recognise right-of-use assets and lease liabilities for these leases as all leases qualify for the exemptions under AASB 16 Leases as they are either low-value assets or short-term leases. The TRC recognises the lease payments associated with those leases as an expense on either a straight-line basis over the lease term.

*(ii) As a lessor*

The Club leases out its land and property. The lease was classified as an operating lease. The TRC recognises lease payment received under operating leases as income on a straight line basis over the term of the lease.

#### 4 REVENUE AND OTHER INCOME

	2020	2019
	\$	\$
Food and beverage revenue	525,756	767,442
Sponsorship income	172,007	148,821
Tas Racing compensation	74,476	104,764
Recovered costs	80,013	63,030
Feature meeting car spaces and van site hire	43,268	47,042
Membership revenue	14,675	39,091
Cleaning reimbursement income	39,709	49,188
Gate takings	36,928	32,474
Equipment & room hire revenue	6,445	14,700
Bookmaker income	1,273	900
Video and race book sales	5,427	11,071
Other income	219,727	62,356
<b>Total revenue and other income</b>	<b>1,219,704</b>	<b>1,340,879</b>

#### 5 AUDITORS REMUNERATION

	2020	2019
	\$	\$
Audit of financial report	14,350	12,095
Other services	1,230	1,025
<b>Total auditor's remuneration</b>	<b>15,580</b>	<b>13,120</b>

#### 6 CASH AND CASH EQUIVALENTS

	2020	2019
	\$	\$
Cash in bank	399,479	241,551
Cash in bank- Museum Trust Fund Account	21,709	23,655
Cash on hand	7,310	7,052
<b>Total cash and cash equivalents</b>	<b>428,498</b>	<b>272,258</b>

Interest on Museum Trust Fund as at 31 July 2020 was 0.05% (2019: 0.10%).

## 7 TRADE AND OTHER RECEIVABLES

	2020	2019
	\$	\$
Trade receivables	13,990	8,237
Accrued income	30,333	47,313
GST receivable	-	14
Other receivables	(i) 297,500	297,500
<b>Total trade and other receivables</b>	<u>341,823</u>	<u>353,064</u>

(i) In 2016 approximately 2 hectares of land was compulsorily acquired by the State Government. As at the date of signing these financial statements the compensation to be received by the Club has yet to be agreed. As title of this land has passed to the State Government, the Committee have estimated the compensation to be received based on the per hectare rate implicit in the Valuer General's valuation of the remaining land holdings. This estimated compensation was used in calculating the gain on disposal recognised in the year of disposal.

## 8 INVENTORIES

	2020	2019
	\$	\$
Stock on hand	43,412	41,839
<b>Total inventories</b>	<u>43,412</u>	<u>41,839</u>

## 9 PROPERTY, PLANT & EQUIPMENT

	Freehold Land (fair value)	Museum Exhibits & Memorabilia (fair value)	Plant & Equipment	Total
	\$	\$	\$	\$
Opening balance as at 1 August 2018	375,561	284,430	287,803	947,794
Revaluation	100,348	-	-	100,348
Additions	-	-	9,513	9,513
Closing balance as at 31 July 2019	<u>475,909</u>	<u>284,430</u>	<u>297,316</u>	<u>1,057,655</u>
Opening balance as at 1 August 2019	475,909	284,430	297,316	1,057,655
Revaluation	39,088	104,020	-	143,108
Additions	-	-	35,660	35,660
Closing balance as at 31 July 2020	<u>514,997</u>	<u>388,450</u>	<u>332,976</u>	<u>1,236,423</u>



## 9 PROPERTY, PLANT & EQUIPMENT (CONTINUED)

	Freehold Land (fair value)	Museum Exhibits & Memorabilia (fair value)	Plant & Equipment	Total
<b>Depreciation and Impairment Losses</b>				
Opening balance as at 1 August 2018	-	-	259,506	259,506
Depreciation charge for the year	-	-	9,888	9,888
Closing balance as at 31 July 2019	-	-	269,394	269,394
Opening balance as at 1 August 2019	-	-	269,394	269,394
Depreciation charge for the year	-	-	10,613	10,613
Closing balance as at 31 July 2020	-	-	280,007	280,007
<b>Carrying Amounts</b>				
Carrying balance as at 1 August 2018	375,561	284,430	28,297	688,288
Carrying balance as at 31 July 2019	475,909	284,430	27,922	788,261
Carrying balance as at 1 August 2019	475,909	284,430	27,922	788,261
Carrying balance as at 31 July 2020	514,997	388,450	52,969	956,416

### Museum Exhibits and Memorabilia

An independent valuation was last obtained as at 30 September 2020 for the museum exhibits and memorabilia by Wrightvaluers (Andrew Wright- AVAA Certified Practising Valuer). The valuation was based on market value for existing use, being the estimated amount at which property might be expected to change hands between a willing buyer and a willing seller, neither being under the compulsion and each having reasonable knowledge of the relevant facts with equity to both. This assumes that the buyer and the seller contemplate retention facilities at their present location for continuation of current operations. The Committee have adopted this valuation as the fair value at the end of the 2020 financial year.

### Land

An independent valuation of the land was performed on 8 April 2016 by the Tasmanian Government Valuer General (TW Grant). This valuation, which resulted in a land valuation of \$5,950,000 was performed in accordance with Tasmanian Valuation of Land Act 2001. The Committee have used this valuation in determining the carrying value of land as at 31 July 2020. The valuation obtained has been discounted (at a commercial rate) to reflect the encumbrance of the remaining term of the non-commercial lease over the land as at balance date. As a result, land revaluation increments occur to recognise the lease term progression.

### Mortgages

As at 31 July 2020 there were two mortgages registered against title to the Elwick Racecourse with TRC as mortgagor. There was one mortgage to the Commonwealth Bank of Australia associated with the TRC's overdraft facility. The overdraft facility was terminated prior to 31 July 2020 and this mortgage has been subsequently discharged. There is a mortgage in place to Tote Tasmania Pty Ltd (now held by Tasracing). After thorough investigation by the Committee, there appears to be no outstanding loan amount associated with this mortgage, the Committee has requested for this mortgage to be discharged.

## 10 TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
Trade payables and accrued expenses	26,844	41,710
Revenue received in advance- sponsorship/membership/functions	47,898	6,696
Museum trust fund	21,709	23,655
<b>Total trade and other payables</b>	<u>96,451</u>	<u>72,061</u>
 <i>Reconciliation of movement in Museum Trust Fund</i>		
Opening balance at 1 August	23,655	21,353
New donations received	1,121	2,218
Interest accrued	24	86
Memorabilia purchase	(3,091)	-
Bank fees	-	(2)
Closing balance 31 July	<u>21,709</u>	<u>23,655</u>

## 11 FINANCING FACILITIES

	2020	2019
	\$	\$
This note provides information about the contractual terms of the Club's financing arrangements.		
The Club has access to the following lines of credit:		
Bank Overdraft	-	100,000
	<u>-</u>	<u>100,000</u>
Facilities Utilised at Reporting Date:		
Bank Overdraft	-	-
	<u>-</u>	<u>-</u>
Facilities Not Utilised at Reporting Date:		
Bank Overdraft	-	100,000
	<u>-</u>	<u>100,000</u>

Interest on bank overdrafts is charged at prevailing market rates. At 31 July 2019 the rate was 9.31% per annum

## 12 EMPLOYEE BENEFITS

	2020	2019
	\$	\$
<b>Current</b>		
Liability for annual leave	43,677	28,884
Liability for long service leave	20,818	16,578
<b>Total current employee benefits</b>	<u>64,495</u>	<u>45,462</u>
<b>Non-current</b>		
Liability for long service leave (non-current)	13,265	2,827
<b>Total non-current employee benefits</b>	<u>13,265</u>	<u>2,827</u>

## 13 OTHER COMMITMENTS

### Key management personnel

There are no commitments under non-cancellable employment contracts not provided for in the financial statements.

## 14 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2020	2019
	\$	\$
<b><i>Cash Flows from Operating Activities</i></b>		
Surplus for the period	117,758	168,407
<i>Adjustments for:</i>		
Depreciation	10,613	9,888
<b>Operating surplus before changes in operating assets</b>	<u>128,371</u>	<u>178,295</u>
(Increase)/decrease in trade and other receivables	11,241	(23,140)
Increase in inventories	(1,573)	(6,519)
Decrease in trade and other payables	26,336	(181,729)
Increase/(decrease) in employee benefits	29,471	(3,748)
<b>Net cash provided by/(used in) operating activities</b>	<u>193,846</u>	<u>(36,841)</u>

## Committee Declaration

In the opinion of the Committee of the Tasmanian Racing Club Inc. ("the TRC"):

- (a) the TRC is not publicly accountable nor a reporting entity;
- (b) the financial statements and notes, set out on pages 1 to 16, are in accordance with the *Associations Incorporations Act 1964*, including:
  - giving a true and fair view of the financial position of the TRC as at 31 July 2020 and of its performance, as represented by the results of its operations for the financial year ended on that date in accordance with the basis of preparation described in Notes 2 and 3; and
- (c) there are reasonable grounds to believe that the TRC will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Committee:



Andrew Scanlon

Chairman

Dated 19 November 2020

At, Hobart

## Notes

## Notes





**Tasmanian Racing Club**  
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