

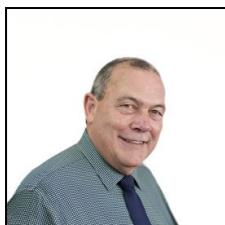
Annual General Meeting of Members
Sunday 13th October 2019 at 10.30am

Sunshine Coast Turf Club Inc.

ABN: 22 950 178 141

Thirty-eighth Annual Report 2018-2019

Board of Management Office Bearers



Chairman
Peter Boyce OAM



Deputy Chair
Mary Henzell



Treasurer
Bill Wendt



Board Member
Don Jackson
Retired 25.02.19



Board Member
Travis Schultz



Board Member
Tony Shadforth



Board Member
Dr Bernie Spilsbury



Board Member
Scott Armstrong
Appointed 28.02.19



Chief Executive
John Miller

Notice of 2019 Annual General Meeting

Notice is hereby given that the Thirty-eighth Annual General Meeting of Members of the Sunshine Coast Turf Club Inc. will be held in the Members Lounge, Corbould Park Racecourse, 170 Pierce Avenue, Caloundra, on Sunday 13th October 2019 at 10.30am.

Business Agenda

- To confirm the Minutes of the previous Annual General Meeting held on Sunday 14th October 2018.
- To receive the Annual Report of the Board of Management, the Profit and Loss Statement for the year ended 30th June 2019, Balance Sheet as at 30th June 2019 and Auditor's Report.
- In accordance with Rule 21.2(d) to (f), discussion will ensue on matters related to the Club's affairs.
- To move the Club's Auditor be appointed. In the event of an election Auditor to act as Returning Officer.
- To elect four (4) members to the Board of Management.

Dated at Caloundra: 11th September 2019

John Miller – Chief Executive
By Order of the Board of Management



SUNSHINE COAST TURF CLUB

Race in for the action

Attendance 65,041



66
Race Meetings

517
Races

4,764
Starters



1,626
Members (All Categories)



1,112
Full Members



\$465m
Wagering



\$2.511m
Bar/Catering



\$1.453m
Sponsorship/Broadcast

Chairman's Report



Dear Members,

On behalf of the Board of Management, I have pleasure in submitting the Sunshine Coast Turf Club's Annual Report, Profit and Loss Statement, Balance Sheet and Auditor's Report for the year ended 30th June 2019.

Financial Results

The Club has had a very strong financial year, with an Operating Profit for the 2018/19 year of \$592,947 which incorporates the SCRUT Sinking Fund contribution of \$71,319. Net profit achieved after depreciation, share of SCRUT losses and Plant and Equipment write-off is \$89,320.

When reviewing the results, it should be noted that in the year prior (2017/18) the Club held an additional six race meetings including two Caloundra Cups and the Group 2 Moreton Cup meeting when Eagle Farm was out of play.

Some of the key items to note include:

- **Bar & Catering Sales** – Net profit for the year was \$853,033 compared to \$886,845 the previous year, with less meetings as outlined above.
- **Membership** – Total members across all categories was 1,626 with a 24% increase in membership revenue.
- **Essential Services** – Negotiation of new energy tariffs and installation of solar power has seen an initial saving of \$46,135 on the previous year.
- **Sponsorship and Signage** – Up \$108,378 from the previous year.
- **SCRUT** - Depreciation increased by \$865,000. That resulted in an increase in the Club's share of SCRUT losses and contribution to the Sinking Fund.

The Club has also made significant investment in upgrading facilities and services On Course which has been made possible by the successful trading operations of the Club.

There are further plans in place for 2019/20 including the installation of a rubber surface in the Mounting Yard and also the major project, being the installation of a new Synthetic Track.

Sunshine Coast Turf Club Stable Complex

The Stable Complex continues to be a great boost to the Club with 100% occupancy throughout the year.

A number of local trainers are looking for additional stables and the Club has commenced planning with Racing Queensland to construct more, once the new Synthetic Track is complete.

2019-2020 Race Date Allocation

The 2019/20 Racing Season (1st July 2019 – 30th June 2020) sees the Sunshine Coast Turf Club race 69 times.

Raceday summary: 38 Sundays, 3 Saturdays, 21 Fridays (13 Nights), 4 Wednesdays, along with Melbourne Cup Day, Boxing Day and Australia Day Holiday.

Gold Members

Gold Membership is offered to those Members who have been Members of the Club continually from (and prior to) 1985/86 and who are over the age of 75 years.

The Club's current Gold Members are:

Mary Amos, Margaret Adena, Kevin Asmus, John Bagley, Aldo Bevacqua, Keith Bradfield, Florence Bush (Ronald), Glen Carsburg, John Doolan, Norman Donaldson, Daniel Doyle, Gavin Henderson, Trevor Hirn, Patricia Jensen (C.A. Mabb), Keith Kemp, Jean LeBrocq (Philip), Margaret Levy, Joy McConechy (Alan), Shirley Nunquam (Donald), Dympna Pitt (John), Jean Piva (Bluey), Betty Power (Virgil), Gavin Roberts, Robert Robertson and Graham H Smith.

In Memory

It is with sadness we record the passing of the following Members that we were made aware of during the year:

- Robert (Bob) Flynn – a Founding Member and original Board Member
- Robert Dennis
- Garth Palethorpe
- John Peck
- Roy Standfast – Gold Member
- Patricia Traill - Gold Member.

To their family and friends and to other Members who have suffered bereavement, we extend sincere condolences.

Board of Management

In February, after fifteen and a half years of service, former Chairman and Life Member Don Jackson resigned from his position on the Sunshine Coast Turf Club Board.

In 2007, Don was involved in the negotiations to secure the freehold of Corbould Park from Caloundra City Council and he has been a Director of Sunshine Coast Racing Unit Trust that has overseen the rapid development of the racecourse facility including the Cushion Track, Track Lighting and On Course Stables.

Don played an integral part in making the Sunshine Coast Turf Club the racing facility it is today and we wish him all the best for the future.

Scott Armstrong was appointed to fill the vacancy created by Don. Scott is the Managing Director of Sunshine Coast Hotels Pty Ltd, Vice President of Queensland Hotels Association, a Board member of Independent Brands Australia Pty Ltd (Queensland) and has been involved in the hospitality industry for 28 years.

Board of Management 2019-2020

In accordance with the Constitution and Rules of the Club the following four members of the Board of Management retire by rotation and being eligible for re-election have nominated accordingly:

Scott Armstrong, Peter Boyce OAM, Antony (Tony) Shadforth, William (Bill) Wendt.

As there were no nominations received, these members have been elected unopposed for the ensuing term.

Appreciation

I am grateful for the support of fellow Board members and their commitment to the Club throughout the year. The Club is fortunate to have a Board with such a diverse business acumen to assist with the future prosperity of the Club.

I am sure those of you who have used the new Atrium Bar will have found that it is a wonderful facility and upgrade for our Club.

We hope that it will become another venue that is well used by Members and their guests throughout the year.

As I have said, the replacement of the Synthetic Track is our next big target. I acknowledge the patience shown by our Trainers as the process of obtaining funding for this track has been far too long and hopefully we are now in a position to proceed and have that track replaced, so that we again become the only Club in Queensland that can operate a race meeting, no matter what the weather conditions are at any one time.

In closing, I thank John Miller and his staff for their work and dedication for this Club throughout the year.

To you our Members, thank you for your continued and valued support and we look forward to the continued success of the Club.

Peter Boyce OAM
Chairman

Chief Executive's Report



Dear Members,

It gives me great pleasure to present this report on what was another successful year and one of significant change for the Club. We have made a number of improvements and upgrades to the facility over the past year and this has further enhanced the raceday experience for Members.

The Club continues to present high quality racing. This was certainly showcased on Caloundra Cup Day when following 230mm of rain during the fortnight to the event, the track raced superbly, and generated some of the best wagering figures of the Queensland Winter Carnival.

It is an exciting time to be involved with the SCTC with a great selection of racing across Sundays, feature metropolitan Saturday meetings and a strong Friday Night racing program planned.

Membership

At the start of last Season, the Board and Management team made a commitment to membership growth and improving the facilities and offering for our valued Members. It was important to me that we took on board the feedback provided by Members and ensure that all SCTC Members have a strong connection to the Club, and enjoy the community feel of a day at the track.

Total Members across all categories grew to 1,626 with 1,112 people taking out Full Membership. A great improvement and something we will continue to grow in coming years.

The highlight has been the development of the new Member's Atrium Bar which now provides a unique area for Members to enjoy the races with different food and beverage offers available. We are certainly looking forward to the Night Racing Season with the Atrium Bar open for all night meetings.

The Members Lounge also had some changes with new automatic doors at the entry plus the new TAB sponsored video wall providing a premium audio-visual experience of the races.

A new point of sale system now allows the Club to offer Member's discounts on beverages at all bars and this provides further value to our Members On Course.

The installation of free Wi-Fi On Course is something that a number of Members had requested and it is great that this is now up and running.

Racing

The Club raced 66 times during the year with 517 races and 4,764 starters. It is clearly one of the most raced on grass tracks in the world and all Members should be proud of what an outstanding racing surface is presented each week.

It should be noted when comparing figures to last year that the 2017/18 year included two Caloundra Cup meetings and also the feature Group 2 Moreton Cup meeting that was hosted when Eagle Farm was out of play.

The main priority now is to finalise the funding and approvals for the replacement of the existing Synthetic (Cushion) Track. This has taken longer than anticipated and I acknowledge that our local Trainers currently have a sub-standard track to work horses on presently, however the plan is to have a new Synthetic Track this year for both training and racing purposes.

The Synthetic Track will allow for some meetings to be transferred from the Course Proper and provide track staff with a better opportunity to renovate and maintain the Course Proper.

Sponsors

We are very fortunate to have the support of many outstanding business partners who make it possible to deliver the events and busy racing schedule that we do.

The 100 Club continues to prove popular and allows a number of local businesses to enjoy involvement with not only the SCTC but the other 100 Club Members at the various events held during the year. Kendrick Racing were the lucky winners to receive naming rights to the 2019 Caloundra Cup and I know they had a great time being involved with our signature event.

The TAB has come on board as a major sponsor of the Club and we look forward to working with them to improve the racing and wagering products On Course. We have already seen a number of big improvements to the audio-visual facilities On Course.

To all our Sponsors, I thank you for your involvement and support and I look forward to working with you in the new Season to develop events that achieve your sponsorship objectives.

Events

Kendrick Racing Caloundra Cup, Melbourne Cup Day, Hot91 Ladies Oaks Day and Coastline BMW Sunshine Coast Cup Day are the flagship events held each year and we were fortunate to have great crowd support for all meetings again this year.

The Noosa Cup meeting in December and the Craft Beer & Food Twilight Races in May were new events that started this year and both exceeded our expectations and we look to build further next year.

Working with Racing Queensland, we have been fortunate to secure a new metropolitan Saturday meeting to be held in November. This meeting will become Mooloolaba Cup Day and will be the first meeting of a revamped Queensland Summer Carnival.

Facility Upgrades

During the year, the Club made a number of upgrades to the facility and equipment. These included:

- New Wi-Fi service throughout the park;
- Installation of new Solar Panel system which will further reduce electricity costs in future years;
- The Pavilion – a new permanent 10m x 20m marquee structure adjacent to the Champagne Garden;
- Atrium Bar – extensive renovation of the existing Favourites Function Room to create a new premium Members Bar facility;
- Automatic door entry for both the Members Lounge and Atrium Bar;
- Giant video wall and new television monitors throughout the Members facilities;
- New outdoor LED screen in the public area;
- New point of sale system throughout the park;
- Upgrade of SCTC website and new CRM system; and
- Upgrade to stable walkers.

Thank you

It has been another busy year and I sincerely thank Chairman Peter Boyce and the Board for their continued support.

I am fortunate to lead an amazing team of staff and I thank everyone for all their hard work and dedication over the past year. To race approximately 70 times a year plus additional events and providing training facilities for 400 horses is a big job and I am proud of the way our staff support each other and produce outstanding results.

Thanks to our major media partners including Sky Racing, Radio 4TAB, Hot 91.1, Sunshine Coast Daily and Queensland Advertising who play a big part in promoting the Club and racing in the community.

Thank you to Racing Queensland, QRIC staff and officials for their support throughout the year. We are very lucky to have strong support from Trainers, Owners and Jockeys to continue to grow the racing product in the area. I thank all of our participants for racing at the Sunshine Coast during the Season.

Most importantly thank you to all of our Members for supporting the events and making this Club great.

John Miller
Chief Executive

RACING

2018/19 CALOUNDRA RSL SCTC PREMIERSHIP AWARDS

The Club would like to acknowledge and thank the Caloundra RSL Services Club Inc. for their long-term sponsorship and support of the SCTC Trainers & Jockeys Premiership Awards.

Trainer's Premiership

1 st	Stuart Kendrick	(47)
2 nd	Toby Edmonds	(27)
3 rd	David Vandyke	(22)

Congratulations to Stuart Kendrick on winning the 2018/19 SCTC Trainer's Premiership. Stuart was a dominant winner in the Trainer's Premiership finishing over 20 wins clear of his nearest rival and taking out the annual SCTC Trainer's Premiership for the sixth consecutive Season.

Jockey's Premiership

1 st	Ryan Maloney	(44)
2 nd	Matthew McGillivray	(32)
3 rd	James Orman	(30)

Congratulations to Ryan who has finished twelve clear and a great achievement since he moved to Queensland in August last year.

Apprentice Jockey's Premiership

1 st	Clayton Gallagher	(14)
2 nd	Jackson Murphy	(7)
3 rd	Stephanie Lacy	(7)

Congratulations to Clayton Gallagher on taking out the Lianne Crook Memorial Shield as the 2018/19 SCTC Apprentice of the Year.

Congratulations to the top achievers for 2018/19 Season and the Club wishes them all the best in the 2019/20 season.

FEATURE RACE RESULTS

Saturday 26th January 2019 – Coastline BMW Sunshine Coast Cup Day

- **Listed \$100,000 Coastline BMW Sunshine Coast Cup (1400m)**
Winner: Balboa Rocks; Trainer – Darryl Hansen; Jockey – Michael Cahill.
- **\$125,000 Coastline BMW 3 Series 2YO Classic QTIS Added Stakes Plate (1200m)**
Winner: Alligator Blood; Trainer – David Vandyke; Jockey – Jeff Lloyd.

Saturday 29th June 2019 – Kendrick Racing Caloundra Cup Day

- **Listed \$175,000 Kendrick Racing Caloundra Cup (2400m)**
Winner: Igraine (GER); Trainer – Robert Priscott (NZ); Jockey – Robbie Fradd.
(Photo below)
- **Listed \$175,000 Oaks Hotels, Resorts & Suites Glasshouse Handicap (1400m)**
Winner: River Racer; Trainer – Les Ross; Jockey – Matthew McGillivray.
- **Listed \$125,000 TAB Sunshine Coast Guineas 3YO – Group 3 (1600m)**
Winner: Baccarat Baby; Trainer – David Vandyke; Jockey – Michael Hellyer.



Sponsors

Thank you to Club Sponsors

The success of the Sunshine Coast Turf Club would not be possible without the support of Major and Raceday Sponsors. Sincere appreciation is extended to them for their assistance, generosity and support. We urge Members to support the Club's Sponsors.

Major Sponsors:

Access Insulation Sunshine Coast
Butler McDermott Lawyers
Coastline BMW
Coca Cola Amatil
Diageo
Hot 91.1
Lion (XXXX)
Oaks Hotels, Resorts & Suites
Parklands Tavern (Sunshine Coast Hotels)
Samuel Smith & Son (Yalumba Wines)
Sky Racing
TAB
Wimmers Premium Soft Drinks

Media Sponsors:

Hot 91.1
RadioTAB
Sky Racing
Sunshine Coast Daily

Raceday/General Sponsors:

Archers
Australis Roofing
Bloomhill Cancer Care
Beautiful You Cancer Program
Bridgestone Noosaville
Caloundra Panthers AFL
CMBM Facility Services
Complete Civil & Construction Group
Coolum Business & Tourism
Dicky Beach SLSC
Digital Vision Direct
EFEX

Raceday/General Sponsors (cont.):

Get Tools Direct
Go Electrical Warana
Golden Beach Tavern
Guide Dogs Queensland
Higgins
IGA Sunshine Coast Charity (supporting Montrose)
Jades Legacy
James Ackerman Memorial
JD Constructions
John Burgess Electrical
Kawana Junior Rugby League
Kendrick Racing
Marcoola SLSC
Maroochydore SLSC
Noosa AFC
Noosa Heads Surf Life Saving Club
Noosa Springs Golf & Spa Resort
On the Beach Noosa Resort
Past Roos Geoff Drummond Memorial
PFD Foodservices
Ray White Commercial Noosa
Rotary
Royal Flying Doctor Service
Savills
SC Falcons
Secure Access
Stanley River Thoroughbreds
STEPS Charity
Sunshine Coast Grammar
Sunshine Coast Hotels
Sunshine Coast Rugby League
Sunshine Toyota
The Compass Institute
The Mooloolaba Surf Club
Variety QLD

100 Club 2019

The success of the Sunshine Coast Turf Club wouldn't be possible without the support of Sponsors of the 100 Club. Sincere appreciation is extended to them for their assistance, generosity and support. We urge Members to support our 100 Club Sponsors:

Access Insulation Sunshine Coast
All Pest QLD
Allchin Airconditioning & Refrigeration
ATF Sunshine Coast
Austack Produce Sunshine Coast
Authentic Security Pty Ltd
Bassett Barks Pty Ltd
Battery Wise Sunshine Coast
Blake Machinery Group Pty Ltd
BOSS Building Maintenance
Buderim Mechanical
Butler McDermott Lawyers
Caloundra Towing - Tow N Ride
Cellar Maintenance Australia
Centrepont Apartments Caloundra
Chaps Menswear
Civil Perspective
CMBM Facility Services Pty Ltd
CNW Electrical Wholesale Warana
Coast 2 Coast Earthmoving
Coastal Flooring Xtra
Coastal Style Constructions
Coastline BMW
Contract Hydraulics Pty Ltd
Digital Vision Direct
DJ Group Investments
Double R Thoroughbreds
Drift Bar
DynamicOdds.com
Flying Start Syndications
Fuji Xerox Business Centre Sunshine Coast
Garrards Pty Ltd
Glass FX
Glovers Concreting Pty Ltd
Go Electrical
Go Transit Media Group Pty Ltd
Golden Beach Tavern
Grambower Concrete Group
GT Print
H & H Air Conditioning
Hampers To Go
Haymans Electrical, Data & Airconditioning - Caloundra
Higgins
Hot 91.1
JLP Fabrication
John Burgess Electrical
K Smith & Son Jewellers

Kaboom Concrete Pumping Pty Ltd
 Kendrick Racing
 Lever Law
 Love & Partners Chartered Accountants
 Maleny Hotel
 Mask Events
 McGrath Buderim & Mooloolaba
 Meredith Kitchens
 Millennial Homes
 Moreton All Body Care
 Multimeat Australia Pty Ltd
 Nat McCall Racing
 Neil Mansell Concrete
 Nightowl Caloundra
 Number One Quality Homes
 Oaks Hotels, Resorts & Suites
 Office National Caloundra
 Pablo's Tex-Mex Caloundra
 Paddy Walsh Painting & Solid Plastering
 Parklands Tavern
 Pelican Motors Service Centre
 Pelican Waters Golf Club
 Perry's Sunshine Coast Event Hire
 PFD Foodservices
 Pitchers Hospitality Supplies
 ProLiquor
 Pryde's EasiFeed
 Q Advertising
 Race Zone Racing Supplies
 Ross Maclean Fellowship
 Samuel Smith & Son / Yalumba Wines
 Scott McMahon Electrical
 Sea Vista Developments
 Secure Access Pty Ltd
 Sedgwick's Boutique
 Slade Bloodstock Pty Ltd
 Sommer's Fuel Supplies
 South East Civil
 Southeast Stainless
 Stanley River Thoroughbreds
 Stripe Pro Signs
 Suncoast Cabs
 Sunshine Coast Daily
 Supaview Security & Sunscreen
 TAB
 Tensens
 The Branding Office
 The Compass Institute Inc.
 The Pump House
 TMG Construction
 Travis Schultz Law
 Vili's Family Bakery
 Workplace Central

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

TRADING AS:



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

CONTENTS	PAGE
Board of management report	2
Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7
Statement by the board of management	19
Independent auditor's report	20
Auditor's disclaimer and supporting schedules	22

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SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

**BOARD OF MANAGEMENT REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Your board of management members submit the financial report of Sunshine Coast Turf Club Inc for the financial year ended 30 June 2019.

Board of Management Members

The names of the board of management members throughout the year and at the date of this report are:

<u>Name</u>		<u>Position Held</u>
Boyce, Peter Gerard OAM		Chairman
Henzell, Mary Jane		Deputy Chair
Wendt, William Frederick Charles (Bill)		Treasurer
Armstrong, Scott Donald	<i>Appointed 28 February 2019</i>	Director
Schultz, Travis		Director
Shadforth, Antony James (Tony)		Director
Spilsbury, Dr Bernard Renton (Bernie)		Director
Jackson, Donald Stanley (Don)	<i>Resigned 25 February 2019</i>	Director
Miller, John Gerard		Secretary/Chief Executive (Non-Voting)

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

Principal Activities

The principal activities of Sunshine Coast Turf Club Inc (*the association*) during the financial year were to promote, conduct and hold race meetings for the recreation and enjoyment of members, for the association of persons interested in or connected with horse racing, and for the improvement in the breed of thoroughbred horses.

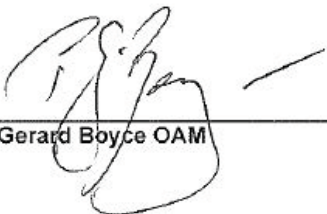
Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The surplus/(deficit) after providing for income tax for the 2019 financial year amounted to: \$89,320

Signed in accordance with a resolution of the board of management by:


Peter Gerard Boyce OAM


Date

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	This Year \$	Last Year \$
INCOME			
Bar and catering operations (net)		853,033	886,845
Distribution from Racing Queensland Ltd		1,533,500	1,394,367
Other revenue		433,522	411,239
Public admissions		394,557	467,723
Sponsorship and signage		1,449,086	1,340,708
Totalisator commission (net)		(58,959)	9,695
Training facility		1,354,166	1,345,695
Total income	1(l)	5,958,904	5,856,272
LESS: EXPENSES			
Auditor's remuneration - audit services		14,600	16,000
Auditor's remuneration - other		9,000	10,590
Essential services		719,832	786,475
Interest and other bank charges		19,947	15,250
Other expenses		2,318,641	2,133,593
Payroll related expenditure		407,591	454,490
Salaries and wages		1,876,346	1,717,595
Total expenses		5,365,958	5,133,992
Net surplus/(deficit) before income tax and non-cash items		592,947	722,280
ADJUST			
Depreciation	1(d), 7(a)	(263,639)	(256,169)
Income tax	1(a)	0	0
Investment in associate - share of losses	1(f), 6	(258,612)	(196,325)
Net profit/(loss) on disposal of property, plant and equipment	1(d)	18,624	(4,760)
		(503,627)	(457,254)
Net surplus/(deficit) after income tax and non-cash items		89,320	265,025
OTHER COMPREHENSIVE INCOME			
Investment in associate - share of revaluation	1(f)	288,752	0
		288,752	0
Total comprehensive income for the year after tax		378,073	265,025

The accompanying notes form part of these financial statements

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	This Year \$	Last Year \$
CURRENT ASSETS			
Cash	2	4,394,704	4,522,388
Receivables	3	1,016,602	1,289,108
Inventories	4	145,313	119,224
Other	5	60,070	34,261
Total current assets		5,616,690	5,964,981
NON-CURRENT ASSETS			
Investments in associates	6	6,640,206	6,538,747
Property, plant and equipment	7	2,065,501	1,460,697
Total non-current assets		8,705,707	7,999,444
Total assets		14,322,397	13,964,425
CURRENT LIABILITIES			
Payables	8	954,730	1,064,709
Provisions	9	299,993	283,369
Total current liabilities		1,254,723	1,348,078
NON-CURRENT LIABILITIES			
Provisions	9	13,953	12,018
Total non-current liabilities		13,953	12,018
Total liabilities		1,268,676	1,360,096
Net assets surplus/(deficit)		13,053,721	12,604,329
EQUITY			
Retained earnings		7,933,893	7,837,221
Accumulated reserves		5,119,827	4,767,107
Total equity		13,053,721	12,604,329

The accompanying notes form part of these financial statements

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019***Summary of Movements:*

Retained earnings	Accumulated reserves (i)	Total members' funds
----------------------	-----------------------------	----------------------------

THIS YEAR

Opening balance	7,837,221	4,767,107	12,604,329
Current year's surplus/(deficit)	89,320	0	89,320
<i>Other comprehensive income</i>			
Share of revaluation and sinking fund	0	288,752	288,752
<i>Members' transactions</i>			
Contribution to sinking fund	0	71,320	71,320
Transfers	7,351	(7,351)	0
Closing Balance	7,933,892	5,119,828	13,053,721

LAST YEAR

Opening balance	7,572,196	4,711,323	12,283,519
Current year's surplus/(deficit)	265,025	0	265,025
<i>Other comprehensive income</i>			
Share of revaluation and sinking fund	0	0	0
<i>Members' transactions</i>			
Contribution to sinking fund	0	55,785	55,785
Closing Balance	7,837,221	4,767,107	12,604,329

- (i) Accumulated reserves
Represents accumulated movements in fair value adjustments and member transactions relating to the association's investment in associate.

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

		This Year \$	Last Year \$
SUMMARY OF CASH FLOWS FROM:			
OPERATING ACTIVITIES			
Receipts from customers		8,083,227	8,142,723
Interest received		109,359	102,094
Payments to suppliers and employees		(7,470,451)	(7,567,099)
Net cash surplus/(deficit)		722,134	677,719
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		41,482	20,075
Payment for property, plant and equipment	7(a)	(891,300)	(282,920)
Net cash surplus/(deficit)		(849,818)	(262,845)
FINANCING ACTIVITIES			
Repayment of borrowings		0	0
Net cash surplus/(deficit)		0	0
Net increase (decrease) in cash held		(127,684)	414,874
Cash at beginning of year		4,522,388	4,107,514
Cash at end of year	1(j), 2	4,394,704	4,522,388
RECONCILIATION OF OPERATING CASH FLOW WITH NET SURPLUS/(DEFICIT)			
Net surplus/(deficit) from ordinary activities after income tax		89,320	265,025
<i>Adjust for non-cash items:</i>			
- Depreciation	7(a)	263,639	256,169
- Provision		18,559	20,987
- Share of associate's losses	6	258,612	196,325
- Loss/(profit) on disposal of property, plant and equipment		(18,624)	4,760
<i>Changes in assets and liabilities:</i>			
- Receivables	(Increase)/decrease	272,506	(281,570)
- Prepayments	(Increase)/decrease	(25,809)	15,539
- Inventories	(Increase)/decrease	(26,089)	(15,977)
- Income in advance	Increase/(decrease)	24,680	(115,755)
- Payables	Increase/(decrease)	(134,660)	332,216
		722,134	677,719

The accompanying notes form part of these financial statements

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The financial statements cover Sunshine Coast Turf Club Inc (*the association*) as an individual entity, incorporated in Queensland on 16 September 1988 and operating pursuant to the *Associations Incorporation Act (Qld) 1981*.

The financial statements were authorised for issue on the date of the signed statement by the board of management.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Associations Incorporation Act 1981 (the Act)* and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual 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.

Accounting Policies

a. Income Tax

The association is currently exempt from income tax under section 50 of the *Income Tax Assessment Act 1997*, being a not-for-profit club established for the encouragement of horse racing.

b. Inventories on Hand

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

c. Fair Value of Assets and Liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, information is extracted from the most advantageous market available to the association at the reporting date (i.e. the market that maximises the receipts from the sale of the asset or minimises the payment made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the association's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of an identical or similar financial instrument, by reference to observable market information where identical or similar instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

d. Property, Plant and Equipment

Plant and Equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(h) for details of impairment).

The cost of fixed assets constructed by the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the financial period in which they are incurred.

Plant and equipment that have been contributed at no cost or for nominal cost are recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is available for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
- Plant and equipment	2.5% - 33.3%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

e. Leases

Leases of property, plant and equipment, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the association, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the association will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

f. Investments in Associates

Associates are entities over which the association has significant influence through holding, directly or indirectly, 20% or more of the voting power of the entity. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the association's share of net assets of the associate entity. In addition, the association's share of the profit or loss of the associate entity is included in the association's surplus or deficit.

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

g. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the association becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the association commits itself to either the purchase or the sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient has been applied as specified in paragraph 63 of AASB 15: *Revenue from Contracts with Customers*.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at fair value or amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk to other comprehensive income enlarges or creates an accounting mismatch, these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

g. Financial Instruments ... *continued*

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The association initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial measurement of financial instruments at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the association makes an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the association's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the association no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

g. Financial Instruments ... *continued*

On derecognition of an investment in equity that the association elected to classify as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The association recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The association uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the association assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the association measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there was no significant increase in credit risk since initial recognition, the association measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Purchased or originated credit-impaired approach

For a financial assets that are considered to be credit-impaired (not on acquisition or originations), the association measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the association assumes that the credit risk has not increased significantly since initial recognition and, accordingly, it can continue to recognise a loss allowance of 12-month expected credit loss.

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

g. Financial Instruments ... *continued*

In order to make such a determination that the financial asset has low credit risk, the association applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the association recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

h. Impairment of Assets

At the end of each reporting period, the association reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where the assets are not held primarily for their ability to generate net cash inflows – that is, they are specialised assets held for continuing use of their service capacity – the recoverable amounts are expected to be materially the same as fair value.

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

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

i. Employee Provisions

Short-term employee benefits

Provision is made for the association's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high-quality bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee provisions expense.

The association's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the association does not have an unconditional right to defer settlement for at least 12 months after the reporting date, in which case the obligations are presented as current provisions.

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

j. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments, and bank overdrafts.

k. Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

l. Revenue and Other Income

Non-reciprocal grant revenue is recognised in profit or loss when the association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the association and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the association incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The association receives non-reciprocal contributions of assets from the government and other parties for no or nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the statement of comprehensive income.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Revenue from the sale of goods (food and beverage) and the sale of services (entertainment, management and betting) is recognised upon the delivery of goods and services to customers.

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

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable, to the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

n. Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the association during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

o. Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

p. Critical Accounting Estimates and Judgements

The committee evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

Key estimates

Impairment – general

The association assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

q. New and Amended Accounting Policies Adopted by the Association

Initial Application of AASB 9: Financial Instruments

The association has adopted AASB 9 with a date of initial application of 1 July 2018. As a result the association has changed its financial instruments accounting policies as detailed in this note.

With this standard first adopted for the year ending 30 June 2019, there is no material impact on the transactions and balances recognised in the financial statements.

There were no financial assets/liabilities which the association had previously designated as at fair value through profit or loss under AASB 139: Financial Instruments: Recognition and Measurement that were subject to reclassification/elected reclassification upon the application of AASB 9. There were no financial assets/liabilities which the association has elected to designate as at fair value through profit or loss at the date of initial application of AASB 9.

r. Impact of Standards Issued but not yet Applied by the Association

AASB 15 Revenue from Contracts with Customers - impacting for annual reporting periods beginning on or after 1 January 2019 (ie. 30 June 2020 reporting date for this entity). The association will review Not For Profit guidance on AASB 15 when relevant to determine the impact of the changes in its revenue recognition policy.

AASB 16 Leases - impacting for annual reporting periods beginning on or after 1 January 2019 (ie. 30 June 2020 reporting date for this entity). Operating leases currently held by the association (see note 11) will need to be brought onto the statement of financial position and the associated assets and liabilities will be recorded.

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	This Year \$	Last Year \$
2. Cash		
Cash on hand	3,250	350
Cash at bank (ANZ)	781,076	1,174,711
Cash at bank (BOQ)	10,735	10,720
Cash at bank (CBA)	16	0
Cash at bank (Ord Minnett)	262,877	6,607
Term deposit (AMP)	300,000	250,000
Term deposit (ANZ)	500,000	500,000
Term deposit (Bendigo)	300,000	250,000
Term deposit (BOQ)	506,750	500,000
Term deposit (CBA)	250,000	0
Term deposit (MEB)	350,000	350,000
Term deposit (NAB)	480,000	480,000
Term deposit (Rural Bank)	250,000	0
Term deposit (St George)	0	250,000
Term deposit (Suncorp)	400,000	250,000
Term deposit (WBC)	0	500,000
Total	4,394,704	4,522,388

Note:

The effective interest rate on short-term bank deposits was 2.0% (2018: 2.2%).

3. Receivables

Trade debtors	563,785	561,054
Other debtors	452,817	728,054
Less: provision for doubtful debts	0	0
Total	1,016,602	1,289,108

(a) Lifetime Expected Credit Loss: Credit Impaired

The association applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2019 is determined as follows; the expected credit losses also incorporate forward-looking information.

As at the reporting date, the board of management has concluded that the impact of AASB 9 on the financial statements would not be material.

2019

	Current \$	> 30 days past due \$	> 60 days past due \$	> 90 days past due \$	Total \$
Gross carrying amount	878,507	96,522	23,883	17,691	1,016,602
Loss allowing provision	0	0	0	0	0

2018

Gross carrying amount	1,155,012	83,273	26,875	23,948	1,289,108
Loss allowing provision	0	0	0	0	0

(b) Credit Risk

The association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the association is considered to relate to the class of assets described as "receivables".

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	This Year \$	Last Year \$
3. <u>Receivables ... continued</u>		
(b) Credit Risk...continued		
The association always measures the loss allowance for accounts receivables at an amount equal to lifetime expected credit loss. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.		
There has been no change in the estimation techniques or significant assumptions made during the current reporting period.		
The association writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (eg when the debtor has been placed under liquidation or has entered into bankruptcy proceedings) or when the trade receivables are over two years past due, whichever occurs earlier. None of the accounts receivable that have been written off are subject to enforcement activities.		
4. <u>Inventories</u>		
Bar	125,771	102,239
Kiosk and food	17,123	16,215
Grounds - material	2,420	770
Total	<u>145,313</u>	<u>119,224</u>
5. <u>Other Assets</u>		
Prepayments	60,070	34,261
Total	<u>60,070</u>	<u>34,261</u>
6. <u>Investments in Associates</u>		
20 Shares - 20% ownership of Sunshine Coast Racing Pty Ltd	20	20
15.4% ownership of SCRUT	6,640,186	6,538,727
Total	<u>6,640,206</u>	<u>6,538,747</u>
Principal activity - asset ownership		
Country of incorporation - Australia		
Significant influence:		
- Sunshine Coast Racing Pty Ltd acts as trustee for Sunshine Coast Racing Unit Trust (SCRUT). The Sunshine Coast Turf Club Inc owns a 20% stake in the trustee company and as a consequence is considered to have a significant influence over SCRUT.		
Movements during the year in equity accounted investments in associated companies:		
- Balance at the start	6,538,747	6,679,288
- Share of associated company's profit/(loss) after income tax	(258,612)	(196,325)
- Net share of associated company's reserve movements arising during the year	360,071	55,784
- Balance at the end of the year	<u>6,640,206</u>	<u>6,538,747</u>
Summarised presentation of assets, liabilities and performance of associates:		
	\$'000	\$'000
- Current assets	3,036	1,805
- Non current assets	42,563	43,291
- Total assets	45,599	45,096
- Current liabilities	233	214
- Non current liabilities	2,251	2,424
- Total liabilities	2,484	2,638
- Net assets	43,115	42,458
- Revenues	927	380
- Net profit/(loss) after income tax of associates	(1,681)	(1,276)

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	This Year \$	Last Year \$
7. <u>Property, Plant and Equipment</u>		
Plant and equipment at cost	3,362,502	2,658,324
Less: accumulated depreciation	1,297,001	1,197,627
Total	2,065,501	1,460,697
(a) Movements in carrying amounts:		
Opening balance - WDV	1,460,697	1,458,781
Additions	891,300	282,920
Disposals	(22,857)	(24,836)
Depreciation	(263,639)	(256,169)
Closing balance - WDV	2,065,501	1,460,697
8. <u>Payables</u>		
Trade creditors	618,664	754,706
Accrued charges	182,219	180,836
Income in advance	153,847	129,167
Total	954,730	1,064,709
9. <u>Provisions</u>		
<i>Current:</i>		
Annual leave	205,678	200,243
Long service leave	94,315	83,126
	299,993	283,369
<i>Non-Current:</i>		
Long service leave	13,953	12,018
	13,953	12,018
Total	313,946	295,387
(a) Analysis of provisions annual and long service leave:		
Opening balance	295,387	274,400
Additional provisions raised during the year	145,511	173,133
Amounts used	(126,952)	(152,146)
Closing balance	313,946	295,387
Employee provisions		
Employee provisions represent amounts accrued for annual leave and long service leave.		
The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the association does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the association does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.		
The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.		
10. <u>Related Party Transactions</u>		
(a) Key Management Personnel		
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the association, directly or indirectly, including its board of management members, is considered key management personnel.		
Key management personnel compensation:		
- short-term employee benefits	248,718	354,450
- other long-term benefits	0	0
Total	248,718	354,450

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

This Year \$	Last Year \$
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10. Related Party Transactions...continued

(b) Other Related Parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

- Dr B Spilsbury (medical services)	18,900	25,200
- Butler McDermott Lawyers - Peter Boyce	510	9,554
Total	<u>19,410</u>	<u>34,754</u>

(c) Board of Management

Members of the board of management in their honorary capacity receive no remuneration for their services however, from time to time, they are provided with refreshments and are reimbursed for association related out-of-pocket expenditure. In addition, the association takes out insurance cover which insures the board against breaches of statutory and other obligations. Transactions between related parties are on standard commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

11. Rental Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable - minimum lease payments

- not later than 12 months	1	1
- between 12 months and five years	4	4
- later than five years	62	63
Total	<u>67</u>	<u>68</u>

Leasehold Land:

The association operates its facilities on leasehold land provided by Sunshine Coast Racing Pty Ltd. The current lease agreement commenced on 1 April 2010 and is due to expire on 31 October 2086. The association does not recognise any value over the leasehold land. No adjustment has been recorded for annual outgoing expenditure.

12. Financial Risk Management

The association's financial instruments consist mainly of cash and deposits with banks. The association has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the period, the association's policy that no trading in financial instruments or derivatives shall be undertaken.

13. Economic Dependence

While the association's activities are significantly funded by member activities and commercial operations, the association is greatly assisted in its activities by distributions provided by Racing Queensland. At the date of this report, the members of the board of management had no reason to believe that Racing Queensland would not continue to provide financial support to the association.

SUNSHINE COAST TURF CLUB INC


ABN: 22 950 178 141

**STATEMENT BY THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

In accordance with a resolution of the board of management of Sunshine Coast Turf Club Inc (*the association*), the members of the board of management declare that:

1. The financial statements and notes are in accordance with the *Associations Incorporation Act (Qld) 1981* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position of the association as at 30 June 2019 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the board of management by:



Peter Gerard Boyce OAM

11/9/19

Date



Love & Partners

REGISTERED COMPANY AUDITORS

INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED 30 JUNE 2019

TO THE MEMBERS OF SUNSHINE COAST TURF CLUB INC

Opinion

We have audited the financial report of the Sunshine Coast Turf Club Inc (*the association*), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the board of management.

In our opinion, the accompanying financial report of the association is in accordance with the requirements of the *Associations Incorporation Act (Qld) 1981*, including:

- (i) giving a true and fair view of the association's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Associations Incorporation Regulation (Qld) 1999*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (the Code)* that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The board of management of the association is responsible for the other information. The other information comprises the information included in the association's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Management for the Financial Report

The board of management of the association is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Associations Incorporation Act (Qld) 1981* and for such internal control as the board of management determines 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 board of management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the management committee either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

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CONTACT

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CORPORATE INFORMATION

Love and Partners Auditors Pty Ltd
ABN: 30 125 237 229
Authorised Audit Company Number: 31344
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INDEPENDENT AUDITOR'S REPORT...CONTINUED FOR THE YEAR ENDED 30 JUNE 2019

TO THE MEMBERS OF SUNSHINE COAST TURF CLUB INC

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 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of management.
- Conclude on the appropriateness of the board of management's 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 association'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 association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information or business activities within the association to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the board of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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REGISTERED COMPANY AUDITORS

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Date: 11/9/19.

Brett J Buntain

Director – Audit & Assurance
RCA No. 213172

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

**INDEPENDENT AUDITOR'S DISCLAIMER
FOR THE YEAR ENDED 30 JUNE 2019**

The additional financial information presented on the following pages is in accordance with the books and records of Sunshine Coast Turf Club Inc (*the association*) which have been subjected to the auditing procedures applied in our audit of the association for the year ended 30 June 2019. It will be appreciated that our audit did not cover all details of the additional financial information as provided in the supporting schedules. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that neither the firm nor any other member or employee of the firm undertakes responsibility arising in any way whatsoever to any person in respect of such information, including any errors or omissions therein, arising through negligence or otherwise however caused.

**Love & Partners**

REGISTERED COMPANY AUDITORS

*"Liability limited by a scheme approved under Professional Standards Legislation"***SUPPORTING SCHEDULES
FOR THE YEAR ENDED 30 JUNE 2019**

	This Year \$	Last Year \$
INCOME:		
BAR AND CATERING TRADING		
Sales	2,560,121	2,657,394
Less: cost of goods sold	813,969	873,468
Gross Profit	1,746,152	1,783,926
GPR %	68.2%	67.1%
Less: direct costs	893,120	897,081
Net Profit	853,033	886,845
NPR %	33.3%	33.4%
OTHER REVENUE		
Interest received	109,359	102,094
Membership subscriptions	149,060	119,897
Race book sales and advertising	40,850	48,265
Sundry revenue	20,306	27,732
Various rentals	113,947	113,251
Total	433,522	411,239
TOTALISATOR TRADING		
Gross commission Unitab	168,570	215,029
Outside tote management fees	1,878	12,370
	170,448	227,398
Less: expenses		
Equipment rental	2,123	2,252
Repairs and maintenance	3,270	4,183
Stationery	1,247	955
Wages	222,768	210,314
	229,407	217,703
Net Profit	(58,959)	9,695
NPR %	(34.6%)	4.3%

SUNSHINE COAST TURF CLUB INC

ABN: 22 950 178 141

**SUPPORTING SCHEDULES
FOR THE YEAR ENDED 30 JUNE 2019**

This Year	Last Year
\$	\$

EXPENDITURE:**ESSENTIAL SERVICES**

Electricity	259,724	305,859
Fire services	17,131	12,988
Insurances	121,662	154,867
Legal fees	510	0
Lease outgoings and rates	212,630	193,817
Security services	79,892	95,585
Telephone and internet	28,283	23,359
Total	<u>719,832</u>	<u>786,475</u>

OTHER EXPENSES

Administration	164,879	141,862
Advertising and promotion	312,688	250,008
Committee expenses	17,527	39,268
Donations	8,124	10,631
Minor asset purchases	149,952	58,005
Race day trophies	18,040	25,275
Race book expenditure	95,527	98,284
Race day expenses	531,321	559,437
Racecourse maintenance	529,630	524,834
Stable complex expenses	490,953	425,989
	<u>2,318,641</u>	<u>2,133,593</u>

PAYROLL RELATED EXPENDITURE

Annual leave, long service leave and sick leave	18,559	89,655
Fringe benefits tax	16,747	10,673
Payroll tax	57,733	54,861
Superannuation	238,881	234,464
Workcover insurance	75,672	64,836
Total	<u>407,591</u>	<u>454,490</u>

Sunshine Coast Turf Club Inc.

ABN: 22 950 178 141



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