SUNSHINE COAST TURF CLUB

Race in for the action

Thirty-ninth

ANNUAL REPORT 2019-2020

ANNUAL GENERAL MEETING OF MEMBERS

Sunday 11 October 2020 at 10.30am

Thirty-ninth

ANNUAL REPORT 2019-2020

BOARD OF MANAGEMENT OFFICE BEARERS

CHAIRMAN
Peter Boyce OAM

DEPUTY CHAIR
Mary Henzell

TREASURER
Bill Wendt

BOARD MEMBER
Scott Armstrong

BOARD MEMBER
Travis Schultz

BOARD MEMBER
Tony Shadforth

BOARD MEMBER
Dr Bernie Spilsbury

CHIEF EXECUTIVE
John Miller

SUNSHINE COAST TURF CLUB

Race in for the action

Contents Page

NOTICE OF 2020 ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-ninth 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, Corbould Park, on Sunday 11 October 2020 at 10.30am.

BUSINESS AGENDA

- To confirm the Minutes of the previous Annual General Meeting held on Sunday 13 October 2019.
- To receive the Annual Report of the Board of Management, the Profit and Loss Statement for the year ended 30 June 2020, Balance Sheet as at 30 June 2020 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 (3) three Members to the Board of Management.

Dated at Caloundra: 4 September 2020

John Miller – Chief Executive

by Order of the Board of Management.

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 30 June 2020.

Financial Results

The Club is fortunate to be recording a very strong result despite the obvious impact of Covid-19 disrupting racing from March.

The financial results need to be taken into context with the receipt of a number of abnormal revenue items recorded during the year, namely:

- Grants and donated assets (New Barrier Gates, Marquee Structures);
- Racing Queensland Covid-19 support; and
- Commonwealth Government Covid-19 financial assistance (eg. JobKeeper).

The Operating Profit for the 2019/20 year of $1,633,648 incorporates the SCRUT Sinking Fund contribution of $101,578. Net profit achieved after depreciation, share of SCRUT losses ($576,069) and Plant and Equipment write-off is $789,141.

It is difficult to provide any meaningful comparison of trading results to prior years due to the Covid-19 trading restrictions, which saw the loss of two of the Club's biggest meetings, in Hot91 Ladies Oaks Day and Caloundra Cup Day, and also the abnormal revenue items listed above.

What the results do reflect is the fact the Club was trading in a strong position prior to March and the staff are focused on returning positive results as we emerge (hopefully) out of Covid-19 times.

Projects

The Club has continued to invest in upgrading facilities and services On Course, including the new rubber surface in the horse parade areas, improvements to the Bull Ring training track and recent refurbishment of the Trainers Bar and Winners Circle Bar.

The Club has been frustrated by the delayed process in the commencement of the major Synthetic Track Upgrade Project which has been out of our control. A lot of work has been done to secure funding for the Project and we appreciate the patience of our Trainers who have had to continue working with the old surface. It is well and truly past its useful life.

The tenders have now gone out and we eagerly await the commencement of works that will provide the Club with a modern Synthetic Track for both training and racing and safeguard the Club against future wash outs.

The Project will also include new sand slit drainage installed on the B-Grass Track, upgrade of the Plough Track and Irrigation for the Synthetic Track.

The $7 million Project will see a Club contribution of $2 million and, as such, the Club has ensured that the investment of this amount will be reflected in a change of equity shareholding in SCRUT. We have, at the time of writing, reached an agreement in principle, however, it is subject to Racing Queensland Board approval. I will be happy to update all at the AGM.

2020-2021 Race Date Allocation

The Club has the following race meetings scheduled for the 2020-2021 Season: 40 Sundays, 3 Saturday Metros, 18 Friday Nights (3 Twilights), 2 Wednesday Metros, along with Melbourne Cup and Ladies Oaks Day. Total of 65 race meetings.

Gold Members

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

The Club's current Gold Members are:

Margaret Adena, Kevin Asmus, John Bagley, Selwyn Boyd, Keith Bradfield, Florence Bush (Ronald), Glen Carsburg, Norman Donaldson, John Doolan, Daniel Doyle, Patrick Evans, Diedre Ferguson, William Hankinson, Gavin Henderson, Trevor Hirn, Robert Hughes, Patricia Jensen (C.A. Mabb), Keith Kemp, Jean LeBrocq (Philip), Margaret Levy, Peter Lynam, Joy McConechy (Alan), Shirley Nunquam (Donald), Dympna Pitt (John), Jean Piva (Bluey), Betty Power (Virgil), Gavin Roberts, Robert Robertson, Kevin Row, Gavin D Smith, Graham H Smith and Pat Tyrrell.

In Memory

It is with sadness we record the passing of the following Members, whom we have been made aware of during the year:

- Mary Amos (Gold Member)
- Aldo Bevacqua (Gold Member)
- Carmel Barr
- Geoffrey Brown
- Geoff Holly
- John Quincey
- Sharyn Page
- Lorna Thomas.

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

Board of Management 2020-2021

In accordance with the Constitution and Rules of the Sunshine Coast Turf Club, the following three Members of the Board of Management retire by rotation and being eligible for re-election, have nominated accordingly:

Mary Henzell (Deputy Chair), Travis Schultz and Dr Bernie Spilsbury.

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

Appreciation

I am extremely grateful to my fellow Board Members for their commitment and support 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.

We are always looking at ways to improve the Club and the replacement of the Cushion Track with a new Synthetic Track is our next major task. Thereafter, we hope to construct more stabling onsite and we are also looking at ways in which Members facilities can be upgraded and improved.

There is much to do and we enjoy planning for the future of our Club.

In these very difficult times, it would be remiss of me not to acknowledge the outstanding work of John Miller and his staff and the dedication that they have shown the Club throughout the year.

John and his team have worked tirelessly to ensure that our Club stayed operational and made whatever changes are, or have been necessary.

To demonstrate just how valuable some of our staff are, I want to make particular mention of our hospitality and administration senior managers who took on different roles, including working on the track while the public was not allowed to attend race tracks. They are an example of a number of our staff who were prepared to work for the Club under John's direction.

To you our Members, we can only thank you for your support.

We look forward to the continued success of the Club and that we continue to be seen as a major contributor to the success of racing in Queensland.

Peter Boyce OAM, Chairman

CHIEF EXECUTIVE'S REPORT

Dear Members

In what is such a unique and challenging time for all of us with the Covid-19 situation, I am pleased to present a most positive Annual Report under the circumstances.

It goes without saying that the last three months of the year, where we lost Ladies Oaks Day and Caloundra Cup Day with patron free racing, has had a significant impact on the Club.

Fortunately with some additional support from Racing Queensland through wagering and Government subsidies, and together with the fact we had a strong start to the year, we have been able to soften the blow of what has been a terrible situation for many businesses.

Everyone at the Club is aware of the impact Covid-19 is having on the local community and we understand that although it has not been good for the Club, there are many businesses and individuals going through a lot worse and we certainly feel for everyone.

Membership

The return to racing with crowds has highlighted how important our Members are, with strong attendances to start the new Season as we emerge from Covid-19 restrictions. The positivity and enthusiasm of Club Members has been most appreciated by all staff and it strengthens our passion to continue to grow membership and associated benefits.

Total Members across all categories including Day Pass memberships grew to 2,655 with 1,779 Full Voting Members. An increase of 60% on 2018/19.

The Member's Atrium Bar is now open for most meetings with an opportunity for Members to book in for lunch or dinner and many now hosting non-raceday events in this prime location.

As we continue to grow membership we are now looking at possible upgrades to the Level 1 Member's facility, so that we can continue to accommodate Members and guests in comfort.

Racing

The Club raced 64 times during the year with 498 races and 4,861 starters. We lost two meetings due to inclement weather and we look forward to the installation of the new synthetic track which will provide security against these type of events in the future.

We were very fortunate to continue racing during the Covid-19 period despite no spectators being allowed On Course. This resulted in strong wagering results and returns to the Club through international media rights.

The 2020 Caloundra Cup did not go ahead due to Covid-19 however we were able to run the Group 3 Winx Guineas, won by local horse Wapiti and the Listed TAB Glasshouse which was won by Krone, in early July.

I would like to congratulate trainer David Vandyke for winning the Group 1 Australian Guineas at Flemington with Alligator Blood. We wish him well as he commences his Spring campaign with hopefully some more feature race wins ahead.

Sponsors

Due to Covid-19 we had to delay the commencement of the 100 Club and transfer the Gala Dinner to September. Thank you to all our 100 Club sponsors who were in a position to stick with us during the delay and we now look forward to the 2020/21 Season with Allchin Airconditioning & Refrigeration winning naming rights to the 2021 Caloundra Cup.

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.

Media Rights

Together with Racing Queensland and the major Clubs, we have negotiated a new ten (10) year Media Rights deal with Sky Channel. This is a major milestone for the Club and we look forward to working with Sky Channel to enhance coverage and further increase distribution, including digital platforms.

Facility Upgrades

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

- New rubber surfacing in the Mounting Yard, Bird Cage and Swab Stall area;
- Upgrade to the Bull Ring Training Track;
- New Steriline 18 stall Barrier Gates;
- Refurbishment of Winners Circle Bar;
- Refurbishment of Trainers Bar;
- New Spa in Jockeys Room; and
- Installation of new lighting in the Members/Public Car Park.

Thank you

It has certainly been an interesting year and I sincerely thank Chairman Peter Boyce and the Board for their continued support. They put in a lot of their own time and are very passionate about racing and improving the Club.

The Covid-19 situation highlighted to me once again, that I have an amazing group of staff at the Club. Everyone jumped in and helped each other out through the initial lockdown, with many staff adapting to different roles to ensure we delivered racing each week. I am most proud of all my staff and thank everyone for all their hard work and dedication over the past year.

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 deliver first class racing 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 being so understanding during a challenging year.

John Miller, Chief Executive

RACING

2019/20 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 1st Stuart Kendrick (52)

2nd Tony Gollan (27)

3rd Natalie McCall (20)

Congratulations to local trainer, Stuart Kendrick on winning the 2019/20 SCTC Trainer's Premiership. This is Stuart's seventh in a row premiership win since relocating his stables to Corbould Park Racecourse in early 2013.

Jockey's Premiership 1st Luke Tarrant (28)

2nd Bradley Stewart (26)

3rd James Orman (25)

Congratulations to local jockey, Luke Tarrant on winning the 2019/20 SCTC Jockey's Premiership. This is Luke's first Senior Jockey's Premiership win since leading Apprentice in 2013/14 and 2014/15.

Apprentice Jockey's Premiership 1st Baylee Nothdurft (19)

2nd Justin Huxtable (8)

3rd Adin Thompson (7)

Congratulations to Baylee Nothdurft on taking out the Lianne Crook Memorial Shield as the 2019/20 SCTC Apprentice of the Year. Baylee was apprentice to Tony Gollan.

Congratulations to the top achievers for 2019/20 Season. The Club wishes them all the best in the 2020/21 Season.

SPONSORS I *Thank you to all Club 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

Official Wagering Partner

TAB

Media Sponsors

Hot 91.1
Radio 4TAB
Q Advertising
Sky Racing
Sunshine Coast Daily

Raceday / General Sponsors

Archers
Austack Produce Sunshine Coast
Australis Roofing
Bloomhill Cancer Care
Bridgestone Noosaville
Daniel's Race for a Cure
Darren Roll
Define Property Agents
EFEX
Golden Beach State School
Golden Beach Tavern
Guide Dogs Queensland
Jades Legacy
James Ackerman Memorial
JD Constructions
John Burgess Electrical
Kawana Junior Rugby League
Kendrick Racing
Landmark Resort & Spa
Marcoola SLSC
Noosa Heads Surf Club
Noosa Springs Golf & Spa Resort
On The Beach Noosa Resort
Past Roos
PFD Foodservices
Rice Boi
Royal Flying Doctor Service
Rudd's Horse Transport
SC Falcons
Staymooloolaba.com.au
The Esplanade Mooloolaba
The Spit Mooloolaba
The Surf Club Mooloolaba
The Wharf Mooloolaba
Variety QLD

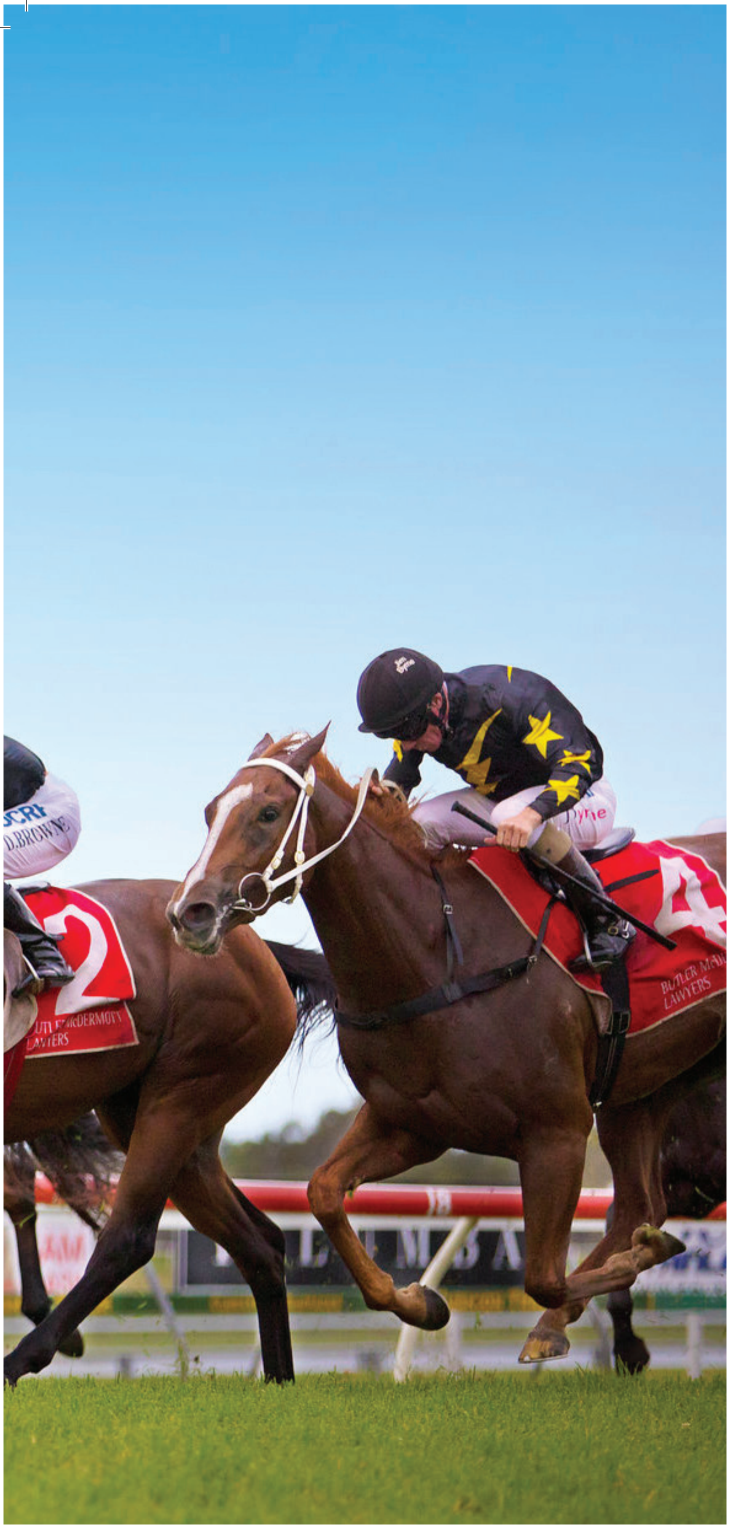
100 CLUB 2020

SUNSHINE COAST TURF CLUB
Race in for the action

The success of the Sunshine Coast Turf Club would not be possible without the support of Sponsors of the 100 Club. Sincere appreciation is extended to all 100 Club Sponsors for their assistance, generosity and support especially as we navigate through COVID-19.

We urge Members to support our 100 Club Sponsors wherever possible.

7 Day Skips
Access Insulation Sunshine Coast
ADAMS + SPARKES Town Planning + Development
Alfies Event Hire
All Fencing Sunshine Coast
All Pest QLD
Allchin Airconditioning & Refrigeration
Apack Commercial
Austack Produce Sunshine Coast
Authentic Security Pty Ltd
Bathersby Legal
Battery Wise Sunshine Coast
Blake Machinery Group Pty Ltd
BOSS Building Maintenance
Butler McDermott Lawyers
Cellar Maintenance Australia
Chaps Menswear
CMBM Facility Services Pty Ltd
Coast 2 Coast Earthmoving
Coastal Style Constructions
Coastal Vehicle Solutions
Coastline BMW
Coastline Mini Garage
Contract Hydraulics Pty Ltd
Creative Stone
Customised Car Finance
Design by Danni
Digital Vision Direct
Double R Thoroughbreds
Drysdale Funerals
DynamicOdds.com
Esprit Racing
Fincierge
Flying Start Syndications
Fuji Xerox Business Centre Sunshine Coast
Garrards Horse and Hound
Glovers Concreting Pty Ltd
Go Transit Media Group Pty Ltd
Grambower Concrete Constructions
GT Print
H & H Air Conditioning
Hampers To Go
Haymans Electrical, Data & Airconditioning – Caloundra
Henzells Agency
Higgins Coatings Pty Ltd
International Animal Health
JLP Fabrication
John Burgess Electrical
K Smith & Son Jewellers
Kaboom Concrete Pumping Pty Ltd
Kendrick Racing
Kerry's Korner Shop
Landsborough Hotel
Love & Partners Chartered Accountants
Maleny Hotel
Malt Shovel Taphouse
Mask Events
McGrath Buderim & Mooloolaba
Moreton All Body Care
Neil Mansell Concrete
North Coast Slashing
Number One Quality Homes
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
Q Advertising
Race Zone Racing Supplies
Reed Racing
Resi Homes Pty Ltd
Ross Maclean Fellowship
Samuel Smith & Son / Yalumba Wines
Scott McMahon Electrical
Sea Vista Developments
Secure Access Pty Ltd
Sommer Petroleum
Southeast Stainless
St Clair Sheetmetal
Stanley River Thoroughbreds
Stripe Pro Signs
Suncoast Cabs
Suncoast Marine Electrical
Sunshine Coast Daily
Sunshine Coast Flooring Xtra
Supaview Security & Sunscreen
TAB
Tensens
The Branding Office
The Compass Institute
The Pump House
TMG Construction
Travis Schultz & Partners
Vili's Family Bakery
Workplace Central



SUNSHINE COAST TURF CLUB

Race in for the action

Financial Statements

For The Year Ended 30 June 2020

CONTENTS

Your board of management members submit the financial report of Sunshine Coast Turf Club Inc for the financial year ended 30 June 2020.

BOARD OF MANAGEMENT MEMBERS

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

NAME	POSITION HELD
Boyce, Peter Gerard OAM	Chairman
Henzell, Mary Jane	Deputy Chair
Wendt, William Frederick Charles (Bill)	Treasurer
Armstrong, Scott Donald	Director
Schultz, Travis	Director
Shadforth, Antony James (Tony)	Director
Spilsbury, Dr Bernard Renton (Bernie)	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 2020 financial year amounted to: $789,141

In January 2020 the World Health Organisation declared the COVID-19 coronavirus a pandemic and in March 2020 the Queensland Government implemented a state-wide lockdown to prevent the spread of the virus, which required changes to some areas of association operations. At the date of this report state lockdown measures are being eased. The board of management is ensuring adequate financial reserves are in place to manage financial risks.

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

[signature]	4/9/2020
Peter Gerard Boyce OAM	Date

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

SUNSHINE COAST TURF CLUB
Race in for the action

	Note	This Year $	Last Year $
INCOME			
Bar and catering operations (net)		487,613	853,033
Distribution from Racing Queensland Ltd		2,095,665	1,533,500
Other revenue		1,311,549	433,522
Public admissions		215,089	394,557
Sponsorship and signage		1,472,749	1,449,086
Totalisator commission (net)		(42,657)	(58,959)
Training facility		1,401,471	1,354,166
Total income	1(l)	6,941,479	5,958,904
LESS: EXPENSES			
Auditor's remuneration - audit services		13,900	14,600
Auditor's remuneration - other		9,430	9,000
Essential services		723,019	719,832
Interest and other bank charges		19,203	19,947
Other expenses		2,189,126	2,318,641
Payroll related expenditure		382,842	407,591
Salaries and wages		1,970,311	1,876,346
Total expenses		5,307,832	5,365,958
Net surplus/(deficit) before income tax and non-cash items		**1,633,648**	**592,947**
ADJUST			
Depreciation	1(d), 7(a)	(269,750)	(263,639)
Income tax	1(a)	0	0
Investment in associate - share of losses	1(f), 6	(576,029)	(258,612)
Net profit/(loss) on disposal of property, plant and equipment	1(d)	1,273	18,624
		(844,507)	(503,627)
Net surplus/(deficit) after income tax and non-cash items		**789,141**	**89,320**
OTHER COMPREHENSIVE INCOME			
Investment in associate - share of net assets	1(f), 6	969,707	360,071
		969,707	360,071
Total comprehensive income for the year after tax		**1,758,848**	**449,391**

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

SUNSHINE COAST TURF CLUB
Race in for the action

		Note	This Year $	Last Year $
CURRENT ASSETS				
Cash		2	5,731,331	4,394,704
Receivables		3	1,019,527	1,016,602
Inventories		4	102,228	145,313
Other		5	57,699	60,070
	Total current assets		6,910,785	5,616,690
NON-CURRENT ASSETS				
Investments in associates		6	7,033,884	6,640,206
Property, plant and equipment		7	2,181,276	2,065,501
	Total non-current assets		9,215,160	8,705,707
	Total assets		16,125,945	14,322,397
CURRENT LIABILITIES				
Payables		8	985,350	954,730
Provisions		9	284,093	299,993
	Total current liabilities		1,269,444	1,254,723
NON-CURRENT LIABILITIES				
Provisions		9	43,932	13,953
	Total non-current liabilities		43,932	13,953
	Total liabilities		1,313,375	1,268,676
	Net assets surplus/(deficit)		14,812,569	13,053,721
EQUITY				
Retained earnings			8,617,405	7,933,893
Accumulated reserves			6,195,164	5,119,827
	Total equity		14,812,569	13,053,721

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

SUNSHINE COAST TURF CLUB
Race in for the action

Summary of Movements:	Retained earnings	Accumulated reserves (i)	Total members' funds
THIS YEAR			
Opening balance	7,933,892	5,119,828	13,053,721
Current year's surplus/(deficit)	789,141	0	789,141
Other comprehensive income			
Share of revaluation and sinking fund	0	868,129	868,129
Transfer share of unutilised asset revaluation surplus for disposed assets	(105,629)	105,629	
Members' transactions			
Contribution to sinking fund	0	101,578	101,578
Transfers	0	0	0
Current year movement in total comprehensive income	683,512	1,075,336	1,758,848
Closing balance	8,617,404	6,195,165	14,812,569
LAST YEAR			
Opening balance	7,837,221	4,767,107	12,604,329
Current year's surplus/(deficit)	89,320	0	89,320
Other comprehensive income			
Share of revaluation and sinking fund	0	288,752	288,752
Members' transactions			
Contribution to sinking fund	0	71,320	71,320
Transfers	7,351	(7,351)	0
Current year movement in total comprehensive income	96,671	352,721	449,392
Closing Balance	7,933,892	5,119,828	13,053,721

(i) Accumulated reserves

Represents accumulated movements in fair value adjustments and member transactions relating to the association's investment in associate.

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

SUNSHINE COAST TURF CLUB
Race in for the action

	Note	This Year $	Last Year $
SUMMARY OF CASH FLOWS FROM:			
OPERATING ACTIVITIES			
Receipts from customers		9,050,011	8,083,227
Interest received		78,370	109,359
Payments to suppliers and employees		(7,407,503)	(7,470,451)
Net cash surplus/(deficit)		1,720,878	722,134
INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		1,273	41,482
Payment for property, plant and equipment	7(a)	(385,525)	(891,300)
Net cash surplus/(deficit)		(384,252)	(849,818)
FINANCING ACTIVITIES			
Repayment of borrowings		0	0
Net cash surplus/(deficit)		0	0
Net increase (decrease) in cash held		1,336,626	(127,684)
Cash at beginning of year		4,394,704	4,522,388
Cash at end of year	1(j), 2	5,731,331	4,394,704

RECONCILIATION OF OPERATING CASH FLOW WITH NET SURPLUS/(DEFICIT)

		Note	This Year $	Last Year $
Net surplus/(deficit) from ordinary activities after income tax			789,141	89,320
Adjust for non-cash items:				
• Depreciation		7(a)	269,750	263,639
• Provision			14,079	18,559
• Share of associate's losses		6	576,029	258,612
• Loss/(profit) on disposal of property, plant and equipment			(1,273)	(18,624)
Changes in assets and liabilities:				
• Receivables	(Increase)/decrease		(2,925)	272,506
• Prepayments	(Increase)/decrease		2,370	(25,809)
• Inventories	(Increase)/decrease		43,085	(26,089)
• Income in advance	Increase/(decrease)		(3,113)	24,680
• Payables	Increase/(decrease)		33,734	(134,660)
			1,720,878	722,134

The accompanying notes form part of these financial statements

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.

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.

Depreciation

The depreciable amount of all fixed assets, including buildings andcapitalised 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 - the Association as Lessee**

At inception of a contract, the association assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the association where the association is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the association uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the leaseterm or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the association anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

Concessionary leases

For leases that have significantly below-market terms and conditions principally to enable the association to further its objectives (commonly known as peppercorn/concessionary leases), the association has adopted the temporary relief under AASB 2018-819 and measures the right of use assets at cost on initial recognition.

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 association's surplus or deficit.

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 effective hedging relationships).

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.

g. **Financial Instruments…** ***continued***

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.

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 fairvalue 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 frommeasuring 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 designation of the financial instruments to measure 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 businesscombination 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.

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 asset that is 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.

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.

The association's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current accounts payable and other payables in the statement of financial position.

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. Any remeasurements of other long-term employee benefit obligations due to changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

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.

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**

Revenue recognition

The association has applied AASB 15: *Revenue from Contracts with Customers (AASB 15)* and AASB 1058: *Incomeof Not-for-Profit Entities (AASB 1058)* using the cumulative effective method of initially applying AASB 15 and AASB 1058 as an adjustment to the opening balance of equity at 1 July 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: *Revenue* and AASB 1004: *Contributions*. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058, and the impact of changes is disclosed in Note 1(q).

In the current year

Contributed assets

The association receives assets from the government and other parties for nil or nominal consideration in order to further its objectives. These assets are recognised in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138.)

On initial recognition of an asset, the association recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer).

The association recognises income immediately in profit or loss as the difference between initial carrying amount of the asset and the related amount.

Operating grants, donations and bequests

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

When both these conditions are satisfied, the association:

- identifies each performance obligation relating to the grant
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the association:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (for example AASB 9, AASB 16, AASB 116 and AASB 138)
- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer)
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

If a contract liability is recognised as a related amount above, the association recognises income in profit or loss when or as it satisfies its obligations under the contract.

Capital grant

When the association receives a capital grant, it recognises a liability for the excess of the initial carrying amount of the financial asset received over any related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer) recognised under other Australian Accounting Standards.

The association recognises income in profit or loss when or as the association satisfies its obligations under the terms of the grant.

Interest income

Interest income is recognised using the effective interest method.

l. Revenue and Other Income… *continued*

Dividend income

The association recognises dividends in profit or loss only when the right to receive payment of the dividend is established.

Income from sale of goods and services

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.

A receivable will be recognised when the goods and services are delivered. The association's right to consideration is deemed unconditional at this time as only the passage of time is required before payment of that consideration is due. There is no significant financing component because sales are made within a credit term of 30 to 45 days.

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

In the comparative period

Non-reciprocal grant revenue was recognised in profit or loss when the association obtained control of the grant and it was probable that the economic benefits gained from the grant would flow to the association and the amount of the grant could be measured reliably.

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

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

The association received non-reciprocal contributions of assets from the government and other parties for no or nominal value. These assets were 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 were recognised as revenue when received.

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

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

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.

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 reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

p. Critical Accounting Estimates and Judgements … *continued*

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.

Key judgements

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

(ii) *Lease term and option to extend under AASB 16*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised is a key management judgement that the association will make. The association determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the association.

q. New and Amended Accounting Policies Adopted by the Association

Initial application of AASB 15: *Revenue from contracts with customers*

The association has adopted AASB 15 with a date of initial application of 1 July 2019. As a result the association has changed its accounting policies as detailed in this note.

Revenue is to be recognised when (or as) the association satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer.

With this standard first adopted for the year ending 30 June 2020, there is no material impact on the transactions and balances recognised in the financial statements.

Initial application of AASB 1058: *Income of not-for-profit entities*

The association has adopted AASB 1058 with a date of initial application of 1 July 2019. As a result the association has changed its accounting policies as detailed in this note.

AASB 1058 details income recognition for not-for-profit entities *(NFP's)*. Revenue from grants and donations will be recognised where any associated performance obligation to provide goods or services is satisfied, and not immediately upon receipt.

With this standard first adopted for the year ending 30 June 2020, there is no material impact on the transactions and balances recognised in the financial statements.

Initial application of AASB 16: *Leases*

The association has adopted AASB 16 with a date of initial application of 1 July 2019. As a result the association has changed its accounting policies as detailed in this note.

The association recognises a lease liability and right-of-use asset for all leases (with the exception of short term and low value leases). Lease liabilities are measured at the present value of the remaining lease payments.

With this standard first adopted for the year ending 30 June 2020, there is no material impact on the transactions and balances recognised in the financial statements.

AASB 2018-8: *Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities*

For leases that have significantly below-market terms and conditions principally to enable the club to its objectives (commonly known as "peppercorn"/concessionary leases), AASB 2018-8 provides a temporary option for not-for-profit lessees to elect to measure a class (or classes) of right-of-use assets arising at initial recognition either at fair value or cost.

Where an entity elects to measure the class of right-of-use assets at cost, additional qualitative and quantitative disclosures are required and this shall include:

- the entity's dependence on these peppercorn/concessionary leases; and
- the nature and terms of the leases.

With this standard first adopted for the year ending 30 June 2020, the association has performed a high-level impact assessment and the board has determined that exercising the option for initial recognition at cost under AASB 2018-8 in relation to the lease of land from the Sunshine Coast Racing Pty Ltd means there is no material impact on the transactions and balances recognised in the financial statements.

2. CASH

	This Year $	Last Year $
Cash on hand	350	3,250
Cash at bank (ANZ)	2,368,958	781,076
Cash at bank (BOQ)	19,513	10,735
Cash at bank (CBA)	4,895	16
Cash at bank (Ord Minnett)	7,615	262,877
Term deposit (AMP)	300,000	300,000
Term deposit (ANZ)	500,000	500,000
Term deposit (Bendigo)	300,000	300,000
Term deposit (BOQ)	500,000	506,750
Term deposit (CBA)	250,000	250,000
Term deposit (MEB)	500,000	350,000
Term deposit (NAB)	730,000	480,000
Term deposit (Rural Bank)	250,000	250,000
Term deposit (Suncorp)	0	400,000
Total	5,731,331	4,394,704

Note: The effective interest rate on short-term bank deposits was 1.0% (2019: 2.0%).

3. RECEIVABLES

	This Year $	Last Year $
Trade debtors	956,856	563,785
Other debtors	65,438	452,817
Less: provision for doubtful debts	(2,768)	0
Total	1,019,527	1,016,602

(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 2020 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.

2020	Current $	> 30 days past due $	> 60 days past due $	> 90 days past due $	Total $
Gross carrying amount	908,380	42,957	11,385	59,572	1,022,294
Loss allowing provision	0	0	0	(2,768)	(2,768)
2019					
Gross carrying amount	878,507	96,522	23,883	17,691	1,016,602
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".

This Year $ | Last Year $

3. Receivables… continued

(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. INVENTORIES

	This Year $	Last Year $
Bar	82,348	125,771
Kiosk and food	18,405	17,123
Grounds - material	1,475	2,420
Total	102,228	145,313

5. OTHER ASSETS

	This Year $	Last Year $
Prepayments	57,699	60,070
Total	57,699	60,070

6. INVESTMENTS IN ASSOCIATES

	This Year $	Last Year $
20 Shares - 20% ownership of Sunshine Coast Racing Pty Ltd	20	20
15.4% ownership of SCRUT	7,033,864	6,640,186
Total	7,033,884	6,640,206

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:

	This Year $	Last Year $
• Balance at the start	6,640,206	6,538,747
• Share of associated company's profit/(loss) after income tax	(576,029)	(258,612)
• Net share of associated company's reserve movements arising during the year	969,707	360,071
• Balance at the end of the year	7,033,884	6,640,206

Summarised presentation of assets, liabilities and performance of associates:

	$'000	*$'000*
• Current assets	3,518	3,036
• Non current assets	44,454	42,563
• Total assets	47,972	45,599
• Current liabilities	220	233
• Non current liabilities	2,078	2,251
• Total liabilities	2,298	2,484
• Net assets	45,674	43,115
• Revenues	366	927
• Net profit/(loss) after income tax of associates	(3,740)	(1,681)

7. PROPERTY, PLANT AND EQUIPMENT

	This Year $	Last Year $
Plant and equipment at cost	3,748,027	3,362,502
Less: accumulated depreciation	1,566,751	1,297,001
Total	2,181,276	2,065,501
(a) Movements in carrying amounts:		
Opening balance - WDV	2,065,501	1,460,697
Additions	385,525	891,300
Disposals	0	(22,857)
Depreciation	(269,750)	(263,639)
Closing balance - WDV	2,181,276	2,065,501

8. PAYABLES

	This Year $	Last Year $
Trade creditors	454,993	618,664
Accrued charges	379,624	182,219
Income in advance	150,734	153,847
Total	985,350	954,730

9. PROVISIONS

	This Year $	Last Year $
Current:		
Annual leave	172,320	205,678
Long service leave	111,773	94,315
	284,093	299,993
Non-Current:		
Long service leave	43,932	13,953
	43,932	13,953
Total	328,025	313,946
(a) Analysis of provisions annual and long service leave:		
Opening balance	313,946	295,387
Additional provisions raised during the year	140,971	145,511
Amounts used	(126,891)	(126,952)
Closing balance	328,025	313,946

Employee provisions

Employee provisions represent amounts accrued for annual leave and long service leave. The current portion of 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 of 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. RELATED PARTY TRANSACTIONS

(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:	This Year $	Last Year $
• short-term employee benefits	286,339	248,718
• other long-term benefits	0	0
Total	286,339	248,718

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.

	This Year $	Last Year $
• Dr B Spilsbury (medical services)	21,000	18,900
• Butler McDermott Lawyers - Peter Boyce	535	510
Total	21,535	19,410

(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 normal 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

	This Year $	Last Year $
• not later than 12 months	1	1
• between 12 months and five years	4	4
• later than five years	61	62
Total	66	67

Concessionary Leases - leasehold land

The association has elected to apply the temporary option available under AASB 2018-8 Amendments to Australian Accounting Standards - Right-of-Use Assets of Not-for-Profit Entities in relation to any existing concessionary lease arrangements. The association has an existing concessionary lease agreement with Sunshine Coast Racing Pty Ltd in relation to the use of land at Pierce Avenue Caloundra Queensland. The lease is due to expire on 31 October 2086 payable $1 per annum. There are no restrictions on the use of the land, other than it must be used for the principal activities of the association. The association is required to obtain approval from Sunshine Coast Racing Pty Ltd prior to construction on the property. The association has an economic dependence on the continuance of these arrangements.

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.

STATEMENT BY THE BOARD OF MANAGEMENT
FOR THE YEAR ENDED 30 JUNE 2020

SUNSHINE COAST TURF CLUB
Race in for the action

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 2020 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

4/9/2020

Date

Love & Partners
REGISTERED COMPANY AUDITORS

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 2020, 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, 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 2020 and of its financial performance for the year then ended; and

(ii) that the financial records kept by the association are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.

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 2020, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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.

ESTABLISHED 1952
…benefit from our experience…

CONTACT
66 Duporth Avenue, Maroochydore
PO Box 299, Maroochydore, QLD 4558
T: (07) 5443 2600
E: reception@loveandpartners.com

CHARTERED ACCOUNTANTS
AUSTRALIA + NEW ZEALAND

CORPORATE INFORMATION
Love and Partners Auditors Pty Ltd
ABN: 30 125 237 229
Authorised Audit Company Number: 313440
www.loveandpartners.com

Love & Partners
REGISTERED COMPANY AUDITORS

Independent Auditor's Report to the Members of Sunshine Coast Turf Club Inc... *continued*

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.

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.

Love & Partners

LOVE & PARTNERS
REGISTERED COMPANY AUDITORS
"Liability limited by a scheme approved under Professional Standards Legislation"
Date: 4 September 2020

Brett J Buntain
Director – Audit & Assurance
RCA No. 213172

SUNSHINE COAST TURF CLUB
Race in for the action

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 2020. 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 2020

		This Year $	Last Year $
INCOME:			
BAR AND CATERING TRADING			
Sales		1,736,112	2,560,121
Less: cost of goods sold		552,685	813,969
	Gross Profit	1,183,426	1,746,152
	GPR %	*68.2%*	*68.2%*
Less: direct costs		695,814	893,120
	Net Profit	487,613	853,033
	NPR %	*28.1%*	*33.3%*
OTHER REVENUE			
Funding and subsidies - COVID-19		389,348	0
Interest received		78,370	109,359
Membership subscriptions		201,323	149,060
Other grants and donations		473,671	0
Race book sales and advertising		24,378	40,850
Sundry revenue		21,484	20,306
Various rentals		122,975	113,947
	Total	1,311,549	433,522
TOTALISATOR TRADING			
Gross commission Unitab		119,503	168,570
Outside tote management fees		810	1,878
		120,312	170,448
Less: expenses			
Equipment rental		1,473	2,123
Repairs and maintenance		1,014	3,270
Stationery		1,179	1,247
Wages		159,304	222,768
		162,969	229,407
	Net Profit	(42,657)	(58,959)
	NPR %	*(35.5%)*	*(34.6%)*

EXPENDITURE:

		This Year $	Last Year $
ESSENTIAL SERVICES			
Electricity		236,578	259,724
Fire services		13,889	17,131
Insurances		128,591	121,662
Legal fees		2,500	510
Lease outgoings and rates		246,067	212,630
Security services		65,908	79,892
Telephone and internet		29,486	28,283
	Total	723,019	719,832
OTHER EXPENSES			
Administration		150,897	164,879
Advertising and promotion		236,372	312,688
Bad and doubtful debts		2,768	0
Committee expenses		26,840	17,527
Donations		0	8,124
Minor asset purchases		106,095	149,952
Race day trophies		9,928	18,040
Race book expenditure		77,223	95,527
Race day expenses		408,474	531,321
Racecourse maintenance		727,432	529,630
Stable complex expenses		443,098	490,953
		2,189,126	2,318,641
PAYROLL RELATED EXPENDITURE			
Annual leave, long service leave and sick leave		14,079	18,559
Fringe benefits tax		12,083	16,747
Payroll tax		40,508	57,733
Superannuation		235,385	238,881
Workcover insurance		80,787	75,672
	Total	382,842	407,591


PARKLANDS


Wimmers
Premium Soft Drinks
SUNSHINE COAST TURF CLUB

SUNSHINE COAST TURF CLUB

Race in for the action

Sunshine Coast Turf Club, 170 Pierce Avenue, Corbould Park, Q 4551
P 07 5491 6788 **F** 07 5491 3303 **E** membership@sctc.com.au

sctc.com.au