



The Creek

ALBION PARK HARNESS RACING CLUB

Annual Report

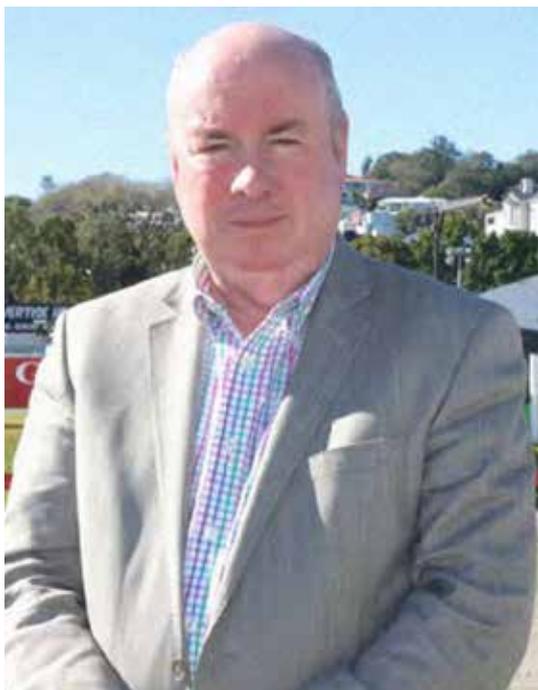
2019 - 2020





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2019 - 20 CHAIRMAN'S REPORT

The 2019-20 financial year saw a key decision welcome positive developments for your club.

The committee, by majority, made the decision in October 2019 to cease the litigation against Racing Queensland in respect of honouring a "terms of settlement" document to build a new grandstand at Albion Park Raceway.

The background and reasons for this decision were outlined in a letter to members prior to the 2018-19 Annual General Meeting in December 2019.

Primarily, but not limited to, the decision was made with consideration to:

- (a) Litigation had commenced BEFORE Racing Queensland's announced their intention to either sell the Albion Park Raceway or commercially develop it.
- (b) The confirmation of a new greyhound centre that would see the Brisbane Greyhound Racing Club depart the Albion Park Raceway
- (c) The concern of dwindling financial reserves caused by the on-going legal costs of the litigation.

It has been documented previously that the legal costing of the litigation had formed the lion's share of these financial losses.

The settlement with Racing Queensland saw a compensation amount paid due to lost earnings through a lack of a marketable facility and an awarding of costs from the litigation.

Combined, these provided a financial turnaround for the club with a 2019-20 profit of \$1,613,908.

Even though most members would be aware, it is prudent to point out that the Albion Park Harness Racing Club is a tenant of Racing Queensland at the Albion Park Raceway and our only asset is our financial reserves.

Pleasingly, the club is now in its most secure financial position in its' 52 year history.

There can be no doubt that the ceasing of the litigation brokered a better relationship with Racing Queensland in the latter half of the 2019-20 period.

A shared financial commitment had already been implemented in the food and beverage upgrade that saw the opening of the Pacers and Chasers Bistro in September.

Other areas where financial co-operation can be acknowledged, although they fall into the 2020-21 financial year, include the track resurfacing and the refurbishment of the former Racing Queensland offices that have been transformed into a new bar and function outlet for both organisations.

Additionally, communication lines have been strengthened between the club and the control body, laying the foundations for a harmonious relationship moving forward.

As this Annual Report is published, the final details are being sorted on an alternative site for the club, a process that began in earnest between the club committee and Racing Queensland management in December 2019.

We are however confident that your club will still call Albion Park its home for at least the next four to five years.

Reflecting on this past financial year, understandably, the COVID-19 pandemic had a significant impact on your club. While we are grateful for our industry that we able to continue racing, racing without patrons stalled the anticipated progress of the recently-opened Pacers and Chasers Bistro.

Like many other clubs, we would like to acknowledge our appreciation for the Federal Government support including the JobKeeper program that was made available to us during this difficult time. Additionally, Racing Queensland's raft of compensatory measures played a key role in the club's financial management.

I would also like to acknowledge the support from our executive and management team, which underwent significant change this past year. The first of which occurred in 2019-20 when Chief Executive Officer Damian Raedler retired in January.

Damian's devotion to your club since 1983 in various roles is second to none and we formally thank him for his contribution over the years

Our appreciation also extends to our Business Services Manager Kylie Deegan who filled much of Damian's role until an Executive Manager was appointed in May 2020.

Kylie took on these many tasks with expertise and vigor, an impressive feat considering we were in the uncharted territory of the COVID-19 pandemic.

I believe the appointment of Scott Steele, as our Executive Manager, has been a coup for your club.

Despite having a good friendship with the Brisbane Racing Club chairman Neville Bell, I was delighted we were able to "poach" Scott from the state's premier thoroughbred club.

It was heartening that Scott could move straight into the role rather than arrive on "training wheels". His passion and knowledge of the industry was a key factor in his appointment.

Since his appointment, Scott has instigated the launch of a revised membership program, the refurbishment of facilities, the renewal and commencement of new sponsorships as well as running one of our most successful Summer Racing Carnivals.

The committee also records their appreciation to our core staff of Danni-Elle Veivers, Tony Turpin and his team and Mandy Rail.

Personally, I would like to extend my thanks to my executive committee including new appointments Brad Steele and Greg Mitchell who have added welcome expertise and flair.

Greg has already played a strong hand in the formalising of our licencing agreement and media rights with Racing Queensland, achieving excellent returns.

Back to the track, racing continues to be of the highest standard across our feature meets, Saturday nights or weeknight racing, on Tuesdays and Fridays.

Sponsors such as TAB, Garrards, Egmont Park, Aqwa Constructions and Neil Badcock have maintained their allegiance during the 2019-20 period and we thank them for their ongoing support and contribution to the club

To conclude, we have come a long way in a difficult year.

The Albion Park Harness Racing Club is stronger than ever and we look forward to another successful year in 2021.



David Fowler
Chairman



TREASURER'S REPORT 2019-2020

In what has been a tumultuous year, The Albion Park Harness Racing Club's generated a profit of \$1,613,908 for the last financial year.

This figure includes the legal settlement from Racing Queensland which totals \$1,585,000.

With the exclusion of this figure, the Club announces an operational profit of \$28,908 which compares to the two previous year's financial losses which were heavily burdened with legal costs.

It is worth noting that there were \$43,000 legal costs accrued in the first half of this financial year's report, prior to settlement.

The Albion Park Harness Racing Club, along with all racing clubs in the state, were closed or greatly restricted for trade from March to June with the obligation to follow State Government COVID-19 guidelines.

The Albion Park Harness Racing Club acknowledges the financial support given to all racing clubs from Racing Queensland during this period to assist with the additional costs to Clubs during COVID-19.

The Club remains committed to appropriate and responsible financial operations and is looking to increase sponsorship, membership and revenue opportunities during the next financial year.

A handwritten signature in black ink that reads "Damian Courtney". The signature is written in a cursive style.

Damian Courtney
Treasurer



EXECUTIVE MANAGER REPORT

The APHRC journey in 2019/20 while certainly eventful, has positioned the club in a strong financial position with a recorded profit of \$1,613,908.

Having only taken the reins in early May, the staff should be congratulated on the way they handled this year's significant challenge of COVID-19.

The Club's efforts from March to June focused on continuing racing safely, through following Racing Queensland's COVID-19 plan to ensure racing did not stop.

During this period, the Club also negotiated a positive outcome with the Club's media rights resulting in greater financial benefits and alignment towards our vision. A look to the future sees the Club attracting a new social audience combined with the traditional harness racing goer.

Key drivers of this will be our new brand, The Creek, our website and social platforms and utilising our ambassadors Luttsy and Emily Seebohm to achieve our vision to become a venue known for its entertainment, both on and off the track.

On the member front, our new membership categories have been well received with over 300 new memberships sold to date. It is fantastic to see the industry participants supporting the Club and taking ownership of our great sport. Please don't hesitate to contact me at any stage with feedback. I am always happy to take your comments on board.

I look forward to catching up with all our members trackside at The Creek.

Scott Steele
Executive Manager



Financial Statements

FOR

**ALBION PARK
HARNESS RACING CLUB INC**

FOR THE YEAR ENDED
30 JUNE 2020

ALBION PARK HARNESS RACING CLUB INC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

		2020	2019
		\$	\$
Revenue	2	2,008,743	1,796,710
Other income		145,587	70,264
Legal settlement proceeds		1,585,000	-
Racing Expense		(583,644)	(474,875)
Members Expense		(173)	(2,664)
Audit Fees		(21,796)	(16,590)
Bank Charges		(3,855)	(3,476)
Employee Expenses		(839,141)	(713,593)
Legal		(43,696)	(124,101)
Drivers Room		(6,328)	(11,213)
Repairs and Maintenance		(207,280)	(94,907)
Administration		(48,788)	(40,794)
Prizemoney Contribution		(40,304)	(104,914)
Promotional Activities		(191,138)	(127,804)
Travel and Entertainment		(11,995)	(13,695)
Depreciation		(69,135)	(44,202)
Fair Value Gains/(Losses) on Financial Assets		62,076	(12,629)
Other Expenses		(120,225)	(88,099)
Profit/(Loss) before income tax		1,613,908	(6,582)
Income Tax Expense		-	-
Profit/(loss) for the year		1,613,908	(6,582)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		1,613,908	(6,582)

ALBION PARK HARNESS RACING CLUB INC

STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2020

	Note	2020	2019
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	3,158,848	1,481,038
Trade and other receivables	4	233,820	165,541
Financial Assets at Fair Value through Profit or Loss	5	4,679	307,616
Other Current assets	6	1,896	53,208
Total Current Assets		3,399,243	2,007,403
NON-CURRENT ASSETS			
Property, Plant and Equipment	7	423,272	246,768
Total Non-Current Assets		423,272	246,768
TOTAL ASSETS		3,822,515	2,254,171
CURRENT LIABILITIES			
Trade and Other Payables	8	182,496	246,086
Other Liabilities	9	91,000	72,974
Provisions		15,000	15,000
Total Current Liabilities		288,496	334,060
TOTAL LIABILITIES		288,496	334,060
NET ASSETS		3,534,019	1,920,111
EQUITY			
Retained Earnings		3,534,019	1,920,111
TOTAL EQUITY		3,534,019	1,920,111

The accompanying notes form part of these Financial Statements

ALBION PARK HARNESS RACING CLUB INC

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020	2019
		\$	\$
		Inflows	Inflows
		(Outflows)	(Outflows)
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts in the course of operations		3,861,913	2,170,248
Payment to suppliers and employees		(2,331,242)	(2,330,397)
Interest received		27,718	27,914
Dividends received		320	10,169
Net Cash Provided By / (Used In) Operating Activities	10 (A)	1,558,709	(122,066)
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of financial assets		365,013	1,256,657
Proceeds from sale of property, plant and equipment		1,182	-
Purchase of property, plant and equipment		(247,094)	(76,277)
Payment for financial assets		-	(1,573,481)
Net Cash Provided By / (Used In) Investing Activities		119,101	(393,101)
CASH FLOW FROM FINANCING ACTIVITIES			
Net Cash Provided By Financing Activities		-	-
NET INCREASE / (DECREASE) IN CASH HELD		1,677,810	(515,167)
CASH AT THE BEGINNING OF THE REPORTING PERIOD		1,481,038	1,996,205
CASH AT THE END OF THE REPORTING PERIOD	10 (B)	3,158,848	1,481,038

The accompanying notes form part of these Financial Statements

ALBION PARK HARNESS RACING CLUB INC

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Retained Earnings	Total
	\$	\$
At 1 July 2018	1,926,693	1,926,693
Comprehensive Income		
Profit/(loss) for the year	(6,582)	(6,582)
Other Comprehensive Income	-	-
Total Comprehensive Income/(loss)	(6,582)	(6,582)
At 30 June 2019	<u>1,920,111</u>	<u>1,920,111</u>
At 1 July 2019	1,920,111	1,920,111
Comprehensive Income		
Profit/(loss) for the year	1,613,908	1,613,908
Other Comprehensive Income	-	-
Total Comprehensive Income/(loss)	1,613,908	1,613,908
At 30 June 2020	<u>3,534,019</u>	<u>3,534,019</u>

The accompanying notes form part of these Financial Statements

ALBION PARK HARNESS RACING CLUB INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Statement of Significant Accounting Policies

Albion Park Harness Racing Club Inc. applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and to satisfy the financial reporting requirements of the Associations Incorporation Act (Qld). The Club is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. 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 accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 20th October 2020 by the directors of the Committee.

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

(a) Members Capital

Albion Park Harness Racing Club Inc. is an Incorporated Association. Therefore, there is no authorised or issued capital.

(b) Property, Plant and Equipment

Property, plant and equipment are included at cost. For plant and equipment gifted to the Club, the cost is recorded as its fair value at the date of acquisition.

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the time the asset is held ready for use.

(c) Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a straight line basis over their useful lives to the entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciable Rate
Plant and Equipment	7% - 50%
Furniture and Fittings	20%
Temporary Infrastructure	5%
Motor Vehicles	20%

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Note 1 Statement of Significant Accounting Policies (continued)

(d) Impairment of Assets

At each reporting date, the Association reviews the carrying value of its tangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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.

(e) Income Tax

The Association does not pay income tax and accordingly tax effect accounting procedures are not followed.

(f) Employees Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable after one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

As the Management Committee believes it is probable that employees will not in future years use more than their annual entitlement of sick leave, no provision for accrued sick leave has been made as the leave will be an expense of the period.

(g) Revenue

Revenue from contracts with customers

The company applies AASB 15 to recognise revenue when an agreement is enforceable and contains performance obligations to transfer goods or services that are sufficiently specific to determine when the obligation has been satisfied. For an arrangement that is not within the scope of AASB 15, and not otherwise within the scope of other standards, it would be treated as contribution income under AASB 1058 (for example a cash donation without conditions).

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

Government Grants

Revenue from grants received under enforceable agreements, where there are sufficiently specific performance obligations imposed, is deferred in the statement of financial position as a 'contract liability' until the obligations are satisfied. If the performance obligations are not sufficiently specific, revenue will be recognised immediately under AASB 1058 when the company obtains control of the cash.

If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a 'contract liability' until those conditions are satisfied.

ALBION PARK HARNESS RACING CLUB INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Statement of Significant Accounting Policies (continued)

Other Revenue

Interest revenue is recognised using the effective interest rate 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.

Donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

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

(h) Financial Assets at Fair Value through Profit or Loss

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)*
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss*.

*These are the financial assets most relevant to the Company.

Financial assets at amortised cost (debt instruments)

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Note 1 Statement of Significant Accounting Policies (continued)

Financial assets at fair value through profit or loss

The Company's financial assets at fair value through profit or loss include financial assets mandatorily required to be measured at fair value. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss based on the exit price as reported by the managers of the trusts.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Company's has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Fund has transferred substantially all the risks and rewards of the asset, or (b) the Fund has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(i) GST

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

ALBION PARK HARNESS RACING CLUB INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Statement of Significant Accounting Policies (continued)

(j) 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 company 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, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments 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.

(k) Comparative Figures

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

(l) Critical Accounting Estimates and Judgements

The committee members evaluate estimates and judgements incorporated into the financial report 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 company.

Key Estimates

The committee do not consider there to be any key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material misstatement to carrying amounts of assets/liabilities in next annual reporting period.

Key Judgements

The committee do not consider there to be any critical judgements concerning the recognition and measurement of assets, liabilities, income and expenses.

(m) New or amended Accounting Standards and Interpretations adopted

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

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

ALBION PARK HARNESS RACING CLUB INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

Note 1 Statement of Significant Accounting Policies (continued)

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

AASB 15 Revenue from Contracts with Customers

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

AASB 1058 Income of Not-for-Profit Entities

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

AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 15, AASB 1058 and AASB 16 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained profits as at 1 July 2019.

ALBION PARK HARNESS RACING CLUB INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
2 Revenue		
Racing subsidy revenue	1,041,932	943,094
Race day revenue	523,351	460,782
Sponsorship revenue	169,098	337,803
Catering and function revenue	274,362	55,031
	2,008,743	1,796,710
3 Cash and Cash Equivalents		
Cash Assets		
Cash at Bank and on Hand	3,158,848	1,481,038
	3,158,848	1,481,038
4 Trade and Other Receivables		
Trade Receivables	63,516	87,299
Provision for Doubtful Debts	(264)	(32,033)
	63,252	55,266
Accrued Revenue	170,568	110,275
Total	233,820	165,541
5 Financial Assets at Fair Value through Profit or Loss		
Investment Portfolio at Market Value	4,679	307,616
Total	4,679	307,616
Securities in listed corporations held for trading purposes to generate income through the receipt of dividends and capital gains.		
6 Other Current Assets		
Prepayments	1,896	53,208
Total	1,896	53,208
7 Property, Plant and Equipment		
Plant and Equipment		
At Fair Value	450,423	366,979
Accumulated Depreciation	(204,906)	(145,143)
Net Book Value	245,517	221,836
Furniture and Fittings		
At Cost	7,583	7,583
Accumulated Depreciation	(7,352)	(6,913)
	231	670
Temporary Infrastructure		
At Cost	26,685	26,685
Accumulated Depreciation	(18,322)	(15,677)
Net Book Value	8,363	11,008
Catering & Fit Out		
At Cost	72,814	13,254
Accumulated Depreciation	(9,107)	-
Net Book Value	63,707	13,254
Leasehold Improvements		
At Cost	122,080	-
Accumulated Depreciation	(16,626)	-
Net Book Value	105,454	-
Total Net Book Value	423,272	246,768

ALBION PARK HARNESS RACING CLUB INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

7 Property, Plant and Equipment (continued)

Impairment of Assets

In accordance with note 1(d) the club has reviewed its Property, Plant and Equipment for Impairment and has determined that there are no indicators of impairment of those assets.

Asset Name	Carrying amount 01/07/2018 \$	Additions Cost / Fair Value \$	Disposals \$	Depreciation \$	Carrying amount 30/06/19 \$
Plant & Equipment	196,171	63,023	-	(37,358)	221,836
Furniture & Fittings	1,300	-	-	(630)	670
Temporary Infrastructure	13,925	-	-	(2,917)	11,008
Motor Vehicles	3,297	-	-	(3,297)	-
Catering and refurbishment costs	-	13,254	-	-	13,254
Total	214,693	76,277	-	(44,202)	246,768

Asset Name	Carrying amount 01/07/2019 \$	Additions Cost \$	Disposals \$	Depreciation \$	Carrying amount 30/06/20 \$
Plant & Equipment	221,836	65,455	(1,455)	(40,319)	245,517
Furniture & Fittings	670	-	-	(439)	231
Temporary Infrastructure	11,008	-	-	(2,645)	8,363
Catering and refurbishment costs	13,254	59,559	-	(9,106)	63,707
Leasehold improvements	-	122,080	-	(16,626)	105,454
Total	246,768	247,094	(1,455)	(69,135)	423,272

ALBION PARK HARNESS RACING CLUB INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

	2019	2019
	\$	\$
8 Trade and Other Payables		
Trade Payables	47,666	83,742
GST Payable/(Receivable)	23,950	21,872
Accrued Expenses	15,336	14,413
Employee benefits	51,141	65,770
Other payables	44,403	60,289
Total	182,496	246,086
9 Other Liabilities		
Deferred Revenue	91,000	72,974
	91,000	72,974
10 Notes to the Cash Flows		
a) Reconciliation of Profit to Net Cash provided by / (used in) ordinary activities		
Profit/(loss) after income tax	1,613,908	(6,582)
Depreciation	69,135	44,202
Loss from sale of property, plant and equipment	273	-
Fair value (gains)/losses on financial assets	(62,076)	12,629
Changes in Assets and Liabilities exclusive of Non- Operating Activities		
(Increase) / Decrease in Trade and other receivables	(68,279)	(35,637)
(Increase) / Decrease in Other current assets	51,312	(52,265)
(Decrease) / Increase in Trade and other payables	(63,590)	(72,385)
(Decrease) / Increase in Other liabilities	18,026	(12,028)
Net Cash provided by / (used in) Operating Activities	1,558,709	(122,066)
b) Reconciliation of Cash		
For the purpose of the Cash Flow Statement and Statement of Financial Position, cash comprises Cash on Hand and at Bank, net of outstanding bank overdrafts, and liquid investments		
Cash and cash equivalents	3,158,848	1,481,038
	3,158,848	1,481,038
11 Association Details		
The Registered Office & Principal Place of Business of the club is:		
Albion Park Harness Racing Club		
Albion Park Raceway		
Amy Street		
ALBION QLD 4010		

ALBION PARK HARNESS RACING CLUB INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

12 Contingent Assets and Liabilities

There were no other contingent assets and liabilities against or incurred by the club.

13 Post Balance Date Events

There have been no events subsequent to balance date affecting this report

14 Key Management Personnel Compensation

	2020	2019
	\$	\$
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel (KMP).		
KMP compensation	92,677	70,000

15 Other Related Party Transactions

Expenses - Race calling services - amounts paid to related parties for race calling and presenting services	400	-
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All transactions with related parties were on normal commercial terms.

Outstanding balances

There were no balances outstanding at the end of the reporting period in relation to transactions with related parties.

ALBION PARK HARNESS RACING CLUB INC

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MANAGEMENT COMMITTEE DECLARATION

The Management Committee has determined that the association is not a report entity and that this general purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements

- 1 The financial statements and notes, as set out on pages 2 to 15, are in accordance with the requirements of
 - (a) Comply with Accounting Standards to the extent described in Note 1: and
 - (b) Give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Club.

- 2 In the members opinion there are reasonable grounds to believe that the club will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Committee.



David Fowler
CHAIRMAN

Dated this 20th day of October 2020



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Albion Park Harness Racing Club Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Albion Park Harness Racing Club Inc. (the Entity), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion the accompanying financial report presents fairly, in all material respects, financial position of the Entity as at 30 June 2020 and of its financial performance for the year ended on that date in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Associations' Incorporation Act (QLD)*.

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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial 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.

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Responsibilities of the Management Committee for the Financial Report

The Management Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Associations' Incorporation Act (QLD)* and for such internal control as the Management Committee determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Management Committee is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

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

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO



D P Wright

Director

Brisbane, 20 October 2020

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ALBION PARK HARNESS RACING CLUB

Phone 07 3262 2577

Yulestar Street, Albion QLD 4010

thecreek.com.au

