

ANNUAL REPORT



**FOR THE YEAR ENDING
30 JUNE 2021**

ABN 68 000 559 375



PRESIDENTS REPORT 2021

The last 12 months at Muswellbrook Race Club proved to be some of the most challenging in recent memory. COVID-19 has not only dealt significant negative effects to our club, but across society in general. It has been great that we were able to continue racing throughout the last year and credit must go under the guidance of Racing NSW to all the racing participants including Trainers, Jockeys, Strappers, and all essential racing staff including our wonderful staff who continued to work under a constantly changing landscape and protocols. Encouragingly we have been able to limit some of the financial effects of COVID-19 on the club because of our previous good financial position and continuing our revenue stream from turnover on race days.

For a second year running our Muswellbrook Cup Carnival week was affected, but this year the weather played its part when due to heavy rain in the couple of days leading into our Country Championship qualifier meeting on the Sunday we were left with no choice but to postpone the race day. The Country Championship qualifying race along with Skellatar Sprint were moved to the Muswellbrook Cup race day held Friday 26th March. Thankfully we were able to have patrons back on course, albeit momentarily to enjoy the day.

The overall financials are covered in detail in the financial report but it gives me great pleasure to report that despite the difficult year, we have posted a profit of \$288,743. This is an exceptional result under the circumstances and sets the club up for a promising start to the new financial year and beyond. Due to the uncertainty around COVID-19 the board decided to be conservative regarding capital expenditure in 2020/21 but made sure that we continued to maintain our assets around the track and grounds to a high level.

After several years waiting, we were delighted to hear the announcement in June 2021 from Kevin Anderson and the State Government of \$4.2 million in funding to develop and extend our existing members facilities. As per our strategic plan this will allow us to build a first-class racing and function centre that will not only benefit racing participants, but also the local community. The timing could not have been better, as not long afterwards we were again forced into a lockdown which proved to be worse than the previous one with tighter restrictions due to the Delta variant. It is also important to acknowledge the role that Racing NSW played in helping the Muswellbrook Race Club secure this funding. We anticipate that the new improvements will commence in the near future and look forward to working with all stake holders and parties to get it completed in a timely manner.

Our Gold Sponsors Club is now in its eighth year and although all local business have faced challenges of their own, they have remained loyal with their sponsorship. On behalf of the club, we sincerely thank them for their ongoing support and hopefully with relaxing of COVID restrictions across the state, we can get back to organising events for them all to enjoy, starting with the Gold Sponsor Gala dinner which will now be held a little later than usual with the event going ahead on the 15th December. This date will allow a maximum attendance under COVID-19 protocols. I would also like to acknowledge the continued support of our major sponsors Bengalla, BHP, Carlton & United Brewery, Coolmore, Godolphin, Horsepower, Magic Millions, TAB and Two Rivers.

With the uncertainty over the past 6 months, our Community Support program for local sporting clubs was put on hold during the year. The club is still very much committed to community support initiatives, and we will look at a revised program in 2022.

There has been some changes of personnel around the club and although this can often be unsettling, it should be a comfort to all of us that those departing, do so with our blessing and will remain friends of the club in the future. After 10 years of service both as a board member and recently in charge of taking the club to the position we enjoy today, Duane Dowell moved on to a new administration role at the Newcastle Jockey Club in July which recently saw him appointed as the CEO of that race club. We wish Duane all the very best in his new endeavour. Bernie Evans has made the decision to retire and trade in his penetrometer for some R&R and later starts up in sunny Queensland.

It is with great pleasure and a level of excitement that we welcome Trevor Taylor as our new General Manager and Dominic Cooper as our new Track Curator. Trevor joins us with a wealth of knowledge in racing, business and marketing and has already literally hit the ground running with many pressing events to round off the calendar year. Dominic comes back to us after finishing his apprenticeship in track management 2 years of which were spent plying his trade at the Muswellbrook Race Club. They will be ably assisted by dedicated staff who have really stepped up throughout the last couple of months while working through the appointment of our new General Manager, often working and helping in areas which were completely new to them. So, on behalf of the committee and members, I would like to extend a huge thank you to all our fantastic full time and many casual staff on continued dedication and efforts especially:

Kristie Corbett -Executive Assistant
Debbie Mitchell-Bar and Events co-ordinator
Dorothy (Dot) Robinson-Track supervisor and gardens
Bob Purvis-Track supervisor and maintenance
Greg Walsh– Track maintenance
Luke Griffith-Track maintenance

I would also like to thank and commend my fellow board members for all their hard work and support since last year. We have had two Directors who have stepped down from the board, both after 9 years of service. I would sincerely like to acknowledge and thank Wayne Bedggood and Ross Peasley for the time, dedication and knowledge that they have brought to the Muswellbrook Race Club committee. We wish them all the best for their future endeavours. The board has appointed Tom Hagan as a new committee member, and we welcome Tom and look forward to the new and exciting insights that he can bring as we go forward.

It would also be remiss of me not to give thanks to Racing NSW who are pivotal to the success of our club and continue to show great innovation in raising the profile of country racing with further increases in prizemoney and exciting new concepts across the State. It is due to all their efforts, plus trainers, strappers and everyone else involved in the running of the club who followed all the COVID-19 protocols, that we have been able to continue racing at Muswellbrook Race Club.

As you will know, our members area and Silks restaurant still remains converted into the male jockey's room and is likely to remain like this for the foreseeable future. I am grateful to you, the members for your understanding, patience and loyalty during this COVID-19 period. Our membership has increased over the past 12 months, which shows what a special club we have which I am personally very proud to be a part of.

I am looking forward to seeing what we can achieve in 2021 and beyond with some exciting projects on the horizon, not only the renovations to our racing and function centre but also some new initiatives for club members.

John Sunderland – President

General Managers Report

As the new General Manager of Muswellbrook Race club, with past horseracing experience as a senior stipendiary steward, and having a strong business acumen with an MBA Degree and recently completing a Harvard Business Program in 2021, on Disruptive Strategy , I wish to state that the race clubs financial year FY21, has been a Year of Disruption, and extremely challenging with Covid19, causing severe hardship and stresses to numerous businesses in our close community; horseracing has been very fortunate to have been able to operate through this epidemic, and sustaining the employment of thousands of staff.

The staff and board directors at Muswellbrook Race Club, have been very resilient and adapted to these changes, as visitation from public, owners, and members on race days were negatively affected with Covid19 and numerous safety measures had to be implemented, on each race day to keep the race club operating effectively. Due to these external issues certain race day income streams were negatively affected.

To take the current learnings, our priorities as a country race club must be such that we can adapt and pivot quickly, and I want to thank all the staff for been resilient and adapting to these numerous changes in daily operations. I also thank our board directors, members, sponsors, and the community, which is the glue and barometer of what we do, and your support of Muswellbrook Race club is highly appreciated.

As we move towards a new fiscal year, my focus will be on meeting our existing **Vision:** *To be the leading NSW country race club by providing first class country racing experiences and events* and **Our Mission:** *Engage with racing participants, patrons, clients, and sponsors to deliver vibrant, successful and sustainable outcomes.*

To meet our race clubs Vision and Mission statements above, we will begin to work towards exciting value adding Investments at the Muswellbrook Race club, which will come into fruition in the new fiscal year, such as the \$4.2M Multi-Purpose Function Centre Expansion & Improvements, an overall stronger membership benefit reward strategy with a new strategic business model.

In closing I would like to thank the hard-working board directors, **John Sunderland (Chairman), Keith Googe (Vice Chairman), Jonathon McTaggart, Heather Parry and Jim Rodger**, who constantly seek improvements and provide a positive network of support to me, the staff, which makes a great organization. Our great community race club is due to the work done by this group of people. I would also like to thank all our valued members, racegoers, stakeholders, and our generous sponsors for believing in us and supporting the race club during these turbulent times.

I feel honored to be part of the Team, as their new general manager and look forward to adding value to your community country race club in Muswellbrook.

Yours Sincerely
Trevor Taylor
General Manager.

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

DIRECTORS REPORT

FOR THE YEAR ENDED 30 JUNE 2021

Your directors present this report on the entity for the financial year ended 30 June 2021.

Directors

The names of each person who has been a director during the year and to the date of this report are:

| Names | Qualifications | Board Service | Employment Service |
|---------------|-------------------------------------|----------------------|---------------------------|
| R. Googe | Grazier/Manager | 10 years | 48 years |
| J. McTaggart | Engineering Group Executive | 10 years | 18 years |
| H. Parry | Mining Operations Manager | 3 years | 21 years |
| J. Rodger | Veterinary Surgeon | 17 years | 51 years |
| J. Sunderland | General Manager Godolphin Woodlands | 11 years | 19 years |

The company secretary as at the date of this report is Trevor Taylor.

Operating Results

The profit for the year ended 30 June 2021 was \$288,742.75. The profit for the prior year was \$274,044.84. The current year profit included Job Keeper and Cash Flow Boost payments totalling \$142,500.00 compared to \$149,500.00 received in the prior year.

Principal Activities

The principal activities of the company during the financial year were the provision of regional horse training and racing facilities and amenities for members and patrons.

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

Multi-Purpose Function Centre Funding

Muswellbrook Race Club received approval for \$4.2 Million in funding from NSW State Government for their racing and multi-purpose function centre expansion and improvements. The project includes expansion and renovating of the current jockeys change room, the relocation of the winning post and broadcast tower to improve safety, an expanded 1st floor function room to more than double the capacity of patrons and a new bar and bistro to replace an aged facility.

Short-Term and Long-Term Objectives

The company's short-term objectives are to:

- Continue maintaining and improving the track.
- Continue providing and improving facilities for patrons.
- Continue providing higher than average returns to racehorse owners.
- Increase and improve the Gold Sponsors Club initiative.
- Provide a high class and efficient racing and training facility.
- Increase membership by offering a pleasant and cost-effective racing experience.
- Continue with plans for the expansion of the racing and function centre.
- Continue the club's focus on community support.

The company's long-term objectives are to:

- Ensure Muswellbrook Race Club Limited continues to be one of the most successful country race clubs in New South Wales with a great reputation for quality racing, facilities and experiences.
- Continue the growth of the Muswellbrook Cup Day and associated events to attract visitors into the area benefitting the wider community.
- Be the Upper Hunter's first choice for events and functions.

MUSWELLBROOK RACE CLUB LIMITED
ABN 68 000 559 375
DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2021

Strategies

To achieve these objectives, the company has adopted the following strategies:

- A strict financial programme is in place to eliminate waste and make day to day procedures cost effective.
- Employ and invest in experienced staff to administer and manage growth.
- A focus on sustainability to continue financial stability.
- Continue to upgrade grounds and facilities to encourage public participation in racing and events.
- Develop robust marketing strategies to remain relevant to the general public.
- The Board of Directors is working together to make both short-term and long-term objectives a reality.

Key Performance Measures

The company measures its performance by:

- Benchmarking set by Racing NSW.
- Comparison to budget.
- Increased turnover.
- Increased field sizes.
- Bar and non-racing events profit.
- Sponsorship support.

The effectiveness of these measures will be seen as:

- The club continues its strong financial position.
- Trainers, owners and the betting public come to Muswellbrook knowing they can rely on the best racing facilities being available in country racing.
- There will be a visible improvement in field sizes, attendance and turnover for the club.

Meetings of Directors

During the financial year, twelve meetings of directors were held. Attendances by each director were as follows:

| Names | | Board Meetings Held | Board Meetings Attended |
|---------------|---------------------|----------------------------|--------------------------------|
| W. Bedggood | Resigned 11/08/2021 | 9 | 12 |
| R. Googe | | 11 | 12 |
| J. McTaggart | | 9 | 12 |
| H. Parry | | 11 | 12 |
| R. Peasley | Resigned 18/06/2021 | 7 | 11 |
| J. Rodger | | 10 | 12 |
| J. Sunderland | | 11 | 12 |

Members Guarantee

The entity is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations of the entity. As at 30 June 2021, the total amount that members of the entity are liable to contribute if the entity is wound up is \$460 (2020: \$382).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on the following page of the financial report.

This directors' report is signed in accordance with a resolution of the Board of Directors.

J. Sunderland

Director
20 October 2021
Muswellbrook



Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

| | |
|------------------|-------------------------|
| Timothy G. Looby | B.Ec. Dip.Fin.Man. C.A. |
| Tracey L. Lawler | B.Comm. C.A. |
| Scott P. Collins | B.Comm./B.Econ. C.A. |

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**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
MUSWELLBROOK RACE CLUB LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Muswellbrook Race Club Limited. As the lead audit partner for the audit of the financial report of Muswellbrook Race Club Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Name of Firm: Davies Thompson & Wright
Chartered Accountants

Name of Partner: 
Tracey L. Lawler

Address: 60 Brook Street, MUSWELLBROOK NSW 2333

Dated this 20th day of October 2021



MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

| | Note | 2021 \$ | 2020 \$ |
|--|----------|-------------------|-------------------|
| Racing Revenue | 2 | 5,332,179.93 | 4,991,538.30 |
| Cost of Goods Sold | | (33,796.41) | (34,109.26) |
| Gross Profit on Trading | | 5,298,383.52 | 4,957,429.04 |
| Grants and Interest Revenue | 2 | 6,302.13 | 163,114.36 |
| Other Income | 2 | 257,958.37 | 331,502.77 |
| Prize Money Expense | | (3,544,491.14) | (3,474,076.31) |
| Employee Benefits Expense | | (770,577.34) | (755,820.86) |
| Racecourse Maintenance Expense | | (159,227.87) | (189,832.61) |
| Depreciation and Amortisation Expense | | (207,677.00) | (139,798.00) |
| Other Expenses | | (591,927.92) | (618,473.55) |
| PROFIT/(LOSS) BEFORE INCOME TAX | 3 | 288,742.75 | 274,044.84 |
| Income Tax Expense | 4 | - | - |
| PROFIT/(LOSS) FOR THE YEAR | | 288,742.75 | 274,044.84 |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | 288,742.75 | 274,044.84 |

The accompanying notes form part of these financial statements.

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

| | Note | 2021 \$ | 2020 \$ |
|--------------------------------------|------|---------------------|---------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 1,561,452.06 | 1,189,627.34 |
| Trade and other receivables | 7 | 12,397.05 | 81,611.81 |
| Inventories | 8 | 25,452.35 | 11,802.59 |
| Other assets | 9 | 454,718.77 | 388,340.22 |
| TOTAL CURRENT ASSETS | | <u>2,054,020.23</u> | <u>1,671,381.96</u> |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 10 | 4,688,332.37 | 4,807,921.61 |
| TOTAL NON-CURRENT ASSETS | | <u>4,688,332.37</u> | <u>4,807,921.61</u> |
| TOTAL ASSETS | | <u>6,742,352.60</u> | <u>6,479,303.57</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 11 | 130,653.61 | 126,760.81 |
| Borrowings | 12 | 16,230.97 | 17,981.31 |
| Provisions | 13 | 44,890.67 | 49,917.78 |
| Income received in advance | 14 | 7,454.55 | 1,100.00 |
| TOTAL CURRENT LIABILITIES | | <u>199,229.80</u> | <u>195,759.90</u> |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 12 | 470,270.08 | 484,538.48 |
| Provisions | 13 | 58,256.20 | 73,151.42 |
| TOTAL NON-CURRENT LIABILITIES | | <u>528,526.28</u> | <u>557,689.90</u> |
| TOTAL LIABILITIES | | <u>727,756.08</u> | <u>753,449.80</u> |
| NET ASSETS | | <u>6,014,596.52</u> | <u>5,725,853.77</u> |
| EQUITY | | | |
| Reserves | 15 | 78,111.53 | 78,111.53 |
| Retained earnings | | 5,936,484.99 | 5,647,742.24 |
| TOTAL EQUITY | | <u>6,014,596.52</u> | <u>5,725,853.77</u> |

The accompanying notes form part of these financial statements.

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

| | Retained Earnings \$ | General Reserve \$ | Total \$ |
|---|-------------------------------------|-----------------------------------|---------------------|
| Balance at 1 July 2019 | 5,373,697.40 | 78,111.53 | 5,451,808.93 |
| Total comprehensive income for the year | 274,044.84 | - | 274,044.84 |
| Balance at 30 June 2020 | 5,647,742.24 | 78,111.53 | 5,725,853.77 |
| Total comprehensive income for the year | 288,742.75 | - | 288,742.75 |
| Balance at 30 June 2021 | 5,936,484.99 | 78,111.53 | 6,014,596.52 |

The accompanying notes form part of these financial statements.

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

| | Note | 2021 \$ | 2020 \$ |
|---|----------|-------------------------------|-------------------------------|
| | | INFLOWS (OUTFLOWS) | INFLOWS (OUTFLOWS) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from operations | | 5,599,329.06 | 5,335,626.99 |
| Payments to suppliers and employees | | (5,129,109.01) | (5,035,563.03) |
| Interest received | | 6,302.13 | 13,114.36 |
| Interest paid | | (590.96) | (463.87) |
| NET CASH FLOWS FROM OPERATING ACTIVITIES | 5 | 475,931.22 | 312,714.45 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payment for property, plant and equipment | | (88,087.76) | (365,049.46) |
| Proceeds from sale of property, plant and equipment | | - | 22,727.27 |
| NET CASH FLOWS USED IN INVESTING ACTIVITIES | | (88,087.76) | (342,322.19) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | | (16,018.74) | (13,789.90) |
| Loan funding received | | - | 50,585.35 |
| NET CASH FLOWS USED IN FINANCING ACTIVITIES | | (16,018.74) | 36,795.45 |
| NET INCREASE/(DECREASE) IN CASH HELD | | 371,824.72 | 7,187.71 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR | | 1,189,627.34 | 1,182,439.63 |
| CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR | 5 | 1,561,452.06 | 1,189,627.34 |

The accompanying notes form part of these financial statements.

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

The financial statements are for Muswellbrook Race Club Limited as an individual entity, incorporated and domiciled in Australia. Muswellbrook Race Club Limited is a company limited by guarantee.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

Muswellbrook Race Club Limited applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

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 the *Corporations Act 2001*. The entity 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 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.

Accounting Policies

Revenue

Grants received from the Country Racecourse Development Fund (CRDF) are recognised as income, upon completion of the specific project for which the grant has been applied for. Expenditure by the entity on these projects may be capitalised depending upon the nature of the project.

Revenue from the rendering of goods and services is recognised upon the delivery of the good or service to the customers. Interest revenue is brought to account on an accrual basis for bank term deposits. All revenue is stated net of the amount of goods and services tax.

Inventories

Inventories are measured at the lower of cost and current replacement cost.

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Depreciation

The depreciable amount of all fixed assets, including capitalised leased assets but excluding freehold land, is depreciated over the asset's useful life to the entity commencing from the time the asset is held ready for use. Buildings are depreciated on a straight-line basis.

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

| Class of Fixed Asset | Depreciation Rate |
|-----------------------------|--------------------------|
| Structural Improvements | 1.0% to 20% |
| Plant and Furniture | 2.5% to 100% |

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

MUSWELLBROOK RACE CLUB LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.

Leases

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

Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. Financial instruments are measured at cost.

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit and loss.

Impairment of Assets

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

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

Employee Benefits

Provision is made for the entity's liability for annual leave and long service leave arising from services rendered by employees to the end of the reporting period. Long service leave is accrued in respect of all employees with more than 5 years' service with the entity.

Annual Leave is classified as a current liability since the entity does not have an unconditional right to defer settlement of these amounts in the event employees wish to use their leave entitlement.

Provision is made for the entity's Long Service Leave obligation, which is measured at cost and presented as a non-current liability in the statement of financial position.

Superannuation guarantee contributions are made by the entity to the employee's superannuation fund of choice and are recognised as an expense when they become payable. All obligations for unpaid superannuation guarantee contributions are presented as current liabilities in the entity's statement of financial position.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

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.

MUSWELLBROOK RACE CLUB LIMITED

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021**

Cash flows are presented in the statement of cash flows exclusive of GST. 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.

Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

Comparative Figures

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

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity during the reporting period that remain unpaid at the end of the reporting period. The balance is usually recognised as a current liability with the amounts normally paid within thirty days of recognition of the liability. Liabilities that are not due and payable within twelve months are recognised as a non-current liability.

Critical Accounting Estimates and Judgements

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

Racecourse Development

On winding up or dissolution of the entity, if there remains any property after satisfaction of all its debts and liabilities, the entity will be required to give or transfer the surplus to another like body. The entity must obtain prior written consent from the Board of the Country Racecourse Development Fund before the property is sold, transferred or otherwise disposed.

Economic Dependency

The Muswellbrook Race Club receives a major part of its income from Racing NSW in the form of race day CRC distributions and bi-annual track maintenance scheme. Consequently, it is economically dependent on the continuation of these distributions maintain sustainability

MUSWELLBROOK RACE CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|--|--------------|--------------|
| | \$ | \$ |
| 2 REVENUE AND OTHER INCOME | | |
| Racing Revenue | | |
| TAB Distributions | 4,136,289.18 | 3,875,120.48 |
| Sponsorship | 332,550.30 | 341,816.84 |
| Bar and Food Sales – Race Day | 130,178.71 | 80,759.58 |
| Track Maintenance Scheme | 215,610.82 | 211,016.01 |
| Nominations, Non-Acceptances and Scratchings | 187,258.04 | 168,658.81 |
| Sky Channel Fees | 294,589.13 | 284,500.85 |
| Admissions and Memberships | 27,675.31 | 15,270.16 |
| Other Racing Income | 8,028.44 | 14,395.57 |
| Total Racing Revenue | 5,332,179.93 | 4,991,538.30 |
| Grants and Interest Revenue | | |
| Grants from Country Racecourse Development Fund | - | 50,000.00 |
| Grants from Other | - | 100,000.00 |
| Interest Received | 6,302.13 | 13,114.36 |
| Total Grants and Interest Revenue | 6,302.13 | 163,114.36 |
| Other Income | | |
| Functions and Restaurant Income | 45,542.29 | 78,934.70 |
| Insurance Recovery | 785.23 | 7,521.74 |
| Track Fees and Stable Rent | 65,104.50 | 47,457.87 |
| Racing NSW Expense Reimbursement | - | 22,378.47 |
| Job Keeper Subsidy | 105,000.00 | 87,000.00 |
| Cash Flow Boost | 37,500.00 | 62,500.00 |
| Gains on Disposal of Non-Current Assets | - | 22,727.27 |
| Other Non-Racing Income | 4,026.35 | 2,982.72 |
| Total Other Income | 257,958.37 | 331,502.77 |
| Total Revenue and Other Income | 5,596,440.43 | 5,486,155.43 |
| 3 PROFIT FOR THE YEAR | | |
| Expenses | | |
| Interest paid or payable to other persons | 590.96 | 463.87 |
| Loss on disposal of non-current assets | | |
| Property, plant and equipment | - | - |
| Auditor Remuneration | | |
| Auditing services | 6,900.00 | 6,850.00 |
| Other services | 10,107.00 | 11,767.00 |
| Total Auditor Remuneration | 17,007.00 | 18,617.00 |
| 4 INCOME TAX EXPENSE | | |
| The company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997. | - | - |

MUSWELLBROOK RACE CLUB LIMITED
ABN 68 000 559 375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|--|---------------------|---------------------|
| | \$ | \$ |
| 5 CASH FLOW INFORMATION | | |
| a) Reconciliation of Cash | | |
| For the purpose of the statement of cash flows, cash includes: Cash on hand and in at call deposits and short-term deposits of up to three months with banks or financial institutions, net of bank overdrafts. | | |
| Cash on hand and at bank | 1,561,452.06 | 1,189,627.34 |
| Less: Bank overdraft | - | - |
| Total Cash and Cash Equivalents as stated in the Statement of Cash Flows | 1,561,452.06 | 1,189,627.34 |
| b) Reconciliation of Cash Flows from Operating Activities with Total Comprehensive Income for the Year | | |
| Total Comprehensive Income for the Year | 288,742.75 | 274,044.84 |
| Non-cash flows | | |
| Depreciation and amortisation | 207,677.00 | 139,798.00 |
| (Profit)/loss on sale of non-current assets | - | (22,727.27) |
| Changes in assets and liabilities | | |
| (Increase)/Decrease in Trade and Other Receivables | 69,214.76 | (57,170.59) |
| (Increase)/Decrease in Inventories | (13,649.76) | 14,589.34 |
| (Increase)/Decrease in Other Assets | (66,378.55) | (54,475.32) |
| Increase/(Decrease) in Trade and Other Payables | 3,892.80 | 6,707.38 |
| Increase/(Decrease) in Provisions | (19,922.33) | 14,988.97 |
| Increase/(Decrease) in Income Received in Advance | 6,354.55 | (3,040.90) |
| Cash Flows from Operating Activities | 475,931.22 | 312,714.45 |
| 6 CASH AND CASH EQUIVALENTS | | |
| CURRENT | | |
| Paypal Account | - | 325.21 |
| Cash Draw | 1,031.25 | 536.80 |
| Regional Australia Bank – General Cheque Account | 294,772.14 | 200,793.69 |
| St George Bank Limited – Fundraising Account | 13,504.97 | 7,004.00 |
| St George Bank Limited - General Cheque Account | 7,603.73 | 9,190.64 |
| St George Bank Limited - Business Access Saver Account | 520,004.33 | 254,354.32 |
| St George Bank Limited – Term Deposits | 571,929.61 | 566,294.60 |
| Regional Australia Bank Limited - Term Deposits | 152,606.03 | 151,128.08 |
| | 1,561,452.06 | 1,189,627.34 |

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 \$ | 2020 \$ |
|---|---------------------|---------------------|
| 7 TRADE AND OTHER RECEIVABLES | | |
| CURRENT | | |
| Trade Debtors | 12,397.05 | 10,954.30 |
| Sundry Debtors | - | 70,657.51 |
| | <u>12,397.05</u> | <u>81,611.81</u> |
| 8 INVENTORIES (At Cost) | | |
| CURRENT | | |
| Stock on Hand | <u>25,452.35</u> | <u>11,802.59</u> |
| 9 OTHER ASSETS | | |
| CURRENT | | |
| Prepayments | 1,893.20 | 2,024.63 |
| Track Maintenance Scheme | 111,403.11 | 118,990.68 |
| Tab Distribution Accrued | 103,384.13 | 10,868.71 |
| Other Accrued Income | 238,038.33 | 256,456.20 |
| | <u>454,718.77</u> | <u>388,340.22</u> |
| 10 PROPERTY, PLANT AND EQUIPMENT (At Cost) | | |
| NON-CURRENT | | |
| Silks Function Centre | 30,661.27 | 30,661.27 |
| Structural Improvements | 2,405,145.12 | 2,379,134.88 |
| Less: Accumulated Amortisation | (883,899.00) | (854,073.00) |
| | <u>1,521,246.12</u> | <u>1,525,061.88</u> |
| Plant and Furniture | 2,482,485.17 | 2,436,656.36 |
| Less: Accumulated Depreciation | (1,482,353.50) | (1,304,502.50) |
| | <u>1,000,131.67</u> | <u>1,132,153.86</u> |
| Track Improvement | 1,701,908.70 | 1,686,618.03 |
| Racecourse Land and Improvements | 431,524.73 | 431,524.73 |
| Crockery and Glasses | 2,859.88 | 1,901.84 |
| Electrical Installations for Sky Channel | 9,363.99 | 9,363.99 |
| Less: Accumulated Depreciation | (9,363.99) | (9,363.99) |
| | <u>-</u> | <u>-</u> |
| Total Property, Plant and Equipment | <u>4,688,332.37</u> | <u>4,807,921.61</u> |

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 \$ | 2020 \$ |
|--|------------------------------------|--------------------------------|
| Movements in Carrying Amounts | | |
| Movement in the carrying amounts for each applicable class of property, plant and equipment between the beginning and the end of the current financial year: | | |
| | Structural Improvements | Plant and Furniture |
| 2021 | | |
| Balance at the beginning of the year | 1,525,061.88 | 1,132,153.86 |
| Additions at cost | 26,010.24 | 45,828.81 |
| Disposals | - | - |
| Depreciation expense | (29,826.00) | (177,851.00) |
| Carrying amount at the end of the year | <u>1,521,246.12</u> | <u>1,000,131.67</u> |
| 11 TRADE AND OTHER PAYABLES | | |
| CURRENT | | |
| Trade Creditors | 21,947.36 | 44,008.54 |
| BAS Payable | 74,339.13 | 64,824.91 |
| Superannuation Payable | 14,050.32 | - |
| Accrued Expenses | 20,316.80 | 17,927.36 |
| | <u>130,653.61</u> | <u>126,760.81</u> |
| 12 BORROWINGS | | |
| CURRENT | | |
| Visa Card | 1,371.61 | 3,121.95 |
| Loan – CLAAS Tractor | 14,859.36 | 14,859.36 |
| Total Current Borrowings | <u>16,230.97</u> | <u>17,981.31</u> |
| NON-CURRENT | | |
| Loan – CLAAS Tractor | 7,082.34 | 21,350.74 |
| Racing NSW Interest-Free Interminable Loan | 463,187.74 | 463,187.74 |
| Total Non-Current Borrowings | <u>470,270.08</u> | <u>484,538.48</u> |

The company has financed \$50,000.00 of the purchase price of a CLAAS AXOS 340 Tractor. The term of the loan is 36 months with the final payment to be made on 29 November 2022. The interest rate on the Chattel Mortgage Agreement is 1.99%.

The provision of the Racing NSW interest-free interminable loan of \$463,187.74 from Race Fields Fees for drainage and irrigation upgrade works was subject to the following terms and conditions:

1. The interest-free, interminable loan will not be subject to call-up unless the company:
 - a. carries out its racing activities in such a manner that Racing NSW considers is jeopardizing its financial stability including but not limited to resulting in the company not being able to pay its debts as they fall due;
 - b. ceases to operate as a racing club including but not limited to as a result of Racing NSW suspending or cancelling its registration as a racing club;

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 \$ | 2020 \$ |
|---|-------------|-------------|
| c. attempts to or disposes of any of its freehold property (unless Racing NSW provides its prior written agreement that such disposal will not result in the loan being called-up); | | |
| d. attempts to or disposes of any of its freehold property (unless Racing NSW provides its prior written agreement that such disposal will not result in the loan being called-up); | | |
| e. merges, amalgamates or otherwise associates with any other club (unless Racing NSW provides its prior written agreement that any such merger, amalgamation or association will not result in the loan being called-up); and/or | | |
| f. amends its governance structure, without the written consent of Racing NSW, such that Racing NSW no longer has the power to appoint and remove three of the seven directors. | | |
| 2. In the event that the interest-free, interminable loan is called-up, the company will repay to Racing NSW the full amount of the loan within thirty days of receiving written notice from Racing NSW (or such further period as agreed to by Racing NSW in writing). | | |
| 13 PROVISIONS | | |
| CURRENT | | |
| Provisions for Annual Leave | 44,890.67 | 49,917.78 |
| NON-CURRENT | | |
| Provision for Long Service Leave: | | |
| Balance at the beginning of the year | 73,151.42 | 54,341.08 |
| Additional provisions raised during year | 6,055.42 | 29,963.36 |
| Amounts used | (20,950.64) | (11,153.02) |
| Balance at the end of the year | 58,256.20 | 73,151.42 |
| Analysis of Total Provisions | | |
| Current | 44,890.67 | 49,917.78 |
| Non-Current | 58,256.20 | 73,151.42 |
| | 103,146.87 | 123,069.20 |
| The measurement and recognition criteria relating to employee benefits have been included in Note 1 to these financial statements. | | |
| 14 INCOME RECEIVED IN ADVANCE | | |
| CURRENT | | |
| Income Received in Advance | 4,454.55 | 1,100.00 |
| Sponsorship in Advance | 3,000.00 | - |
| | 7,454.55 | 1,100.00 |
| 15 RESERVES | | |
| Capital Profit Reserve | 73,828.53 | 73,828.53 |
| General Reserve | 4,283.00 | 4,283.00 |
| | 78,111.53 | 78,111.53 |

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | \$ | \$ |
| 16 KEY MANAGEMENT PERSONNEL COMPENSATION | | |
| 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. | | |
| The totals of remuneration paid to key management personnel of the entity during the year are as follows: | | |
| Key Management Personnel Compensation | <u>134,528.69</u> | <u>124,692.50</u> |
| 17 OTHER RELATED PARTY TRANSACTIONS | | |
| 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. | | |
| Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Director related entities purchase function supplies and tickets at commercial rates. | | |
| 18 FINANCIAL RISK MANAGEMENT | | |
| The entity's financial instruments consist mainly of deposits with banks, local money market instruments, short-term and long-term investments, accounts receivable and payable, and leases. | | |
| The carrying amount for each category of financial instrument has been calculated in its applicable note to the financial statements. | | |
| 19 CAPITAL COMMITMENTS | | |
| The entity has no material planned capital expenditure as at 30 June 2021. | | |

MUSWELLBROOK RACE CLUB LIMITED

ABN 68 000 559 375

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Muswellbrook Race Club Limited, the directors of the entity declare that:

- 1** The financial statements and notes satisfy the requirements of the Corporations Act 2001 and:
 - (a)** comply with Australian Accounting Standards - Reduced Disclosure Requirements applicable to the entity; and
 - (b)** give a true and fair view of the financial position of the entity as at 30 June 2021 and of its performance for the year ended on that date.
- 2** In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

J. Sunderland

Director

20 October 2021

Muswellbrook



Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

| | |
|------------------|-------------------------|
| Timothy G. Looby | B.Ec. Dip.Fin.Man. C.A. |
| Tracey L. Lawler | B.Comm. C.A. |
| Scott P. Collins | B.Comm./B.Econ. C.A |

60 Brook Street
PO Box 128
Muswellbrook NSW 2333

Phone (02) 6543 2766

Email admin@dtwservices.com.au

Web www.dtwservices.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSWELLBROOK RACE CLUB LIMITED ABN 68 000 559 375

Opinion

We have audited the financial report of Muswellbrook Race Club Limited, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the entity is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Muswellbrook Race Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

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

The directors are responsible for the other information. The other information comprises the information included in the entity's annual report for the year ended 30 June 2021, 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.





Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

| | |
|------------------|-------------------------|
| Timothy G. Looby | B.Ec. Dip.Fin.Man. C.A. |
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSWELLBROOK RACE CLUB LIMITED ABN 68 000 559 375

Responsibilities of the Directors for the Financial Report

The directors of the entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the 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 directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.





Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

| | |
|------------------|-------------------------|
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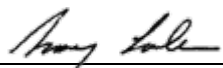
Web www.dtwservices.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MUSWELLBROOK RACE CLUB LIMITED ABN 68 000 559 375

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity'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 entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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.

Name of Firm: Davies Thompson & Wright
Chartered Accountants

Name of Partner: 
Tracey L Lawler

Address: 60 Brook Street, MUSWELLBROOK NSW 2333

Dated this 22nd day of October 2021





Davies, Thompson & Wright

ABN 70 340 182 044

CHARTERED ACCOUNTANTS

PARTNERS

| | |
|------------------|-------------------------|
| Timothy G. Looby | B.Ec. Dip.Fin.Man. C.A. |
| Tracey L. Lawler | B.Comm. C.A. |
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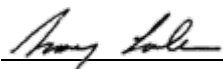
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MUSWELLBROOK RACE CLUB LIMITED
ABN 68 000 559 375**

Scope

Our Independent Auditor's Report on the financial report of Muswellbrook Race Club Limited, which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration, presented on the preceding pages, does not relate to the additional financial information presented hereinafter.

This additional information presented in the following report, namely the detailed profit and loss statement has been prepared from the accounting records of the entity and we do not express an opinion thereon.

Name of Firm: Davies Thompson & Wright
Chartered Accountants

Name of Partner: 
Tracey L Lawler

Address: 60 Brook Street, MUSWELLBROOK NSW 2333

Dated this 22nd day of October 2021



MUSWELLBROOK RACE CLUB LIMITED
ABN 68 000 559 375
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|---|--------------|--------------|
| | \$ | \$ |
| INCOME | | |
| Racing Revenue | | |
| TAB Distributions | 4,136,289.18 | 3,875,120.48 |
| Sponsorship | 332,550.30 | 341,816.84 |
| Bar and Food Sales – Race Day | 130,178.71 | 80,759.58 |
| Track Maintenance Scheme | 215,610.82 | 211,016.01 |
| Nominations, Non-Acceptances and Scratchings | 187,258.04 | 168,658.81 |
| Sky Channel Fees | | |
| - International | 221,881.08 | 222,225.29 |
| - Rights Distribution | 72,708.05 | 62,275.56 |
| Admissions | 22,039.14 | 4,181.82 |
| Memberships | 5,636.17 | 11,088.34 |
| Race Book Revenue | 1,386.36 | 1,695.47 |
| Other Racing Income | 6,642.08 | 12,700.10 |
| Total Racing Revenue | 5,332,179.93 | 4,991,538.30 |
| Grants and Interest Revenue | | |
| Grants from Country Racecourse Development Fund | - | 50,000.00 |
| Grants from Other | - | 100,000.00 |
| Interest Received | 6,302.13 | 13,114.36 |
| Total Grants and Interest Revenue | 6,302.13 | 163,114.36 |
| Other Income | | |
| Functions and Restaurant Income | 45,542.29 | 78,934.70 |
| Insurance Recovery | 785.23 | 7,521.74 |
| Track Fees and Stable Rent | 65,104.50 | 47,457.87 |
| Racing NSW Expense Reimbursement | - | 22,378.47 |
| Job Keeper Subsidy | 105,000.00 | 87,000.00 |
| Cash Flow Boost | 37,500.00 | 62,500.00 |
| Gains on Disposal of Non-Current Assets | - | 22,727.27 |
| Other Non-Racing Income | 4,026.35 | 2,982.72 |
| Total Other Income | 257,958.37 | 331,502.77 |
| TOTAL INCOME | 5,596,440.43 | 5,486,155.43 |

MUSWELLBROOK RACE CLUB LIMITED
ABN 68 000 559 375
DETAILED PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

| | 2021 | 2020 |
|---|--------------|--------------|
| | \$ | \$ |
| EXPENSES | | |
| Bar Cost of Goods Sold | 33,796.41 | 34,109.26 |
| Prize Money Expense | 3,544,491.14 | 3,474,076.31 |
| Employee Benefits Expense | | |
| Wages Racecourse Maintenance | 360,948.42 | 354,154.96 |
| Wages Race Day | 101,229.22 | 88,436.16 |
| Bar Wages | 70,448.93 | 67,841.56 |
| Administration Wages & Other Employee Expenses | 237,950.77 | 245,388.18 |
| Total Employee Benefits Expense | 770,577.34 | 755,820.86 |
| Racecourse Maintenance Expense | | |
| Electricity | 39,910.98 | 39,132.01 |
| Maintenance -Tracks | 62,834.55 | 82,958.35 |
| Maintenance -General | 19,896.98 | 29,319.73 |
| Fuel & Other Expenses | 36,585.36 | 38,422.52 |
| Total Racecourse Maintenance Expense | 159,227.87 | 189,832.61 |
| Depreciation and Amortisation Expense | 207,677.00 | 139,798.00 |
| Other Expenses | | |
| Insurance | 91,504.72 | 91,036.64 |
| Other Race Day Expenses | 393,921.07 | 380,747.13 |
| Administration Expenses (excluding employee expenses) | 106,502.13 | 146,689.78 |
| Total Other Expenses | 591,927.92 | 618,473.55 |
| TOTAL EXPENSES | 5,307,697.68 | 5,212,110.59 |
| PROFIT/(LOSS) BEFORE INCOME TAX | 288,742.75 | 274,044.84 |

