



ANNUAL REPORT

For the year ending

30 June 2020



Grafton Greyhound Racing Club Ltd

WHO WE ARE

Established in 1913 as the Clarence River Coursing Club, the first meeting was held on the original site at Carrs Creek on the 7th May 1913.

The Club moved to the current site in 1933 and the first meeting was held on 1st April 1933.

In 1937 the name was changed to the Grafton Greyhound Racing Club and has continued to conduct the July Racing Carnival annually in conjunction with the Clarence River Racing Club to this date.

On 10th August 1983, the Club was incorporated as the Grafton Greyhound Racing Club Limited.

OUR CHARTER

Is to provide greyhound racing on premises situated in Cranworth Street, Grafton under licence granted by Greyhound Racing NSW, this includes setting race dates, programming, funding of prize money, providing a safe racing surface for greyhounds and ensuring facilities are provided for spectators that are well maintained.

OUR MISSION

To update facilities, to increase prize money when applicable, to further develop secondary industry and to ensure the Club continues to provide a viable and vibrant venue for Greyhound Racing into future years.



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Presidents report

Finally, we have seen our new amenities block completed this has taken a lot longer to complete than we would have liked.

In the coming year we will see our track redeveloped to make it one of the safest tracks to race at in NSW, we are planning for this to start in November.

I would like to thank all our members who have supported the track during the past year with their nominations, at times we have had to extend our nominations and you have always made sure that we can fill our fields mostly with a ten race card.

To our full-time staff Wayne, Glen, Rod and Tom thank you for your work during the year sometimes it has been quite challenging.

Our casual staff once again have helped keep our club running, Tracey mainly in the office but is capable of filling in most positions on race day, Tanea in the bar, all the staff in the canteen, Kellie our judge, Eric and all our kennel staff and Mark and Robert our two race callers thank you all.

Not forgetting our volunteers who help us on race day and also at most of our trial days thank you.

I think that the coming year will be an exciting one for the Grafton greyhound club once we get our new track operational and hope that with your support, we can have a successful club.

John Corrigan

Treasurers Report 2019/20

The financial year 2019/20 has been a year like no other encountered by Grafton Greyhound Club we successfully approached GRNSW for funding to upgrade our racetrack and facilities that were in need of urgent attention, a Government grant was negotiated and funding by way of a grant was secured to do this urgent work and \$4,600,000 was approved, plans to redesign track and Kennel Block were proposed and as the project was of great significance a Manager of the project was authorised by GRNSW.

Then came Covid19 and this caused changes to be made as to how we raced our Greyhounds, trialled them, how many people could attend Race meetings, social distancing had to be introduced and policed, failure to comply would result in loss of race meetings and when we were able to race crowd numbers were minute and as a result, club revenue was badly affected, despite all these setbacks the club kept looking forward,

with the expectance that eventually normality would return.

So, it is with great pleasure that I can report that In the financial year 2019/20 Grafton Greyhound Club can report an operating profit of \$269,912 after allowing for depreciation of \$120,950 and paying additional prize money of \$33,935, and Track and building repairs amounted to \$45,856.

Whilst several areas of trading suffered mainly due to effect of Covid19, we had growth in the Caravan Park and revenue increase by \$24,701.

Going forward members can in the near future look forward to a new track, kennel block, up graded facilities and parking.

Laurie Arnott

Treasurer

GRAFTON GREYHOUND RACING CLUB LTD
ABN 40 002 630 355

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

Your directors present their report on the company for the financial year ended 30 June 2020.

Principal Activities

The company's principal activities are the operation of a greyhound racing club under terms as licensed by Greyhound Racing NSW in the city of Grafton NSW.

These principal activities assist in achieving the short term and long term objectives of the company by:

- providing a safe and secure facility for members, visitors, owners and trainers.
- providing entertainment, dining, gaming and social facilities for members and the community via greyhound racing activities.
- meeting the financial objectives of the club by ensuring positive cash flow in all trading areas.

Short and Long Term Objectives of the Company

The company has identified the following short term objectives:

- to meet industry benchmarks as set by Greyhound Racing NSW.
- to upgrade facilities including upgrade of toilet and shower facilities.

The company has identified the following long term objectives:

- to upgrade club facilities including new dining room, amenities, kennels and additional cabins.
- to become financially secure.

Strategies

The company has adopted the following strategies in order to achieve these short and long term objectives:

- the preparation of a business and strategic plan that identifies strategies to meet GRNSW benchmarks and become a centre of excellence racing centre.
- the preparation of an annual budget for financial performance and the regular review of the company performance against the budget by management and directors with allowance to upgrade club facilities.
- the preparation of a business and strategic plan to identify the opportunities and strengths of the company to provide a sustainable industry.
- the preparation of long term budgets to allow for positive cash flows in order to improve club facilities.

Performance Measurement

The company uses the following key performance indicators to measure performance:

- Profit, after income tax expense, for the financial year was \$269,912 (2019: \$320,024).
- Cash flow from operating activities for the financial year was \$251,832 (2019: \$407,663).
- The club held 65 race meetings during the year.

Directors Information

Directors

The names of the directors in office at any time during, or since the end of, the year and the period that each director has been in office:

| Directors Name | Special Responsibilities | Period as Director | Qualifications and Experience |
|-----------------------|---------------------------------|-------------------------------|--|
| John Corrigan | President | Appointed 30 October 2005 | Retired retail branch manager Ex club treasurer 1981 - 1995 |
| Des Winters | Vice President | Appointed 19 November 2014 | Proprietor Clarence Valley Sheds |
| Laurie Arnott | Treasurer | Appointed 24 October 2002 | Retired engineer and company manager |
| Dave Richardson | Director | Appointed 26 November 2017 | Retired - Now Greyhound Trainer |

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DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020

| | | |
|-------------------|----------|-------------------------------|
| Warren Munford | Director | Appointed 26 November 2017 |
| Stephen Keep | Director | Appointed 25 November 2018 |
| Michael Hindmarsh | Director | Appointed 25 November 2018 |

Company Secretary

The position of Company Secretary is held by Wayne Turner.

Meetings of Directors

During the financial year, 12 meetings of directors (including committees of directors) were held and the attendances by each director during the year were as follows:

| | Directors' Meetings | |
|-------------------|---------------------|---------------|
| | Eligible to attend | Number attend |
| John Corrigan | 12 | 12 |
| Des Winters | 12 | 12 |
| Laurie Arnott | 12 | 12 |
| Dave Richardson | 12 | 9 |
| Warren Munford | 12 | 12 |
| Stephen Keep | 12 | 6 |
| Michael Hindmarsh | 12 | 9 |

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Membership Details

The Grafton Greyhound Racing Club Ltd is a public company limited by guarantee and no shares or options are issued. If the company is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstanding obligations of the company.

| Membership Class | Number of Members | Individual Members Contribution on winding up of Company | Total Members Contribution on winding up of Company |
|------------------|-------------------|--|---|
| Life / Honorary | 10 | \$ 1 | \$ 10 |
| Ordinary | 109 | \$ 1 | \$ 109 |
| Total | 119 | \$ 1 | \$ 119 |

Auditors' Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is attached to these financial statements.

Signed in accordance with a resolution of directors by:

GRAFTON GREYHOUND RACING CLUB LTD
ABN 40 002 630 355

DIRECTORS REPORT
FOR THE YEAR ENDED 30 JUNE 2020



John Corrigan
President



Laurie Arnott
Treasurer

Dated: 7 October 2020



Crowe Central North
ABN 91 680 058 554

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**AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GRAFTON GREYHOUND
RACING CLUB LTD**

ABN 40 002 630 355

I declare that, to the best of my knowledge and belief, during the financial year to 30 June 20 there has been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Crowe Central North

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis Partner
Registered Company Auditor (ASIC RAN 483424)
24 Queen Street
Grafton NSW 2460

Dated: 7 October 2020

GRAFTON GREYHOUND RACING CLUB LTD
ABN 40 002 630 355

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

| | Note | 2020 \$ | 2019 \$ |
|--|-----------------|------------------|---|
| Revenues | 2 | 870,809 | 993,556 |
| Interest revenue calculated using the effective interest rate method | 3 | 12,751 | 11,903 |
| Other income | 3 | 218,742 | 211,294 |
| Cost of goods sold | 4 | (39,567) | |
| Depreciation expense | 4 | (122,897) | (43,643) |
| Employee benefits expense | | (382,248) | (93,494) |
| Occupancy expenses | | (138,436) | (364,714) |
| Prize money and travel subsidies | | (33,935) | (175,123) |
| Other expenses | | (115,307) | (54,324) |
| Profit before income tax expense | 2 69,912 | 320,024 | 165,431 |
| Income tax expense 1(b) | | - | - |
| Profit after income tax expense attributable to members | 2 69,912 | 320,024 | 165,431 |
| income for the year, net of tax | - | - | - |
| to members | 269,912 | 320,024 | 165,431 |
| | | | Other comprehensive income for the year attributable |

GRAFTON GREYHOUND RACING CLUB LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|--------------------------------------|------|-------------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | 288,270 | 301,109 |
| Trade and other receivables | 6 | 75,471 | 61,150 |
| Inventories | 7 | 3,109 | 3,109 |
| Financial assets | 8 | 430,859 | 419,781 |
| | | | <u>785,149</u> |
| TOTAL CURRENT ASSETS | | <u>797,709</u> | |
| NON CURRENT ASSETS | | | |
| Property, plant and equipment | 9 | <u>739,180</u> | 608,484 |
| TOTAL NON CURRENT ASSETS | | <u>739,180</u> | <u>608,484</u> |
| TOTAL ASSETS | | <u>1,536,889</u> | <u>1,393,633</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 10 | 37,341 | 69,436 |
| Employee benefits | 11 | 50,463 | 49,008 |
| Other liabilities | 13 | 13,806 | - |
| TOTAL CURRENT LIABILITIES | | 01,610 | <u>118,444</u> |
| NON CURRENT LIABILITIES | | | |
| Borrowings | 12 | 75,980 | 192,437 |
| Employee benefits | 11 | 9,882 | 3,247 |
| TOTAL NON CURRENT LIABILITIES | | <u>85,862</u> | <u>195,684</u> |
| TOTAL LIABILITIES | | <u>187,472</u> | <u>314,128</u> |
| NET ASSETS | | <u>1,349,417</u> | <u>1,079,505</u> |
| EQUITY | | | |
| Reserves | 14 | 1,000 | 1,000 |
| Retained earnings | | 1,348,417 | 1,078,505 |
| TOTAL EQUITY | | <u>1,349,417</u> | <u>1,079,505</u> |

The accompanying notes form part of these financial statements.

GRAFTON GREYHOUND RACING CLUB LTD
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

| | | | |
|---|-------|-----------|-----------|
| Balance at 01 July 2018 | 1,000 | 758,481 | 759,481 |
| Profit after income tax | - | 320,024 | 320,024 |
| Total other comprehensive income for the year | - | - | - |
| Transfers to/(from) reserves | - | - | - |
| Balance at 30 June 2019 | 1,000 | 1,078,505 | 1,079,505 |
| Profit after income tax | - | 269,912 | 269,912 |
| Total other comprehensive income for the year | - | - | - |
| Transfers to/(from) reserves | - | - | - |
| Balance at 30 June 2020 | 1,000 | 1,348,417 | 1,349,417 |

| | Development | Retained | |
|--|--------------------|-----------------|--------------|
| | Reserve | Earnings | Total |
| | \$ | \$ | \$ |

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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

| | Note | 2020 \$ | 2019 \$ |
|---|------|-----------------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | 1,074,541 | 1,308,280 |
| Interest received | | 12,751 | 11,903 |
| Payments to suppliers and employees | | (835,460) | (912,520) |
| Net cash provided by operating activities | | 251,832 | <u>407,663</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of property, plant and equipment | | (253,593) | (183,944) |
| Payments for investments | | (11,078) | (208,395) |
| Net cash used in investing activities | | (264,671) | (392,339) |
| Net (decrease)/increase in cash held | | (12,839) | 15,324 |
| Cash at the beginning of the financial year | | 301,109 | <u>285,785</u> |
| Cash at the end of the financial year | 5 | <u><u>288,270</u></u> | <u>301,109</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Note 1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements cover Grafton Greyhound Racing Club Limited as an individual entity. Grafton Greyhound Racing Club Limited is a public company limited by guarantee, incorporated and domiciled in Australia.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

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 preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1 (m).

The financial statements were authorised for issue by the directors on 7 October 2020.

Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Revenue

Revenue from Contracts with Customers

Revenue 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.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of Goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of Services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate,

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which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

Rent

Rent revenue from kitchen contract is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

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

(b) Income Tax

The directors of the company consider that the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(c) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchange or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled with 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(d) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| Class of Fixed Asset | Depreciation Rate |
|------------------------|-------------------|
| Leasehold Improvements | 5% |
| Plant & Equipment | 5-36% |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

(f) Investments and Other Financial Assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses.

The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

(g) Impairment of Non-Financial Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information. 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 to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value of its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

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

(h) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(i) Trade and Other Payables

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

(j) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

(k) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(l) Goods and Services Tax

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.

(m) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Revenue from Contracts with Customers

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in note 1 (k), the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(n) Key Management Personnel

One Key Management Personnel exists but non compliance with AASB 124 has been chosen as not to breach the privacy of the employee.

(o) Changes in accounting policy, disclosures, standards and interpretations

New of 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.

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

The following Accounting Standards and Interpretations are most relevant to the company:

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. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

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.

When adopting AASB 16 from 1 July 2019, the company has applied the following practical expedients:

- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

AASB 1058 Income of Not-for-Profit Entities

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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.

(p) Accounting Policies, Changes in Accounting Estimates and Errors

In order to provide more relevant reporting to the users of the financial statements and to ensure the financial statements comply with AASB 101 Presentation of Financial Statements, the allocation of some items in the Statement of Profit Loss and Other Comprehensive Income have been restated. As a result of this amendment and in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the prior period accounts have been restated. What follows is the result of the restatement.

| | Original 2019 \$ | Effect of Restatement \$ | Restated 2019 \$ |
|--|------------------------|--------------------------------|------------------------|
| STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME | | | |
| Sales revenue | 9 0,467 | (90,467) | - |
| Revenues | - | 993,556 | 993,556 |
| Interest revenue calculated using the effective interest rate method | - | 11,903 | 11,903 |
| Other revenue | 1,311,981 | (1,311,981) | - |
| Other income | - | 211,294 | 211,294 |
| Prize money and travel subsidies | (240,419) | <u>186,095</u> | <u>(54,324)</u> |
| Profit before income tax expense | 320,024 | - | 320,024 |
| Income tax expense | - | - | <u>-</u> |
| Profit after income tax expense attributable to members | 320,024 | - | <u>320,024</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 | 2019 |
|---|----------------|----------------|
| Note | \$ | \$ |
| Note 2: Revenue | | |
| Revenue from contracts with customers | | |
| Media rights fees | 112,296 | 170,571 |
| Raceday admissions | 11,246 | 15,850 |
| Raceday sales | 79,557 | 94,277 |
| Track and trial fees | 31,777 | 80,653 |
| Memberships | 535 | 540 |
| Sponsorships | 81,269 | 78,363 |
| Caravan park facilities hire | 12,620 | 11,631 |
| GRNSW reimbursements | 9,237 | 45,092 |
| Raffles | 8,447 | - |
| Total revenue from contracts with customers | 346,984 | 496,977 |
| Other revenue: | | <u>496,977</u> |
| Caravan park rent | 166,823 | 142,458 |
| Donations | 2,900 | - |
| GRNSW operating income | 352,773 | 353,743 |
| Other income | 1,329 | 378 |
| Total other revenue | <u>523,825</u> | <u>378</u> |
| | <u>496,579</u> | <u>993,556</u> |
| Total revenue | <u>870,809</u> | <u>993,556</u> |
| Disaggregation of revenue | | |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 152,886 | - |
| Service transferred over time | 194,101 | - |
| | <u>346,987</u> | <u>-</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

| 2020 | | | 2019 |
|--|----------------|----------------|------|
| Note | \$ | \$ | |
| AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue. Note 3: Other Income | | | |
| Note 4: Expenses | | | |
| Profit/(Loss) on sale of fixed assets | - | (699) | |
| Insurance recoveries | - | 211,993 | |
| Loans forgiven | 116,457 | - | |
| Government stimulus | 102,285 | - | |
| Total other income | 218,742 | 211,294 | |
| Interest revenue calculated using the effective interest rate method: | | | |
| Interest received | 12,751 | <u>11,903</u> | |
| | 12,751 | 11,903 | |
| Profit before income tax includes the following specific expenses: | | | |
| Cost of sales | 39,567 | | |
| Depreciation | 122,897 | 43,643 | |
| Electricity | 30,799 | 93,494 | |
| Insurance | 17,179 | 37,138 | |
| Prizes | 33,935 | 27,215 | |
| Professional fees | 11,130 | 54,017 | |
| Rates | 14,919 | 10,775 | |
| Repairs and maintenance | 55,690 | 20,703 | |
| Salary and wages | 338,655 | 72,188 | |
| Travel subsidy | - | 326,377 | |
| | | 307 | |
| Note 5: Cash and Cash Equivalents | | | |
| Cash on hand | 2,759 | 1,289 | |
| Cash at bank | 285,511 | <u>299,820</u> | |
| | 288,270 | 301,109 | |
| <i>Reconciliation to cash and cash equivalents at the end of the financial year</i> | | | |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

| 2020 | | 2019 |
|--|---------|--|
| Note | | \$ |
| The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows: | | |
| Balances as above | | 288,270 |
| | | <u>301,109</u> |
| Balance as per statement of cash flows | | <u>288,270</u> |
| | | 301,109 |
| Note 6: Trade and Other Receivables | | |
| CURRENT | | |
| Trade receivables | | 75,471 |
| | | <u>61,150</u> |
| | | <u>75,471</u> |
| | | 61,150 |
| Note 7: Inventories | | |
| CURRENT | | |
| Stock on Hand, at cost: | | |
| Bar | | 1,767 |
| | | 1,767 |
| Canteen | | 1,342 |
| | | <u>1,342</u> |
| | | <u>3,109</u> |
| | | 3,109 |
| Note 8: Investments and Other Financial Assets | | |
| Financial assets at amortised cost | | |
| - term deposits | | 315,680 |
| | | 307,963 |
| - unsecured notes | | 115,179 |
| | | <u>111,818</u> |
| | | <u>430,859</u> |
| | | 419,781 |
| Financial asset at amortised cost comprise of term deposits and unsecured notes with financial institutions. There are fixed rate returns upon maturity of these assets. | | |
| Note 9: Property, Plant & Equipment | | |
| Leasehold Improvements (at cost) | | |
| Buildings | | 965,041 |
| | | 712,176 |
| Less: Accumulated depreciation | | <u>(411,151)</u> |
| | | <u>(327,844)</u> |
| | | <u>553,890</u> |
| | | 384,332 |
| Track Improvements | 213,822 | 213,822 Less: Accumulated depreciation |
| | | <u>(139,654)</u> |
| | | <u>(128,794)</u> |
| | | <u>74,168</u> |
| | | 85,028 |
| Caravan Park | 69,428 | 69,428 Less: Accumulated depreciation |
| | | <u>(57,075)</u> |
| | | <u>(55,128)</u> |
| | | <u>12,353</u> |
| | | 14,300 |
| Total Leasehold Improvements | | <u>640,411</u> |
| | | 483,660 |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

| 2020 | | | 2019 |
|-------------------------------------|-----------------------|--|------------------|
| Note | \$ | | \$ |
| Plant and Equipment (at cost) | | | |
| Plant and Equipment | 333,784 | | 333,057 |
| Less: Accumulated depreciation | (235,015) | | <u>(208,233)</u> |
| Total Plant and Equipment | <u>98,769</u> | | <u>124,824</u> |
| Total Property, Plant and Equipment | <u>739,180</u> | | <u>608,484</u> |

(a) Movements in carrying amounts

| | Leasehold Improvements \$ | Plant and Equipment \$ | Total \$ |
|--|---------------------------------|------------------------------|-----------------------|
| Balance at the beginning of the year | 483,660 | 124,824 | 608,484 |
| Additions | 2 52,865 | 728 | 253,593 |
| Disposals | - | - | - |
| Depreciation expense | <u>(96,114)</u> | <u>(26,783)</u> | <u>(122,897)</u> |
| Carrying amount at the end of the year | <u>640,411</u> | <u>9 8,769</u> | <u>739,180</u> |

(b) Leasehold improvements have been capitalised and are being depreciated over the term of the lease.

(c) No impairment has been recognised in respect of plant and equipment.

Note 10: Trade and Other Payables

CURRENT

Unsecured liabilities;

| | | |
|---|----------------------|---------------|
| Note Trade payables | 25,768 | 34,923 |
| 11: Sundry payables and accrued expenses | 11,573 | <u>34,513</u> |
| | <u>37,341</u> | 69,436 |

Employee Benefits

CURRENT

| | | |
|----------------------------------|----------------------|---------------|
| Provision for annual leave | 26,649 | 24,884 |
| Provision for long service leave | 23,814 | <u>24,124</u> |
| | <u>50,463</u> | 49,008 |
| NON-CURRENT | | |
| Provision for long service leave | 9,882 | <u>3,247</u> |
| | <u>9,882</u> | <u>3,247</u> |

GRAFTON GREYHOUND RACING CLUB LTD
ABN 40 002 630 355

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

| 2020 | | 2019 |
|---|---------------|---------------|
| Note | \$ | \$ |
| (a) Aggregate employee benefits liability | 60,345 | <u>52,255</u> |

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual and long service leave. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

Note 12: Borrowings

NON-CURRENT

Secured liabilities:

| | | |
|-------------------------------|---------------|----------------|
| Grafton Greyhounds Racing NSW | 75,980 | <u>192,437</u> |
| | 75,980 | 192,437 |

Greyhound Racing Club Limited holds a number interest free interminable loans (IFILs) with Greyhound Racing New South Wales to the value of \$75,980 (2019: \$192,437) which are only collectible, in part or in entirety, on the winding up of Grafton Greyhound Racing Club Limited.

Note 13: Other Liabilities

CURRENT

Other liabilities

| | |
|---------------|---|
| 13,806 | - |
|---------------|---|

Note 14: Reserves

General Reserve

The general reserve records funds set aside for the development of the caravan park facility.

Note 15: Capital and Leasing Commitments

(a) Capital Expenditure Commitments

Capital expenditure commitments contracted for:

| | | |
|------------------------------|---|----------------|
| Amenities Block Construction | - | <u>232,704</u> |
|------------------------------|---|----------------|

As at 30 June 2020, the company had not engaged in any capital commitments

Note 16: Company's Activity as Licensee of Reserve 94039

The Grafton Racing Reserve Trust, a company constituted by Section 92 of the Crown Lands Act 1989, is trustee of Reserve 94039 for land situated at 70 Cranworth Street, Grafton NSW. The Grafton Racing Reserve Trust has issued a licence to the Grafton Greyhound Racing Club Ltd for a term of 20 years commencing 1 July 2005. The licence authorises the Grafton Greyhound Racing Club Ltd as Licensee to utilise reserve land for the purpose of meetings, shows, sporting and organised recreational activities including greyhound racing. The company will lease the grounds of 70 Cranworth Street, Grafton at the cost of \$1 per annum for the remaining life of the lease.

| 2020 | 2019 |
|------|------|
| Note | \$ |

Note 17: Events After the End of the Reporting Period

On 4 September 2019 it was announced that the NSW government will invest \$4.6 million into a major redevelopment of the Grafton Greyhound Racing Club track.

Development works commenced in August 2020, invoices will be paid by Grafton Greyhound Racing Club Ltd and reimbursed by Greyhound Racing NSW from the above investment. Assets will be transferred to Grafton Greyhound Racing Club upon completion of the project.

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Note 18: Economic Dependency

The ability of the company to continue as a going concern is dependent upon the continuation of the following matters:

- (a) The company is financially dependent upon paying a licence fee of \$1 per annum on the 20 year lease from the Grafton Racing Reserve Trust (Refer to Note 16).
- (b) The company is financially dependent upon voluntary labour provided by directors and members to support the operations of the company.
- (c) The interminable loans held with Greyhound Racing New South Wales are only repayable upon the winding up of the company (Refer Note 12).
- (d) The companies ability to continue operating a greyhound racing facility under State legislation.

Should the above matters be subject to an adverse change then there would be significant uncertainty as to whether the company would be able to continue as a going concern.

Note 19: Related Party Transactions

Other Related Parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 20: Company Details

The company is incorporated and domiciled in Australia as a company limited by guarantee. The registered office and principal place of business is:

70 Cranworth Street
GRAFTON NSW 2460

GRAFTON GREYHOUND RACING CLUB LTD
ABN 40 002 630 355

DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2020

The directors of the company declare that:

1. the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors by:



John Corrigan
President
Dated: 7 October 2020



Laurie Arnott
Treasurer

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GRAFTON GREYHOUND RACING CLUB LTD**

Main +61 02 6640 9200
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www.crowe.com.au

ABN 40 002 630 355

Qualified Opinion

We have audited the accompanying financial report of Grafton Greyhound Racing Club Limited (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the effect of the matter described in the basis for qualified opinion paragraph, the financial report of Grafton Greyhound Racing Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards - Reduced Disclosure Requirements as described in Note 1 and the Corporations Regulations 2001.

Basis for Qualified Opinion

Attention is drawn to Note 1(n) in the financial statements 'Key Management Personnel'. One Key Management Personnel exists but non-compliance with AASB 124 has been chosen as not to breach the privacy of the employee.

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 Company 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 board of the company, 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.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
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The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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ABN 40 002 630 355**Other Information**

The directors are responsible for the other information. The other information comprises the information contained in the Company's Directors Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company 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 ability of the Company 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 Company 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 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 based on 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.

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**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
GRAFTON GREYHOUND RACING CLUB LTD**

ABN 40 002 630 355

- 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.
- 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 Company'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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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 the audit.

Crowe Central North

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis Partner
Registered Company Auditor (ASIC RAN 483424)
24 Queen Street
Grafton NSW 2460

Dated: 8 October 2020

The title 'Partner' conveys that the person is a senior member within their respective division, and is among the group of persons who hold an equity interest (shareholder) in its parent entity, Findex Group Limited. The only professional service offering which is conducted by a partnership is the Crowe Australasia external audit division. All other professional services offered by Findex Group Limited are conducted by a privately owned organisation and/or its subsidiaries.

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**DISCLAIMER
TO THE MEMBERS OF
GRAFTON GREYHOUND RACING CLUB LTD**

ABN 40 002 630 355

The additional financial data presented on pages 25 - 27 is in accordance with the books and records of the company which have been subjected to the auditing procedures applied in our statutory audit of the company for the financial year ended 30 June 2020. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Grafton Greyhound Racing Club Limited) in respect of such data, including any errors of omissions therein however caused.

Crowe Central North

CROWE CENTRAL NORTH

Kylie Ellis

Kylie Ellis Partner

Registered Company Auditor (ASIC RAN 483424)
24 Queen Street
Grafton NSW 2460

Dated: 8 October 2020

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GRAFTON GREYHOUND RACING CLUB LTD
ABN 40 002 630 355

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 | 2019 |
|------------------------------------|---------------|---------------|
| | \$ | \$ |
| BAR TRADING | | |
| Income | | |
| Sales | 37,330 | 45,646 |
| Cost of goods sold | 14,017 | 17,643 |
| Gross Profit | <u>23,313</u> | <u>28,003</u> |
| Less: Wages | <u>5,205</u> | <u>7,301</u> |
| Net Profit from Bar Trading | <u>18,108</u> | <u>20,702</u> |
| CANTEEN TRADING | | |
| Income | | |
| Sales | 39,219 | 44,821 |
| Cost of goods sold | 25,550 | 26,000 |
| Gross Profit | 13,669 | 18,821 |
| Less: Wages | 10,115 | 21,844 |
| CARAVAN PARK TRADING | | |
| Income | | |
| Site fees and park rentals | 166,823 | 142,458 |
| Washing machine takings | 2,549 | 2,213 |
| Total Income | 169,372 | 144,671 |
| Less: Expenses | | |
| Bank charges | 23 | - |
| Cleaning materials | 3,808 | 2,105 |
| Depreciation | 1,947 | 1,639 |
| Electricity | 12,034 | 14,717 |
| Gas | 4,014 | 3,237 |
| Rates | 2,886 | 3,383 |
| Repairs and maintenance | 9,834 | 9,286 |
| Superannuation | 2,947 | 3,145 |

GRAFTON GREYHOUND RACING CLUB LTD
ABN 40 002 630 355

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

| | | |
|---|----------------------|----------------------|
| Wages | <u>31,020</u> | <u>33,103</u> |
| Waste disposal | 8,240 | 9,648 |
| Net Profit/(Loss) from Canteen Trading | <u>3,554</u> | <u>(3,023)</u> |
| Total Expenses | <u><u>76,753</u></u> | <u><u>80,263</u></u> |
| Net Profit from Caravan Park | <u>9,2619</u> | 64,408 |

| | 2020 | 2019 |
|--|------|------|
| | \$ | \$ |

Income

Race Meetings

| | | |
|-----------------------------------|----------------|----------------|
| Admission charges | 11,246 | 15,850 |
| Greyhound sales | 455 | 500 |
| Net profit bar trading | 18,108 | 20,702 |
| Net (loss)/profit canteen trading | 3,554 | (3,023) |
| Race books | 2,554 | 3,310 |
| Sponsorship | <u>81,269</u> | <u>78,363</u> |
| | <u>117,186</u> | <u>115,702</u> |

Other Income

| | | |
|---------------------------------------|----------------|----------------|
| | 2,900 | |
| | 102,285 | - |
| Donations | | - |
| Government stimulus | 112,296 | 170,571 |
| GRNSW media rights fees | 9,237 | 45,092 |
| GRNSW asset contributions | 355,373 | 353,743 |
| GRNSW distribution | - | 211,993 |
| Insurance recoveries | | 11,903 |
| Interest received | 12,751 | - |
| Loans forgiven | 116,457 | 540 |
| Member subscriptions | 535 | 64,408 |
| Net profit caravan park | 92,619 | |
| Profit/(loss) on sale of fixed assets | - | (699) |
| Other revenue | 8,799 | 9,796 |
| Raffle income | 8,447 | - |
| Track rent | - | 48,463 |
| Trial fees | 31,777 | 32,190 |
| | <u>853,476</u> | <u>948,000</u> |

This statement is to be read in conjunction with the attached disclaimer.

GRAFTON GREYHOUND RACING CLUB LTD
ABN 40 002 630 355

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

| | 2020 \$ | 2019 \$ |
|--|----------------|----------------|
| Total Income | 970,662 | 1,063,702 |
| Expenditure | | |
| Race Meetings | | |
| Advertising and promotion | 28,339 | 36,944 |
| Cleaning | 3,073 | 2,475 |
| Electricity | 18,765 | 22,421 |
| Equipment hire | 1,726 | 3,244 |
| Insurance | 3,943 | 3,512 |
| Photo finish | - | 4,081 |
| Prize money | 33,935 | 54,017 |
| Race books | - | 4,770 |
| Race caller | 6,283 | 7,592 |
| Security | 10,999 | 1,990 |
| Sky channel fees | - | 42,801 |
| Sundry expenses | 3,339 | 10,248 |
| Trophies | 2,042 | 2,638 |
| Travel subsidy | - | 307 |
| Veterinary costs | 795 | 19,544 |
| Wages | 171,651 | 74,124 |
| Total Race Meeting Expenses | 284,890 | 290,708 |
| Administration and Other Expenses | | |
| Bank charges | 39 | 191 |
| Depreciation | 120,950 | 91,855 |
| Donations | 575 | 1,450 |
| General expenses | 35,952 | 10,120 |
| Insurance | 17,179 | 27,215 |
| Other employee expenses | 810 | 1,901 |
| Postage, printing and stationery | 5,175 | 6,684 |
| Professional fees | 11,130 | 10,775 |
| Provision for annual leave | 1,765 | - |
| Provision for long service leave | 6,325 | (795) |
| Rates | 12,033 | 17,320 |

This statement is to be read in conjunction with the attached disclaimer.

GRAFTON GREYHOUND RACING CLUB LTD
ABN 40 002 630 355

PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

| | | |
|--|-----------------------|-----------------------|
| Salaries and wages | 120,664 | 190,005 |
| Subscriptions | 2,205 | 498 |
| Superannuation contributions | 25,463 | 26,494 |
| Telephone | 3,787 | 2,889 |
| Track and building repairs | 45,856 | 62,902 |
| Travelling costs | <u>5,952</u> | <u>3,466</u> |
| Total Administration and Other Expenses | <u>415,860</u> | <u>452,970</u> |
| Total Expenses | <u>700,750</u> | <u>743,678</u> |
| Profit before income tax expense | <u>269,912</u> | <u>320,024</u> |