

Kembla Grange
Racecourse
Illawarra Turf Club Ltd

**45th Annual Report &
Statement of Accounts**

2021

For the year ended 30th June 2021

For presentation to Members at the Annual General Meeting

Saturday 27th November 2021 at 11.15am

CHAIRMAN'S REPORT

On behalf of the Board of Directors, Management and Staff of The Illawarra Turf Club Ltd I am pleased to present to Members my Chairman's Report for the 2020-2021 Financial Year.

The year was again greatly affected by the impact of Covid-19, not only the racing industry but every life and business throughout Australia. This resulted in a considerable reduction in income from on-course trading that was offset by increases in race wagering. The latter result was not obvious until after the end of the Financial Year due to the funding model under which we conduct the business of the Club.

We have been able to continue racing without interruption, except for inclement weather, during the extended strict and lengthy lockdowns to combat the spread of Covid-19. This is due to closely following the bio-security measures introduced by RacingNSW and supporting the restrictions and protocols required by the NSW Government and Health Authorities.

We are extremely grateful for the considerable assistance provided by both Federal and State Governments as well as the ongoing financial support of RacingNSW.

We are pleased to report a profit for the Financial Year of \$1,296,461 compared to \$4,047,578 in the previous year. This result includes a grant from RacingNSW of \$266,620 compared to the grant of \$4,081,371 in the previous year Financial Year.

The Club budgeted and managed its operations for the 2020-2021 Financial Year taking into account the continued Covid-19 restrictions and the inability to benefit from the second tranche of Job Keeper. This budget allowed us to ensure our financial commitments were met in the 2020-2021 and following Financial Years.

The Club continued to support our Members as much as possible throughout the Financial Year. We provided continued membership at no cost until December 31, 2020 then extended this to June 30, 2021. Always keeping in mind the support of Members, the Club restructured the Membership Package and significantly reduced the 2021-2022 renewal and new membership fees.

The Club programmed thirty-three race meetings during the year with four being abandoned due to inclement weather. A number of race meetings were conducted with only essential

personnel present and most other race meetings were impacted by density restrictions placed upon the Club by NSW Health.

Total prizemoney paid for the year was \$9,084,380, down slightly from the previous year, due to abandoned meetings and meetings held with reduced numbers of races due to deteriorating weather on the race days. Prizemoney continues to be funded through subsidies provided to the entire industry by RacingNSW and by the distribution of proceeds from Race Fields Legislation and Tax Parity considerations.

The second and third stages of the Clubs Capital Works on the property were combined and are planned to proceed. At the outbreak of COVID-19 all works were placed on hold. The Project Management Team was reconvened but again placed on hold when the pandemic continued to affect the industry.

Changes to race handicapping and programming have had a positive effect on field sizes and it is hoped this trend continues in the future.

The ongoing involvement of the Club with community groups generates a strong horse racing base for The Illawarra Turf Club. As I have stated before the Club's vision is, and always will be, to provide a successful, viable and appealing facility for all aspects of horse racing in the Illawarra.

During the year the Club again conducted our "Classic Day" on a Friday afternoon. The day presented excellent racing, generated a good TAB turnover result but had attendance curtailed by Covid-19 protocols. Next year's "Classic Day" is planned to again be held on a Friday. The Provincial Championship Heat was programmed for a Saturday but was moved to Goulburn because of inclement weather at Kembla Grange. Goulburn was only able to conduct three races on the day due to deteriorating weather conditions and were unable to hold the Provincial Champion Heat. The Autumn Racing Carnival was moved back a week and we were able to conduct the Provincial Championship Heat as an additional race to our programme on Saturday, April 4, 2021.

The second running of the \$1M "The Gong" race was held in November, 2020 and the day was impacted by Covid-19 restrictions resulting in a reduced attendance of 2,251 patrons. As a stand-alone meeting we still achieved a record TAB turnover and the event created an immense amount of interest and goodwill for not only the Club but also the Illawarra region.

During the year we lost a number of friends and associates and we pass our sincere condolences to the families of the deceased.

May I take this opportunity of sincerely thanking our many Sponsors, my Fellow Directors, Members, Executive and Staff for their continuing support and contribution to the success of the Club over the past twelve months.

Barry Vandenberg
Chairman
The Illawarra Turf Club Ltd

FINANCIAL REPORT

This year shows the club recording a profit of \$1,296,461. Please note this figure included grants from Racing NSW totalling \$266,624 whilst last year's figures included grants of \$4,081,371. This was a very good result considering we had reduced crowds at most of our race meetings due to covid 19 restrictions. The reason for such a good result was due to funding from Racing NSW to assist with various race day expenses and increased TAB distribution as a result of increased turnover at our meetings. This year, we conducted 29 race meetings. There were 33 meetings scheduled, however, 4 meetings were abandoned due to inclement weather. There were 19 Saturday/Sunday meetings whilst 10 meetings were conducted midweek. These meetings once again included the 4 extra mid-week meetings taken over from the ATC.

This year our total crowd figure was 21,703 well down on last year's total crowd of 33,951 however as stated previously this year most meetings were at a reduced capacity. Melbourne Cup Day was a fair day with a crowd of only 1,166 well down on last year's crowd of 3,976. All revenue streams were good considering the reduced crowd levels. Total TAB turnover was an excellent \$1.90 million and was well up on last year's turnover of \$1.33 million. This year marked the 2nd running of the million dollar "Gong" day and this day has taken over Melbourne Cup Day as our biggest day of the year. There was a reduced crowd of 2,251 in attendance (last year 5,958) and 9 races were conducted with excellent fields resulting in excellent TAB turnover of \$9.741 million (last year \$7.5 million) and we only expect the day to get bigger once we recover from covid. Our feature day this year the "Kembia Grange Classic" was held in March and once again a reduced crowd of 1,120 was in attendance (last year 919). The weather was overcast with the track a Good 4 and there were 8 races conducted with good sized fields. Despite having an extra race this year TAB turnover was only \$1.687 million down on last year's turnover of \$1.819 million (7 races). We encourage all members to support the day as we try and make this day an important day on the racing calendar. This year Function profits was \$24,820 down on last year's figure of \$69,937. We ask all members to consider the Turf Club when organising functions as we have excellent function rooms and packages.

All our financial requirements have been met during the year and we have budgeted to ensure all our financial commitments are met in ensuing years.

Darren Sparks
Finance Manager

RACING

The Illawarra Turf Club conducted a total of 29 race meetings at Kembla Grange in the 2020/21 racing season.

1990 runners contested 213 races for the year at an average of 9.34 per race. This was in line with average starters from the previous year. Total prizemoney for the year of \$9,084,380 was down slightly due to 2 less race meetings and 19 fewer races being run. Despite this, offcourse TAB turnover increased markedly, but oncourse Tote and Bookmaker figures were well down as crowds could not attend for most of the season.

The club's new standalone Saturday race meeting, The Gong Raceday, had its second running on Saturday 21st November 2020 before a Covid reduced crowd. Overall, the day was still extremely successful with the main race won in great style by the Team Hawkes trained Archedemus and locally trained Monegal provided a winner for Theresa Bateup. Other feature races this year included the Carlton Draught Kembla Grange Classic won by Miravalle, PFD Food Services A J 'Bert' Lillye Memorial (Subedar) and Assett Professional Services Stayers Cup (Savvy Valentino) were all run on Friday 12th March 2020. The Polytrack Provincial Championships Qualifier, originally scheduled for Saturday 20th March, was eventually held on 3rd April after being previously washed out at both Kembla Grange and Goulburn.

The number of horses in work at Kembla Grange continues to build since the introduction of the Polytrack training surface in October 2019. The Polytrack allows fast work to continue without interruption during wet weather and has been a real aid to our local trainers during the season.

There have been many impressive wins by local horses during 2020/21 which include Think It Over (Kerry Parker – George Ryder Stakes (Grp1), Liverpool City Cup (Grp 3), Craven Plate (Grp 3)), Jamaea (Rob & Luke Price - \$1.1million Percy Sykes Stakes (Grp 2)), Gemmahra (Gwenda Markwell – Hawkesbury Provincial Championship Heat) and Prince Aurelius (Tyrone Coyle – Wyong Provincial Championship Heat).

This season's Kembla Grange Premierships were won as follows: Champion Trainer and Leading Local Trainer – Gwenda Markwell, Leading Jockey – Keagan Latham, Leading Apprentice – Tyler Schiller and Kembla Grange Horse of the Year – Canyonero (trained by Richard Litt).

Michael Craig
Racing Manager

RACING	2020/21			2019/20		
	SATURDAY/ SUNDAY & PUBLIC HOL'S	MIDWEEK	TOTAL	SATURDAY/ SUNDAY & PUBLIC HOL'S	MIDWEEK	TOTAL
No of Meetings	19	10	29	16	15	31
No of Races	142	71	213	125	107	232
No of Nominations	2818	1321	4139	2311	2151	4462
No of Acceptances	1757	841	2598	1430	1408	2838
No of Starters	1345	645	1990	1144	1019	2163
FINANCIAL						
	\$	\$	\$	\$	\$	\$
Farrier Fees & Jockeys Insurance	190785	100413	291198	160661	150619	311280
Jockey & Apprentice Rides	248889	123742	372631	211457	198010	409467
Prizemoney	6534520	2549860	9084380	4231900	5324310	9556210
OFFCOURSE TAB						
Paramutual	14892711	5809235	20701946	10647545	11412831	22060376
Fixed Odds	21467199	7787436	29254635	11721899	11519933	23241832
TOTAL	36359910	13596671	49956581	22369444	22932764	45302208
TURNOVER						
OnCourse Tote	907890	204128	1112018	1149968	774531	1924499
Offcourse TAB	36359910	13596671	49956581	22369444	22932764	45302208
Bookmakers Oncourse	333585	78374	411959	516440	547893	1064333
TOTAL	37601385	13879173	51480558	24035852	24255188	48291040
AVERAGES PER MEETING						
OnCourse Tote	47784	20413	38345	71873	51635	62081
Offcourse TAB	1913679	1359667	1722641	1398090	1528851	1461362
Bookmakers	17557	7837	14205	32278	36526	34333
TOTAL	1979020	1387917	1775192	1502241	1617013	1557775

BETTING

Note 2019/2020 figures include our new stand alone meeting (Gong Day) and oncourse figures include turnovers from EBT terminals. Also note that due to Covid 19 there were no crowds (resulting in no Oncourse betting turnover) after our Classic meeting on the 13th March 2020 to 30th June 2020 in this financial year.

Note 2020/2021 figures do not include meetings abandoned. Due to covid the majority of meetings were conducted at a reduced capacity. This resulted in reduced oncourse betting turnovers.

	2020/21	2019/20	2018/19	2017/18	2016/17
No of Meetings	29	31	30	32	31
	\$,000	\$,000	\$,000	\$,000	\$,000
Turnovers					
Oncourse	1,112	1,924	1,241	1,584	1,764
Bookmakers	412	1,064	1,212	1,316	1,767
T.A.B.	49,957	45,302	42,874	47,228	40,213
Averages					
Oncourse	38	62	41	50	57
Bookmakers	14	34	40	41	57
T.A.B.	1,723	1,461	1,429	1,476	1,297

RACING

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Michael Craig
Racing Manager

THE ILLAWARRA TURF CLUB LTD
(LIMITED BY GUARANTEE)
ACN 001 458 555

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

**THE ILLAWARRA TURF CLUB LTD
(LIMITED BY GUARANTEE)
ACN 001 458 555**

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**THE ILLAWARRA TURF CLUB LTD
(LIMITED BY GUARANTEE)
ACN 001 458 555**

DIRECTORS REPORT

Your Directors present their report on The Illawarra Turf Club Ltd ("The Company") for the Financial Year ended 30 June, 2021.

Directors

The names of the Directors in office at anytime during or since the end of the year are -

Name	Qualification	Experience	Special Responsibilities
B Vandenberg	Managing Director	Director since 2001	Chairman
M Howlin	Lawyer	Director since 2007	Vice-Chairman
R Kennedy	Engineer	Director since 2018	Treasurer
R Farrell	Technical Manager	Director since 2013	Non Executive Director
P Mack	General Manager	Director since 2016 (retired Jul 20)	Treasurer
I Millward	Recruitment Officer	Director since 2018	Non Executive Director
L Murphy	Retired	Director since 2020	Non Executive Director
M Sleigh	General Manager	Director since 2021 (app. Sep 21)	Non Executive Director

Directors have been in office since the start of the financial year to the date of this report.

P Mack ceased being a Director on 30 July 2020.

M Sleigh was appointed a Director on 15 September 2021.

Company Secretary

P De Vries held the position of the Company Secretary at the end of the Financial Year and was appointed Company Secretary on 31 January 2001. P De Vries attended 12/12 board meetings.

Board Meetings

Director	Meetings Attended
B Vandenberg	12/12
M Howlin	9/12
R Kennedy	12/12
R Farrell	12/12
P Mack	1/1
I Millward	11/12
L Murphy	12/12

Principal Activities

The principal activity of the company during the financial year was that of a horse racing club. There was no significant change in the nature of these activities that occurred during the year.

Review and Results of Operations

The profit of the Company for the Financial Year was \$1,296,461 (2020 - \$4,047,578). Refer to note 2, page 16.

There were twenty-nine race meetings held for the year ended 30 June 2021.

The meetings conducted included nineteen Saturday meetings and ten midweek meetings.

**THE ILLAWARRA TURF CLUB LTD
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The Club does not pay income tax in accordance with the provisions of the Income Tax Assessment Act

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the Financial Year.

Significant Events after the Balance Date

No 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.

Future Likely Developments

Likely developments in the operations of the Company and the expected results of those operations in future Financial Years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Directors and Senior Executives Emoluments

Chief Executive	Salary	Non-Cash Benefits	Total
P De Vries	\$ 275,380	\$ -	\$ 275,380

Indemnification and Insurance of Officers and Auditors

Indemnification

The Company has agreed to indemnify the following current Directors of the Company: B Vandenberg, M Howlin, R Farrell, P Mack, I Millward, R Kennedy and L Murphy against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors of the company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has also agreed to indemnify the current Directors of its controlled entities for all liabilities to another person (other than the company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities including costs and expenses.

**THE ILLAWARRA TURF CLUB LTD
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DIRECTORS REPORT

Insurance Premiums

Since the end of the previous Financial Year, the Company has paid insurance premiums in respect of Directors and Officers liability and legal expenses and insurance contracts for current and former Directors and Officers, including Executive Officers of the Company. The insurance premiums relate to;

- Costs and expenses incurred by Directors in defending any legal proceedings, whether civil or criminal and whatever their outcome and
- Other liabilities that may arise from the Directors position, with the exception of conduct involving a wilful breach of duty of improper use of information or position to gain a personal advantage.

The insurance policies outlined above do not contain details of premiums paid in respect of individual Directors of the Company:

Legal Proceedings

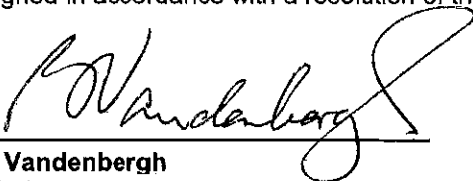
No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

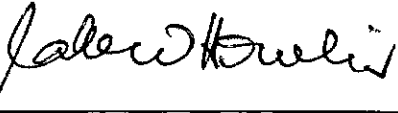
Auditor's Independence Declaration

A copy of the Auditors Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the Board of Directors -



B Vandenberg
Chairman



M Howlin
Vice-Chairman

Dated: 28 October 2021

**THE ILLAWARRA TURF CLUB LTD
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**AUDITORS INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF
THE ILLAWARRA TURF CLUB LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of -

- i. the Auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit;
and
- ii. any applicable code of professional conduct in relation to the audit.

**BLG Audit Services Pty Ltd
Level 2
128-134 Crown Street
WOLLONGONG, NSW, 2500**



Director: Scott Brodie

Dated: 04/11/2021

**THE ILLAWARRA TURF CLUB LTD
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**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue	2	18,109,329	21,570,651
Changes in inventories		(35,059)	48,904
Consumables used		(456,837)	(740,373)
Employee benefits expense		(3,438,561)	(3,623,002)
Depreciation and amortisation expenses		(466,956)	(403,460)
Finance costs	3	(39,920)	(73,323)
Prizemoney and trophies		(9,361,344)	(9,573,698)
Other expenses		<u>(3,014,191)</u>	<u>(3,158,121)</u>
Profit for the year		<u>1,296,461</u>	<u>4,047,578</u>
Profit attributable to members of the company		<u>1,296,461</u>	<u>4,047,578</u>

The accompanying notes form part of these financial statements.

**THE ILLAWARRA TURF CLUB LTD
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STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	215,204	151,403
Trade and other receivables	7	2,290,629	2,023,497
Inventories	8	150,652	185,711
TOTAL CURRENT ASSETS		<u>2,656,485</u>	<u>2,360,611</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	7,193,748	7,280,915
TOTAL NON-CURRENT ASSETS		<u>7,193,748</u>	<u>7,280,915</u>
TOTAL ASSETS		<u><u>9,850,233</u></u>	<u><u>9,641,526</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	612,060	890,386
Borrowings	11	142,491	367,948
Provisions	12	232,381	215,788
Other	13	17,800	1,330
TOTAL CURRENT LIABILITIES		<u>1,004,732</u>	<u>1,475,452</u>
NON-CURRENT LIABILITIES			
Borrowings	11	265,194	868,960
Provisions	12	437,657	450,925
TOTAL NON-CURRENT LIABILITIES		<u>702,851</u>	<u>1,319,885</u>
TOTAL LIABILITIES		<u><u>1,707,583</u></u>	<u><u>2,795,337</u></u>
NET ASSETS		<u><u>8,142,650</u></u>	<u><u>6,846,189</u></u>
EQUITY			
Retained earnings		<u>8,142,650</u>	<u>6,846,189</u>
TOTAL EQUITY		<u><u>8,142,650</u></u>	<u><u>6,846,189</u></u>

The accompanying notes form part of these financial statements.

**THE ILLAWARRA TURF CLUB LTD
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Retained Earnings \$	Total \$
Balance at 1 July 2019	2,798,611	2,798,611
Comprehensive income		
Profit for the year	4,047,578	4,047,578
Total comprehensive income for the year attributable to the members of the company	<u>4,047,578</u>	<u>4,047,578</u>
Balance at 30 June 2020	<u>6,846,189</u>	<u>6,846,189</u>
Balance at 1 July 2020	6,846,189	6,846,189
Comprehensive income		
Profit for the year	1,296,461	1,296,461
Total comprehensive income for the year attributable to the members of the company	<u>1,296,461</u>	<u>1,296,461</u>
Balance at 30 June 2021	<u>8,142,650</u>	<u>8,142,650</u>

The accompanying notes form part of these financial statements.

**ILLAWARRA TURF CLUB LTD
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		17,858,667	21,258,100
Payments to suppliers and employees		(16,545,934)	(16,870,901)
Finance costs		(39,920)	(73,323)
Net cash provided by operating activities	20 (b)	<u>1,272,813</u>	<u>4,313,876</u>
Cash flows from investing activities			
Receipts from investing activities		-	-
Purchase of property, plant and equipment		(379,789)	(4,294,992)
Net cash provided by (used in) investing activities		<u>(379,789)</u>	<u>(4,294,992)</u>
Cash flows from financing activities			
Receipts from borrowings		-	330,000
Repayment of borrowings		(613,173)	(15,455)
Net cash provided by (used in) financing activities		<u>(613,173)</u>	<u>314,545</u>
Net increase/(decrease) in cash held		279,851	333,429
Cash and cash equivalents at beginning of financial year		(64,647)	(398,076)
Cash and cash equivalents at end of financial year	20 (a)	<u>215,204</u>	<u>(64,647)</u>

The accompanying notes form part of these Financial Statements.

**THE ILLAWARRA TURF CLUB LTD
(LIMITED BY GUARANTEE)
ACN 001 458 555**

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

The Financial Statements cover The Illawarra Turf Club Ltd as an individual entity. The Illawarra Turf Club Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The Financial Statements were authorised for issue on 28th October 2021 by the Directors of the Company.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The Financial Statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

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. Compliance with Australian Accounting Standards ensures that the Financial Statements and Notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of these Financial Statements are presented below and have been consistently applied unless otherwise stated.

The Financial Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair value of consideration given in exchange for assets.

The Financial Statements were authorised for issue on the 28th October 2021 by the Directors of the Company.

a) Income Tax

The Club being a non-profit organisation established for the promotion of thoroughbred racing is exempt from Income Tax pursuant to the provision of Section 50-45 of the Income Tax Assessment Act (1997), as amended.

b) Inventories

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

c) Property, Plant and Equipment

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

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by independent valuers.

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

Property (Continued)

In the periods when the freehold land and buildings are not subject to an independent valuation, the Directors conduct Directors valuations to ensure the land and buildings carrying amount is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount related to the revalued amount of the asset.

Plant and Equipment

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

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Racetrack and Buildings	2.5 - 20%
Plant and Equipment	7.5-25%
Motor Vehicles	22.50%
Bar Glasses and Kitchen Utensils	10%

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d) Financial Instruments

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transactions costs, except where the instrument is classified 'at fair value through profit or loss' in which case transactions costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

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ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss. Also any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

e) Impairment of 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, including dividends received from associates or jointly controlled entities deemed to be out of pre-acquisition profits. 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 amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116).

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Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

f) Employee Benefits

The provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

g) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, 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.

i) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted as a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Revenue recognition relating to the provision of a service is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.

k) 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.

l) Comparative Figures

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

m) Critical Accounting Estimates and Adjustments

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 Company.

Racecourse Redevelopment Funding

During the year, funding was provided to the Company by way of an interest free, interminable loan from Racing NSW for the purposes of funding the racecourse redevelopment project. The Directors believe that the economic substance of the funding resembles grant income rather than the legal form of a loan. This is primarily due to the absence of a future repayment schedule and the funding being provided for a specific purpose on an interest free basis.

Accordingly, the funding has been recognised in accordance with the recognition criteria in Note 1 (i). Further detail on the funding arrangements has been included in Note 23.

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**NOTES TO THE FINANCIAL STATEMENTS
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	2021	2020
	\$	\$
2. REVENUE AND OTHER INCOME		
Revenue		
Sales Revenue		
Sale of Goods	1,040,103	1,629,996
Other Revenue		
TAB Distribution	14,183,266	12,930,700
Racing NSW Grant Funding	266,624	4,081,371
Racing Income	1,390,065	1,804,270
Membership Subscriptions	-	57,067
Other Income	308,271	239,747
JobKeeper and Cash Flow Boost	921,000	827,500
Total Revenue	<u>18,109,329</u>	<u>21,570,651</u>
3. PROFIT FOR THE YEAR		
Profit from continuing operations includes the following specific expenses -		
Expenses		
Interest expense on financial liabilities	<u>39,920</u>	<u>73,323</u>
Total finance costs	<u>39,920</u>	<u>73,323</u>
Cost of sales	<u>491,896</u>	<u>691,469</u>
4. KEY MANAGEMENT PERSONNEL COMPENSATION		
Short term benefits	<u>275,380</u>	<u>275,380</u>
Total compensation	<u>275,380</u>	<u>275,380</u>
5. AUDITOR REMUNERATION		
Remuneration of the Auditor		
Auditing or reviewing the Financial Statements	42,040	43,555
6. CASH AND CASH EQUIVALENTS		
Petty Cash	500	500
Cash on hand	129,571	150,903
Cash at bank	85,133	-
	<u>215,204</u>	<u>151,403</u>

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	2021	2020
	\$	\$
7. TRADE AND OTHER RECEIVABLES		
CURRENT		
Trade receivables	32,800	5,500
TAB distribution receivable	2,257,829	1,750,497
Other debtors	-	267,500
	<u>2,290,629</u>	<u>2,023,497</u>
8. INVENTORIES		
CURRENT		
At cost		
Bar stock on hand	131,460	163,371
Catering stock on hand	19,192	22,340
	<u>150,652</u>	<u>185,711</u>
9. PROPERTY, PLANT AND EQUIPMENT		
Racetrack and buildings	9,803,646	9,644,048
Less accumulated depreciation	(3,192,983)	(2,915,646)
Total Land and buildings	<u>6,610,663</u>	<u>6,728,402</u>
Plant and equipment	2,857,804	2,637,612
Less accumulated depreciation	(2,300,531)	(2,151,673)
	<u>557,273</u>	<u>485,939</u>
Motor vehicles	246,407	246,407
Less accumulated depreciation	(220,595)	(179,834)
	<u>25,812</u>	<u>66,574</u>
Bar glasses and kitchen utensils	33,912	33,912
Less accumulated depreciation	(33,912)	(33,912)
	<u>-</u>	<u>-</u>
Total property, plant and equipment	<u>7,193,748</u>	<u>7,280,915</u>
a) Movements in carrying amounts		
For disclosure on movement in carrying amounts please refer to Note 22 at the end of this financial report.		
10. TRADE AND OTHER PAYABLES		
CURRENT		
Trade creditors	<u>612,060</u>	<u>890,386</u>

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	2021	2020
	\$	\$
11. BORROWINGS		
CURRENT		
Bank overdraft	-	216,050
Hire purchase liability	42,491	51,898
Bank bills - secured	100,000	100,000
Total current borrowings	<u>142,491</u>	<u>367,948</u>
NON-CURRENT		
Hire purchase liability	16,747	63,695
Less unexpired hire purchase liability	(1,554)	(9,735)
	<u>15,193</u>	<u>53,960</u>
Bank bills - secured	250,001	815,000
Total non-current borrowings	<u>265,194</u>	<u>868,960</u>
Total borrowings	<u>407,685</u>	<u>1,236,908</u>
a) Total current and non-current secured liabilities		
Bank overdrafts	-	216,050
Bank bills	350,001	915,000
Hire purchase loans	57,684	105,858
	<u>407,685</u>	<u>1,236,908</u>
b) The carrying amounts of assets pledged as security are -		
Registered Mortgage Debenture - Property, Plant and Equipment	7,193,748	7,280,915
Floating Charge - TAB Distribution	2,257,829	1,750,497
	<u>9,451,577</u>	<u>9,031,412</u>
12. PROVISIONS		
Provision for holiday pay	232,381	215,788
Provision for long service leave	437,657	450,925
	<u>670,038</u>	<u>666,713</u>
Provision for holiday pay		
Opening balance at 1 July 2020	215,788	202,487
Additional provisions raised	191,565	197,895
Amounts used	(174,972)	(184,594)
Balance at 30 June 2021	<u>232,381</u>	<u>215,788</u>

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	2021	2020
	\$	\$
Provision for long service leave		
Opening balance at 1 July 2020	450,925	446,099
Additional provisions raised	22,223	66,640
Amounts used	(35,491)	(61,814)
Balance at 30 June 2021	437,657	450,925
Total provisions		
Opening balance at 1 July 2020	666,713	648,586
Additional provisions raised	213,788	264,535
Amounts used	(210,463)	(246,408)
Balance at 30 June 2021	670,038	666,713
13. OTHER LIABILITIES		
CURRENT		
Income in advance	17,800	1,330
	17,800	1,330

14. EVENTS AFTER THE REPORTING PERIOD

The Financial Report was authorised for issue of 28th October 2021 by the Board of Directors.

15. RELATED PARTY TRANSACTIONS

Related Parties

The Company's main related parties are as follows -

a) Key management personnel

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.

b) Entites subject to significant influence by the Company

An entity which has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

c) Other related parties

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

d) Transactions with 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.

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	2021	2020
	\$	\$
The following transactions occurred with related parties -		
i. Lease payments for the use of racecourse to Kembla Grange Recreation Trust	-	7,500
ii. Legal fees paid to Gibson Howlin Lawyers, a firm in which Vice-Chairman M Howlin is a partner	-	1,493

16. ECONOMIC DEPENDENCE

The continuing operation of the Club is dependent upon the lease of the land which is crown land held in trust by the Kembla Grange Recreation Trust. In addition, the Club receives 87.47% (2020: 87.23%) of its income from NSW Racing Pty Ltd, representing the distribution of wagering receipts governed by the NSW Racing Distribution Agreement with TAB Limited. Consequently, the Club is economically dependent on TAB Limited.

17. OPERATING SEGMENTS

The Company operates predominantly in one business and geographical segment being the horse racing industry at Kembla Grange, New South Wales, Australia.

18. FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases, preference shares and derivatives.

	2021	2020
	\$	\$
Financial Assets		
Cash and cash equivalents	215,204	151,403
Accounts receivable	2,290,629	2,023,497
Total Financial Assets	2,505,833	2,174,900

Financial Risk Management Policies

The Directors' overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for Company operations. The Company does not have any derivative instruments at year end.

The Finance Committee, consisting of senior executives of the Company, meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Finance Committee's overall risk management strategy seeks to assist the Company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

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The Finance Committee operates under policies approved by the Board of Directors. Risk management policies are approved and reviewed by the Board on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit rate risk, liquidity risk and market risk relating to interest rate risk.

a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Finance Committee has otherwise cleared as being financially sound. Where the Company is unable to ascertain a satisfactory credit risk profile in relation to a customer or counterparty, then risk may be further managed through title retention clauses over goods or obtaining security by way of personal or commercial guarantees over assets of sufficient value which can be claimed against in the event of any default.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to third parties in relation to obligations under its bank bill facility.

The Company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Board policy.

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b) Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk through the following mechanisms -

- preparing forward-looking cash flow analyses in relations to its operational, investing and financing activities
- using derivatives that are only traded in highly liquid markets
- monitoring undrawn credit facilities
- obtaining funding from a variety of sources
- maintaining a reputable credit profile
- managing credit risk, related to financial assets
- only investing surplus cash with major financial institutions
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Bank overdrafts have been deducted in the analysis as management does not consider that there is any material risk that the bank will terminate such facilities. The bank does however maintain the right to terminate the facilities without notice and therefore the balances of overdrafts outstanding at year end could become repayable within 12 months. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

	2021	2020
	\$	\$
<i>Financial liability and financial asset maturity analysis</i>		
	Within 1 Year	
Financial liabilities due for payment		
Bank loans secured	100,000	100,000
Hire Purchase Liabilities	42,491	51,898
Total contractual outflows	142,491	151,898
Total expected outflows	142,491	151,898
Financial assets - cash flow realisable		
Receivables	2,290,629	2,023,497
Total expected inflows	2,290,629	2,023,497
Net inflow on financial instruments	2,290,629	2,023,497

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	2021 \$	2020 \$
		1 to 5 Years
Financial liabilities due for payment		
Bank loans secured	250,001	815,000
Hire Purchase Liabilities	15,193	53,960
Net outflow on financial instruments	<u>265,194</u>	<u>868,960</u>
Financial Liabilities		
Bank loans secured	350,001	915,000
Hire Purchase Liabilities	57,684	105,858
Total contractual outflows	<u>407,685</u>	<u>1,020,858</u>
Total expected outflows	<u>407,685</u>	<u>1,020,858</u>
Financial Assets		
Receivables	<u>2,290,629</u>	<u>2,023,497</u>
Total expected inflows	<u>2,290,629</u>	<u>2,023,497</u>
Net inflow on instruments	<u>1,882,944</u>	<u>1,002,639</u>

Financial assets pledged as collateral

The following financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

Registered Mortgage Debenture - Property Plant & Equipment	7,193,748	7,280,915
Floating Charge - TAB Distribution	<u>2,257,829</u>	<u>1,750,497</u>
	<u>9,451,577</u>	<u>9,031,412</u>

c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Company is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating rate debt.

The net effective variable interest rate borrowings (i.e. unhedged debt) exposes the Company to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities -

- \$585,000 Flexible Bank Loan
- \$210,000 Instalment Bank Loan
- \$600,000 Overdraft Facility

19. COMPANY DETAILS

The Registered Office and principal place of business of the Company is - The Illawarra Turf Club Ltd Princes Highway, Kembla Grange NSW

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	2021 \$	2020 \$
20. CASH FLOW INFORMATION		
a) Reconciliation of cash		
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:		
Cash	215,204	151,403
Bank Overdraft	-	(216,050)
	215,204	(64,647)
b) Reconciliation of cash flow from operations with profit		
Profit after income tax	1,296,461	4,047,578
Non-cash flows in profit		
Depreciation	466,956	403,460
(Profit)/Loss on sale of property, plant and equipment	-	-
Changes in Assets & Liabilities		
(Increase)/decrease in trade and term debtors	(267,132)	(289,241)
(Increase)/decrease in other assets	-	-
(Increase)/decrease in inventories	35,059	(48,904)
Increase/(decrease) in payables	(278,326)	206,165
Increase/(decrease) in other liabilities	16,470	(23,310)
Increase/(decrease) in provisions	3,325	18,128
Net cash provided by operating activities	1,272,813	4,313,876

The Company has a bank overdraft facility of \$600,000 (2020: \$600,000) and a commercial loan facility of \$800,000 (2020: \$915,000) amounting to a total of \$1,400,000 (2020: \$1,515,000). This may be terminated at any time at the option of the bank. Interest rates are variable.

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22. MOVEMENT IN CARRYING AMOUNTS

Movements in the carrying amounts for each class of property, plant and equipment.

	Racetrack and Buildings \$	Plant and equipment \$	Motor vehicles \$	Bar glasses and kitchen utensils \$	Total \$
Balance at 1 July 2019	2,885,763	386,002	117,618	-	3,389,383
Disposals	-	-	-	-	-
Additions	4,052,360	242,634	-	-	4,294,994
Depreciation expense	(209,720)	(142,698)	(51,043)	-	(403,461)
Carrying amount at 30 June 2020	6,728,403	485,938	66,575	-	7,280,916
Additions	159,598	220,192	-	-	379,790
Depreciation expense	(277,338)	(148,858)	(40,762)	-	(466,958)
Carrying amount at 30 June 2021	6,610,663	557,272	25,814	-	7,193,748

23. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Racecourse Development Project - Contingent Liability

During the year, funding was provided to the company by way of an interest free, interminable loan from Racing NSW for the purposes of the Racecourse Development project. This loan is only repayable if one of the following conditions are triggered:

- The company conducts business activities in such a manner that it becomes financially unstable or insolvent;
- The company ceases to operate as a race club;
- The company disposes of land or other freehold property without the agreement of Racing NSW;
- The company merges, amalgamates or otherwise associates with any other race club;
- The company amends its governance structure; or
- The company is in material breach of any of its obligations, duties and functions under the funding agreement

The Directors are of the opinion that the circumstances outlined above are unlikely to occur in the ordinary course of business and accordingly, no liability has been made in the financial report at 30 June 2021. The maximum contingent liability as at 30 June 2021 in respect of this loan amounts to \$8,000,000.

**THE ILLAWARRA TURF CLUB LTD
(LIMITED BY GUARANTEE)
ACN 001 458 555**

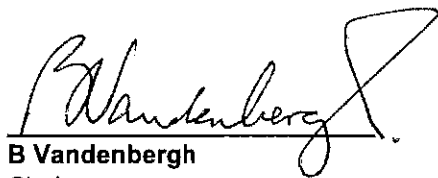
DIRECTORS DECLARATION

The directors of the Company declare that

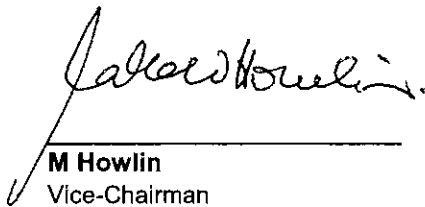
- a) The Financial Statements and Notes, as set out on pages 6 to 25, are in accordance with the *Corporations Act 2001*:
 - i. comply with Accounting Standards and the Corporations Regulations 2001; and
 - ii. give a true and fair view of the financial position as at 30 June 2021

- b) In the Directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a Resolution of the Board of Directors.



B Vandenberg
Chairman



M Howlin
Vice-Chairman

**THE ILLAWARRA TURF CLUB LTD
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**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
THE ILLAWARRA TURF CLUB LTD**

Report on the Financial Report

I have audited the accompanying financial report of The Illawarra Turf Club Ltd (the Company) which comprises the statement of financial position as at 30 June 2021, the income statement, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the Company Constitution and for such internal control as the Directors determine is necessary to enable the preparation of the Financial Report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that the financial statements comply with International Financial Reporting Standards (IFRS)

Auditor Responsibility

My responsibility is to express an opinion on the Financial Report based on our audit. I conducted my audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the Auditor's judgment, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report 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 entity's internal control. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**THE ILLAWARRA TURF CLUB LTD
(LIMITED BY GUARANTEE)
ACN 001 458 555**

**INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
THE ILLAWARRA TURF CLUB LTD**

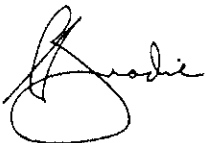
Auditor Opinion

In my opinion:

- a. The Financial Report of The Illawarra Turf Club is in accordance with the company's constitution including -
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date.
 - (ii) complying with Australian Accounting Standards (including the Australian Account Interpretations) and the Company's constitution.
- b. The Financial Report also complies with International Financial Reporting Standards as disclosed in Note 1.

BLG Audit Services Pty Ltd

**301 Keira Street
WOLLONGONG NSW 2500**



Director: Scott Brodie

Date: 04/11/2021