

Echuca Harness Racing Club Inc.

Financial Statements

For the Year Ended 30 June 2022

Echuca Harness Racing Club Inc.

Contents

For the Year Ended 30 June 2022

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Echuca Harness Racing Club Inc.

Committee's Report

30 June 2022

The Committee members submit the financial report of the Association for the financial year ended 30 June 2022.

Committee Members

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

- Shane Gloury (President)
- Norm Visca (Vice President & Treasurer)
- Bruce Child
- Colin Godden
- Dallas McIntyre
- Geoffrey Allen
- Ros Rolfe
- Wayne Morris
- Yvonne Child

Principal Activities

The principal activities of the Association during the financial year were:

- To conduct Harness Racing Meetings.

Significant Changes

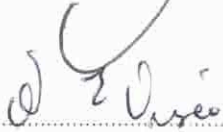
No significant change in the nature of these activities occurred during the year.

Operating Result

The loss of the Association for the financial year amounted to \$ 193,193 (2021 loss of: \$ 201,765).

Signed in accordance with a resolution of the Members of the Committee:

President: 
Shane Gloury

Vice President & Treasurer: 
Norm Visca

Dated 09 November 2022

Echuca Harness Racing Club Inc.

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2022

		2022	2021
	Note	\$	\$
Revenue from Ordinary Activities	4	238,491	209,882
Expenses from Ordinary Activities			
Cost of Goods Sold	5	9,293	9,399
Employee Benefits	5	85,919	83,464
Stake Money	5	1,546	399
Promotional Activities	5	13,515	8,291
Borrowing Expenses	5	17,399	-
Property Expenses	5	10,608	45,407
Other Expenses	5	78,917	74,464
Depreciation Expense	5	214,487	190,223
Profit/(Loss) for the Year		<u>(193,193)</u>	<u>(201,765)</u>
Other Comprehensive Income			
Revaluation of Property, Plant and Equipment		<u>3,656,175</u>	<u>-</u>
Total Comprehensive Income for the Year		<u><u>3,462,982</u></u>	<u><u>(201,765)</u></u>

The accompanying notes form part of these financial statements.

Echuca Harness Racing Club Inc.

Statement of Financial Position

As At 30 June 2022

	2022	2021
Note	\$	\$
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	6 158,863	146,916
Trade and Other Receivables	7 6,882	13,475
Inventories	8 3,495	2,091
Other Financial Assets	9 -	1,352
TOTAL CURRENT ASSETS	169,240	163,834
NON-CURRENT ASSETS		
Property, Plant and Equipment	10 5,472,632	1,640,242
TOTAL NON-CURRENT ASSETS	5,472,632	1,640,242
TOTAL ASSETS	5,641,872	1,804,076
LIABILITIES		
CURRENT LIABILITIES		
Trade and Other Payables	11 21,506	21,420
Leases	13 18,056	-
Employee Benefits	14 23,099	19,446
TOTAL CURRENT LIABILITIES	62,661	40,866
NON-CURRENT LIABILITIES		
Leases	13 353,252	-
Employee Benefits	14 288	521
TOTAL NON-CURRENT LIABILITIES	353,540	521
TOTAL LIABILITIES	416,201	41,387
NET ASSETS	5,225,671	1,762,689
EQUITY		
Asset Revaluation reserve	4,393,297	737,122
Retained Earnings	832,374	1,025,567
EQUITY	5,225,671	1,762,689

The accompanying notes form part of these financial statements.

Echuca Harness Racing Club Inc.

Statement of Changes in Equity
For the Year Ended 30 June 2022

2022

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2021	1,025,567	737,122	1,762,689
Profit/(Loss) for the year	(193,193)	-	(193,193)
Revaluation Increment	-	3,656,175	3,656,175
Balance at 30 June 2022	832,374	4,393,297	5,225,671

2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 July 2020	1,227,332	737,122	1,964,454
Profit/(Loss) for the year	(201,765)	-	(201,765)
Balance at 30 June 2021	1,025,567	737,122	1,762,689

The accompanying notes form part of these financial statements.

Echuca Harness Racing Club Inc.

Statement of Cash Flows
For the Year Ended 30 June 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from Operations	244,967	216,622
Payments to Suppliers and Employees	(215,095)	(202,430)
Interest Paid	117	549
Net cash provided by/(used in) operating activities	29,989	14,741
17		
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property, Plant and Equipment	(2,143)	(7,000)
Proceeds from Investments	-	8,432
Net cash provided by/(used in) investing activities	(2,143)	1,432
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Loan	1,352	-
Repayment of lease liabilities	(17,251)	-
Net cash provided by/(used in) financing activities	(15,899)	-
Net increase/(decrease) in cash and cash equivalents held	11,947	16,173
Cash and cash equivalents at beginning of year	146,916	130,743
Cash and cash equivalents at end of financial year	158,863	146,916
6		

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2022

The financial statements cover Echuca Harness Racing Club Inc. as an individual entity. Echuca Harness Racing Club Inc. is a not-for-profit Association incorporated in Victoria under the *Associations Incorporation Reform Act 2012* ('the Act').

The functional and presentation currency of Echuca Harness Racing Club Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee, the Association is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

The financial statements 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.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Revenue and Other Income

Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not-for-Profit Entities*. Income is recognised as revenue to the extent it is earned. Unearned income at reporting date is reported as income in advance. Amounts disclosed as revenue are applicable, net of returns, allowances, duties and taxes.

Operating Grants, Donations and Bequests

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

When both these conditions are satisfied, the Association:

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

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

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138);

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(a) Revenue and Other Income

Operating Grants, Donations and Bequests

- recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liability arising from a contract with a customer); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

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

(b) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(c) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(e) Inventories

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

(f) 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.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(f) Property, Plant and Equipment

Plant and Equipment

Plant and equipment are measured using the revaluation model.

Depreciation

Race Track Improvements and Buildings, are depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use. Motor Vehicles and Plant & Equipment, are depreciated on a diminishing value basis over the asset's useful life to the Association, commencing when the asset is ready for use.

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

Fixed asset class	Depreciation rate
Race Track Improvements	5-8%
Buildings	4-10%
Plant and Equipment	10-15%
Motor Vehicles	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(g) Financial Instruments

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Association classifies its financial assets at amortised cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

Amortised cost

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Financial Instruments

Financial Assets

method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Association's historical experience and informed credit assessment and including forward looking information.

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Association uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Association in full, without recourse to the Association to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Association in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Association has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Association renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(g) Financial Instruments

Financial Assets

losses are estimated and recognised.

Financial Liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

(h) Impairment of Non-Financial Assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets.

(i) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(j) Leases

For comparative year

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term per AASB 117. The Association had not adopted AASB 16 at 1 July 2019 using the retrospective method therefore the comparatives are non-compliant with accounting standards.

For current year

The Association has adopted AASB 16 at 1 July 2021 using the retrospective method (cumulative catch-up) and therefore the comparative information not been restated and has been prepared in accordance with AASB 117.

At inception of a contract, the Association assesses whether a lease exists i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Association recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Association believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

Notes to the Financial Statements

For the Year Ended 30 June 2022

2 Summary of Significant Accounting Policies

(j) Leases

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Association's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Association's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Association has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Association recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Employee Benefits

Provision is made for the Association's liability for employee benefits, those benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Employee benefits for long service leave are treated as a current liability for employees who have seven or more years, with all other long service leave entitlements treated as a non-current liability.

(l) Provisions

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

Notes to the Financial Statements

For the Year Ended 30 June 2022

3 Retrospective Restatement

The Club had an investment in Banksia Securities Ltd who went into liquidation in October 2012. Significant doubt exists as to the Club's ability to recover this investment in full, accordingly this investment should have been fully impaired. The aggregate effect of this error on the comparative figures reported in the annual financial statements for the year ended 30 June 2022 is as follows:

	Previously stated	30 June 2021 Adjustments	Restated
	\$	\$	\$
Statement of Financial Position			
Investments	27,724	(27,724)	-
Retained Earnings	(1,053,291)	27,724	(1,025,567)

4 Revenue

	2022	2021
	\$	\$
Revenue from Operating Activities		
Admissions and Racebooks	6,456	7,257
Club Trial and Training Fees	2,000	1,455
Food and Beverages	23,313	16,136
HRV Meeting Payments	137,487	130,694
HRV Other	13,482	5,972
HRV Tote Commission	12,513	25,129
HRV Trial Nomination Fees	2,992	1,580
Members' Subscriptions	1,636	636
Other Income	19,050	19,565
Sponsorship	19,445	909
	<u>238,374</u>	<u>209,333</u>
Revenue from Non-Operating Activities		
Interest Received	117	549
	<u>117</u>	<u>549</u>
	<u><u>238,491</u></u>	<u><u>209,882</u></u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

5 Expenses

	2022	2021
	\$	\$
Cost of Goods Sold		
Raceday Bar & Food Purchases	9,293	9,399
	<u>9,293</u>	<u>9,399</u>
Employee Benefits		
Salaries and Wages (Inc Employee Provisions)	77,692	75,923
Superannuation	5,367	4,710
Workcover	2,860	2,831
	<u>85,919</u>	<u>83,464</u>
Stake Money		
Trophies	1,546	399
	<u>1,546</u>	<u>399</u>
Promotional Activities		
Advertising	8,459	7,024
Promotions	5,056	1,267
	<u>13,515</u>	<u>8,291</u>
Borrowing Expenses		
Interest Expense - Right of Use Asset	17,399	-
	<u>17,399</u>	<u>-</u>
Property Expenses		
Fuel, Light & Power	10,608	10,757
Rent	-	34,650
	<u>10,608</u>	<u>45,407</u>

Notes to the Financial Statements
For the Year Ended 30 June 2022

5 Expenses

	2022	2021
	\$	\$
Other Expenses		
Accounting Services	5,500	5,500
Bank Charges	823	484
Catering	3,442	1,587
Cleaning Consumables	53	19
Hirings	19,881	18,759
Insurance	1,992	1,782
Motor Vehicle Expenses	11,309	21,237
Printing, Postage and Stationary	4,384	3,235
Repairs and Maintenance	25,036	16,090
Sponsorship Expenses	385	318
Sundry Expenses	3,996	3,402
Telephone	2,116	2,051
	<u>78,917</u>	<u>74,464</u>
Depreciation		
Race Track Improvements	113,982	113,982
Buildings	67,161	67,161
Motor Vehicles	1,435	1,262
Plant & Equipment	7,239	7,818
Right of Use Asset	24,670	-
	<u>214,487</u>	<u>190,223</u>
	<u>431,684</u>	<u>411,647</u>

Notes to the Financial Statements
For the Year Ended 30 June 2022

6 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash on Hand	25	125
Cash at Bank	158,838	146,791
	158,863	146,916

7 Trade and Other Receivables

Trade Receivables	6,695	13,132
Other Receivables	187	343
	6,882	13,475

8 Inventories

At cost:		
Stock on Hand - Bar	3,495	2,091
	3,495	2,091

9 Other Financial Assets

Loan and Advances	-	1,352
	-	1,352

Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Property, Plant and Equipment

	2022	2021
	\$	\$
Buildings		
At Independent Valuation - 2022	2,997,000	-
At Independent Valuation - 2013	-	1,319,604
Accumulated Depreciation	-	(579,274)
	2,997,000	740,330
Plant and Equipment		
At Cost	381,902	379,759
Accumulated Depreciation	(324,462)	(317,223)
	57,440	62,536
Motor Vehicles		
At Cost	7,000	7,000
Accumulated Depreciation	(2,697)	(1,262)
	4,303	5,738
Race Track Improvements		
At Independent Valuation - 2022	2,050,000	-
At Independent Valuation - 2013	-	1,728,396
Accumulated Depreciation	-	(896,758)
	2,050,000	831,638
Right-of-Use Asset		
At Initial Recognition	388,559	-
Accumulated Depreciation	(24,670)	-
	363,889	-
	5,472,632	1,640,242

Echuca Harness Racing Club Inc.

Notes to the Financial Statements
For the Year Ended 30 June 2022

10 Property, Plant and Equipment

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Buildings	Plant and Equipment	Motor Vehicles	Race Track Improvements	Right-of-Use Asset	Total
	\$	\$	\$	\$	\$	\$
Balance at the beginning of year	740,330	62,536	5,738	831,638	-	1,640,242
Additions	-	2,143	-	-	-	2,143
Adoption of AASB 16	-	-	-	-	388,559	388,559
Depreciation expense	(67,161)	(7,239)	(1,435)	(113,982)	(24,670)	(214,487)
Revaluation Increment/(Decrement)	2,323,831	-	-	1,332,344	-	3,656,175
Balance at the end of the year	2,997,000	57,440	4,303	2,050,000	363,889	5,472,632

Notes to the Financial Statements
For the Year Ended 30 June 2022

11 Trade and Other Payables

	2022	2021
	\$	\$
Trade Payables	8,803	10,778
GST & PAYG Payable	5,184	4,482
Other Payables	7,519	6,160
	<u>21,506</u>	<u>21,420</u>

12 Leases

Association as a lessee

The Association has a lease over land.

Information relating to the lease in place and associated balances and transactions are provided below.

The land relates to the lease of the Racecourse and Recreation Reserve.

Right-of-use assets

	Land	Total
	\$	\$
Year ended 30 June 2022		
Adoption of AASB 16	388,559	388,559
Depreciation Expense	(24,670)	(24,670)
Balance at end of year	<u>363,889</u>	<u>363,889</u>

Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2022					
Lease liabilities	34,650	138,600	337,837	511,087	371,308

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Association is a lessee are shown below:

	2022	2021
	\$	\$
Interest Expense	17,399	-
Depreciation Expense	24,670	-
Rent Expense	-	34,650
	<u>42,069</u>	<u>34,650</u>

Notes to the Financial Statements

For the Year Ended 30 June 2022

13 Leases

	2022	2021
	\$	\$
CURRENT		
Lease Liabilities	18,056	-
	<u>18,056</u>	<u>-</u>
NON-CURRENT		
Lease Liabilities	353,252	-
	<u>353,252</u>	<u>-</u>

14 Employee Benefits

CURRENT		
Annual Leave	8,661	6,468
Long Service Leave	14,438	12,978
	<u>23,099</u>	<u>19,446</u>
NON-CURRENT		
Long Service Leave	288	521
	<u>288</u>	<u>521</u>

15 Contingencies

In the opinion of the Committee, the Association did not have any contingencies at 30 June 2022 (30 June 2021: None).

16 Related Parties

During the financial year, all transactions between related parties were on commercial terms and conditions no more favourable than those available to other parties, unless otherwise stated.

Notes to the Financial Statements

For the Year Ended 30 June 2022

17 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Profit/(Loss) for the Year	(193,193)	(201,765)
Non-cash flows in profit:		
- depreciation	214,487	190,223
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	6,593	7,289
- (increase)/decrease in inventories	(1,404)	746
- increase/(decrease) in trade and other payables	86	11,015
- increase/(decrease) in employee benefits	3,420	7,233
Cashflows from operations	<u>29,989</u>	<u>14,741</u>

18 Events Occurring After the Reporting Date

The financial report was authorised for issue on 09 November 2022 by the Committee.

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

19 Statutory Information

The registered office and principal place of business is:

Echuca Harness Racing Club Inc.
Frank Ryan Raceway
SIMMIE STREET, ECHUCA 3564

Echuca Harness Racing Club Inc.

Statement by Members of the Committee

The Committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2 to 20:

1. Presents fairly the financial position of Echuca Harness Racing Club Inc. as at 30 June 2022 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Echuca Harness Racing Club Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:

President.....

Shane Gloury

Vice President & Treasurer.....

Norm Visca

Dated 09 November 2022

Echuca Harness Racing Club Inc.

Independent Audit Report to the members of Echuca Harness Racing Club Inc.

Opinion

We have audited the accompanying financial report, being a special purpose financial report of Echuca Harness Racing Club Inc. (the Association), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by members of the committee.

In our opinion, the accompanying financial report of the Association for the year ended 30 June 2022 is prepared, in all material respects, in accordance with the Associations Incorporation Reform Act 2012.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report is prepared to assist the Association in *Associations Incorporation Reform Act 2012*. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the Association and should not be distributed to or used by parties other than the Association. Our opinion is not modified in respect of this matter.

Responsibilities of Management and the Committee

Management is responsible for the preparation and fair presentation of the financial report in accordance with *the Associations Incorporation Reform Act 2012*, and for such internal control as management determines is necessary to enable the preparation of the financial report is free from material misstatement, whether due to fraud or error.

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

The Committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

Echuca Harness Racing Club Inc.

Independent Audit Report to the members of Echuca Harness Racing Club Inc.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Conclude on the appropriateness of the Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial reporter, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CountPro Audit Pty Ltd
CountPro Audit Pty Ltd

A handwritten signature in blue ink, appearing to read "Jason Hargreaves", is written over a horizontal dotted line. Below the signature, the name "Jason Hargreaves" and the title "Director" are printed in a black sans-serif font.

180 Eleanor Drive, Lucas
09 November 2022