



Annual Report

Season 2018/2019



Directory 2018/2019 and Notice of Meeting

Registered Office:

22 Elm Street
Avondale, Auckland
New Zealand

Bankers:

ASB Bank Ltd
12 Jellicoe Street
Auckland Central, Auckland

Auditors:

Baker Tilly Staples Rodway
Tower Centre, Level 9
45 Queen Street, Auckland

Acting Secretary:

T.A. Berkahn

Accountants:

Campbell Tyson Ltd
1 Wesley Street
Pukekohe, Auckland

Solicitors:

Wynyard Wood
60 Highbrook Dr
Auckland

COMMITTEE	STEWARDS	LIFE MEMBERS
<p>Allan Boyle (President) Jan Skinner (Vice President) Tracey Berkahn (Hon Treasurer) Jim Clark, Bruce Cleland Gary Jenkins Leeann Martin Jan McLeod Vince Middeldorp Chris Ryan Irvine Starkie</p>	<p>Bryan Jackson Terry Skinner Warren Strand Denise West</p>	<p>E Doherty, T Green, C Jillings, R McElroy, J McLeod, J O'Connor, J Patterson, R Payne, S Penny, P Sapich, J Skinner and G Wakefield</p>

Notice of Meeting

Per the notice of Annual Meeting dated 23 October 2019 and circulated to members, the 129th Annual Members Meeting of Members of the Avondale Jockey Club will be held on the Third Floor, Members Stand, Avondale Racecourse on Thursday 28th November 2019 at 4:00pm.

Notice of Business to be transacted at Annual Members' Meeting (AMM)

Nature of business

1. Confirmation of Minutes of the last Annual General Meeting and Minutes of Special General Meeting held 27 September 2019.
2. To consider and approve the annual reports of the Committee and the Treasurer.
3. To receive and consider audited Financial Statements for year ended 31 July 2019.
4. To appoint an auditor and authorise the fixing of the auditor's remuneration.
5. To elect Office Bearers

A list of the nominations received by the Election Co-ordinator for the positions of President, Vice-President and Committee Member (two seats) is enclosed.
6. To consider a remit relating to the approval of alterations to the Club's Rules and any other remit received by the Secretary pursuant to Rule 7.4, if received and put forward by the Committee.
7. To receive and consider a summary of the Club's Interests Register prepared in accordance with Rule 14.1(d), if any "interest" has been disclosed for the purposes of Rule 14.1(c).

Text of motions and remits for AMM

1. That the draft minutes of the Annual General Meeting held on Tuesday 30 October 2018 are confirmed.
2. That the draft Minutes of Special General Meeting held on 27 September 2019 are confirmed.
3. That the audited Financial Statements for the year ended 31 July 2019 are received.
4. That Baker Tilly Staples Rodway is appointed as the Club's auditor and that the Committee is authorised to fix their remuneration for the year ending 31 July 2020.
5. That the annual reports of the Committee and the Treasurer are approved.
6. That [insert highest polling candidate] is duly elected as President of the Club.
7. That [insert highest polling candidate] is duly elected as Vice President of the Club.
8. That [insert highest polling candidate] is duly elected to one of the two vacant positions as Committee Member of the Club.
9. That [insert second highest polling candidate] is duly elected to one of the two vacant positions as Committee Member of the Club.
10. That the Remit received from J Mcleod and W Donaldson on 5 November 2019, comprising the following motion, be considered and if thought fit passed (75% majority):

The alterations to the Club's Rules shown in the table below are approved and that the Secretary is authorised to take the necessary steps to register said alterations with the Registrar of Incorporated Societies as soon as reasonably practicable following this AMM:

<p>7.16 Resolutions</p> <p>...</p> <p>(b) Notwithstanding (a) above, the following matters must be subject of a resolution passed by not less than 75% of Members present and voting at a Members' Meeting.</p> <p>Schedule 1</p> <p>Powers and functions of the Committee</p> <p>The powers and functions of the Committee shall, subject to any restriction on the exercise of these powers set out within these Rules, include (without limitation) the power to:</p> <p>...</p>	<p><i>These changes address potential issue identified by member at SGM</i></p>
<p>9.2 Nomination of and voting for Committee Members</p> <p>...</p> <p>(f) Each Member eligible to vote in accordance with (a) above may nominate no more than ...</p> <p>...</p> <p>(j) ...</p> <p>(iii) the Election Co-ordinator may (in his or her sole discretion) declare invalid any vote that fails to comply with this Rule 9.12 (Nomination of and voting for Committee Members);</p> <p>(iv) at the conclusion of voting, the Election Co-ordinator will count the number of valid votes cast in favour of each candidate and, unless the circumstances in (v) below applies, determine the three (3) highest polling candidates to be elected as Committee Members;</p> <p>...</p> <p>9.3 Removal or suspension of a Committee member</p> <p>(a) The Committee may, after following the process set out in Rule 6.3(Process to be followed by Committee in accordance with natural justice), ...</p>	<p><i>Cross referencing to incorrect rules plus removal of unnecessary words re candidates for Committee membership</i></p>
<p>5.1 Members</p> <p>(a) ...</p> <p>...</p> <p>(v) is not disqualified under the Rules of Racing; and</p> <p>(vi) is otherwise, ... horse racing.;</p> <p>...</p> <p>(c) ...</p> <p>...</p> <p>(iv) decide in accordance with Rule 5.1 at a meeting of the Committee whether or not to accept the application;</p> <p>...</p> <p>(e) If eligible, the applicant shall be balloted on the basis that three (3) adverse votes of Committee Members will exclude the applicant and no ballot shall be acceptable unless the votes of at least six (6) Committee Members are recorded.</p>	<p><i>Consequential changes identified as necessary by member at SGM</i></p> <p><i>Earlier draft Rule 5.1(f) not included in Rules adopted on 27 September 2019</i></p>

PRESIDENT'S REPORT

Introduction

I thank all who have supported the Avondale Jockey Club during 2018/19. I am very pleased to present to you the Annual Report 2019 on behalf of the Committee.

As members are aware, the club's racing went off successfully and the present Committee has done recently what a number of previous ones only thought about doing – a more suitable set of club Rules has been adopted at a Special General Meeting.

As members are generally aware, the club is facing a challenging set of circumstances regarding racing. The club's issues exist in a national context where over the previous decade betting turnover has declined, generally race days and starters per race have softened and attendance at tracks has fallen badly. The decline has resulted in pressure on the capital requirements of the racing and breeding industries. This 'asset-related restriction' facing the future of racing has given rise to the Coalition Government's agenda for (among other venues) the closure of the Avondale track.

This year there is no operating surplus to report: the major part of the cause for this involves costs incurred in civil litigation brought against the club by sitting Committee member V Middeldorp. The Treasurer in her report provides detail of these costs and the other items bearing on a cash deficit for the season of \$48,200 and an overall accounting deficit.

Racing

In the 2018/19 season we held eight race meetings with one of the nine scheduled dates cancelled for poor nomination numbers [compare 12 (2018) and 12 (2017)]. For the current season we are slated for only eight race meetings. As shown in the Treasurer's report (and previous annual reports) this is a dramatic drop from just a few years ago and seems to point to an 'agenda' in the upper levels of NZ racing about our destiny.

The fixtures remaining in the current season are: Wednesday 22 January; Wednesday 19 February; Friday 6 March; Friday 20 March; Monday 27 April; and Wednesday 8 July.

We are trying to increase the prominence given to the 'Governor General's Cup', a longstanding Avondale race, because our traditional 2YO Fillies race has lost its relevance, as you know. On ANZAC Day 25 April 2019 the Cup was sponsored generously by

Bruce Amies and Lyn Salvidge under the banner Bruce Amies Pharmacy Governor General's Cup. The race was taken out by Magic of the Sun (Per Incanto (USA) - Sunstrike) for trainer Stephen McKee, with Sam Spratt up. The owners are S J McKee & Est Late T J McKee ONZM. [Photo below]

NZTR Draft Venue Plan

We are doing what we can for owners' raceday experience at Avondale but this has not stayed competitive with amenities and hospitality in other sports, and indeed, is not on a par with many of the country's tracks. A number of initiatives the club could take for improved customer satisfaction are not suited to Industry Days (i.e. weekday horse racing) because bottom-tier racing has no viable connection with an upgrade for a patron friendly environment, the provision of oncourse entertainment or Avondale as an event destination.

Is this the justification for wanting to close down the AJC track? Those who have looked at the governing body's draft discussion document about future venues will know it is sketchy and its reasoning is not clear.



The Committee's views in response to NZTR were presented in April 2019. Your Committee says the expected growth in Auckland in comparison to the rest of NZ means two inner-city tracks should be retained in the city where half of the nation's population will reside. I encourage you to have a look at the submission on the club's website.

What the experts call 'the mobile media disruption' that is happening globally in sports betting has major implications for horse racing. To keep pace with other sports in terms of fan interest, and with other forms of gambling, there has to be engagement with horse racing in the cities. In my view this is about Auckland

having in future a schedule of '45 plus' race days per season.

New Zealand's situation in relation to the state of thoroughbred racing is not isolated from the global trends. In 2018 the leading international consulting firm, McKinsey, carried out research and recommended a major strategic plan to the Jockey Club USA, intended to save a faltering industry. The report identifies, among other issues, potential customer development in relation to venues: 1. 'Ensure major league cities have major league tracks.' McKinsey says it is imperative for the future of racing that the industry upgrades the track experience in centres of major population; 2. 'Develop plans in the Jockey Club USA to consider becoming a track owner, lessor or partner when a significant racing venue is imperilled.' These conclusions provide food for thought when we react to the 2019 NZTR draft venue plan and contrast with the NZ approach which must be questionable.

Non-racing Operations

This year we commissioned a review of the club's online presence (including website) and approached selected stakeholders/interested parties. While these were baby steps, they signal a willingness to build a community brand that is valued and supported.

In June the Committee re-started a sale process for a site known as the Elm Street land. This is a small, triangular lot where the caretaker's house used to be. Following signing of a sale agreement in September we await the satisfaction of several conditions under the agreement. Should the buyer perform, the capital to be released from the sale will provide significant money for investment.

A number of alleged defaults by the Committee raised by V Middeldorp in a case against AJC involved the High Court looking at the Constitution (April 2019). It was pleasing to provide evidence that a project to modernise the rules governing the club had begun in July 2018, two months before Mr Middeldorp started his case. Incidentally I understand a couple of 'bush lawyer' members have suggested (since the club's success at first instance) the Committee should have undertaken mediation with the member. The Middeldorp case was started with no prior notice to the club and his form of action, judicial review, provided no middle ground: there was nothing to negotiate.

Obituaries

In April there was the passing of life member Trevor McKee ONZM. The Committee acknowledges the sad loss of a trainer who made a great contribution to the industry. Other members whose passing during the season, or recently, is recorded with regret are:

Mr G J F Castle; Mrs C E Cathro; Mr K B Cooney; Mr P G Doran; Mr R H Gurney; Mr T G A Kiely MBE; Mrs R Shepherd and Mr D Thomsen.

Committee, Staff & Sponsorship

Two new members of Committee joined during the season – Leeann Martin, elected unopposed in October 2018, and Bruce Cleland, appointed by the Committee in December. Their contribution has been welcome. To all Committee members and Stewards I express my appreciation. The work of Stewards is often overlooked in my view and this season I would like to formally acknowledge Bryan Jackson and Terry Skinner: their standing in the club relates to many years of volunteer work.

I join with the Committee to extend thanks to all our staff. In May we lost our Racecourse Superintendent to another track (after a year) and with a good team we continue to satisfactorily produce a sound racing surface. The club is lucky that it has people who work hard and have regard for the interests of the club.

I also acknowledge our race sponsors whose support is crucial to the success of race days. AJC's main sponsors during the season were Westbrook Wines, Bruce Amies and family, Jigsaw Building, Avondale Sunday Markets, Cato Bolam, Auckland Alarms, Giles Carpets, Echoes Of Heaven, 5 Star Horse Transport, Precinct Realty and NZB Insurance through the Pearl Series races.

Thanks also to other groups: all owners who raced here, those trainers who genuinely support our venue and of course the riders who routinely display their talents regardless of the status of the race meeting they race at.

Allan Boyle

President

TREASURER'S REPORT

It is a privilege for me to present the Treasurer's report on the financial affairs of the club, including the full financial statements for the financial year ended 31 July 2019. In contrast to a number of recent annual reports, I have a mixed view of this season's outcomes: while the racing side produced a steady result, that contribution to overall operations was nullified by an unfortunate internal matter that sees Avondale Jockey Club (AJC) with a disappointing overall result from operations.

Income

Racing related activities

The 2018/19 season comprised only eight race meetings - a scheduled ninth race meeting (date intended for 7 March 2019) was cancelled in advance due to lack of entries - and nine trials days.

AJC returned a total surplus from racing-related activities of \$107,200 (race meetings \$51,600 and trials \$55,600). This is a gratifying outcome especially when we note that our allocation of dates is at the lowest possible level under the New Zealand Thoroughbred Racing (NZTR) funding model, where mid-week race days are generally expected to breakeven.

Members are well aware of the trend affecting AJC that sees our racing season shorten year by year under the dates allocation mechanism. Of course, that trend is not evident in the context of trials days

that the club hosts for owners and trainers. The graph below shows the gradual change in the ratio of AJC race days to trials, over the last five seasons. This season for the first time the number of trial days to race days is more than one (1.13:1) compared to 2014/15 (0.4:1).

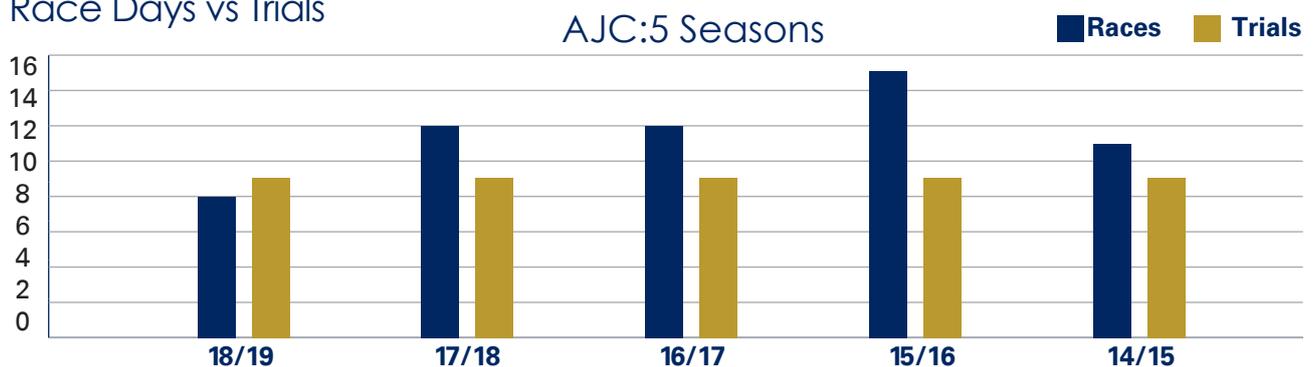
Race Meeting Statistics

The table below summarises the trend over the last five years of race days, number of races, average number of starters, race meeting surplus. As mentioned above, race days are declining but number of races per meeting and average starters per race are stable over the five years.

Trading revenue other than racing

The club's income from tenancies and licences was \$812,200 – a decrease from last financial year of 1.6% due to fewer casual rentals of the facilities. In the 2019/20 year we should see an increase in casual rentals due to improving exposure for our revamp in the Marshall Stand, where the first floor is an attractive room for a number of commercial or corporate users. This coming financial year should see a significant uplift in the trading result due to rental income generated from our exercise to relocate and refurbish the former caretaker's house (rent of more than \$30,000 pa. See Capital Expenditure below).

Race Days vs Trials



Race-meeting Statistics

	18/19	17/18	16/17	15/16	14/15
Number Race Meetings	8	12	12	15	13
Number of Races	64	98	98	123	107
Average Starters per Race	10.6	11.3	10.7	10.9	11.6
Race meeting surplus \$	51,600	28,800	45,500	163,100	58,700
Number Trials Days	9	9	9	7	5

Spending

Operational

Operational spending in the 2018/19 year was predominantly made up of:

- Occupancy-related costs (23%) - such as rates and maintenance: a decrease of 9.6% from 2017/18;
- Depreciation (20%): an increase of 8.7% from last year;
- Professional and consulting fees (19%): an increase of 198% from last year; and
- Labour (25%): up 40% from 2017/18.

The large increase in professional/consulting fees was due to several matters. The largest was the legal costs incurred by the club in defending the legal claim brought against the club by committee man V Middeldorp. There was also the club's submission on NZTR's Draff Venue plan; work to help re-build Avondale's brand after the Messara Report damaged the club's standing, including its ability to attract new race day sponsors and potential long term tenants. The project for the drafting and presentation of a new Constitution (since adopted in September 2019) was also a significant item.

Capital expenditure

Following on from expenditure during the last half of the 17/18 season there has been a rollout of several racing facilities/equipment upgrades and the relocation and refurbishment of the former caretaker's house to the main site. These capital improvements were at a significant cost but those not related to racing return an additional \$30k plus revenue per annum.

There was also a capital upgrade to the AJC website, modernising the site and allowing a better platform to

communicate for the future with both club members and the wider Avondale/racing communities.

Overall result

A year ago I had positive expectations for the season I am reporting on, but activities that the committee had not expected to be engaged in - one in particular - have overwhelmed the profitability of the operational trading result. The cash deficit was \$48,200 and the overall accounting deficit was \$283,200. The litigation in the High Court by Mr Middeldorp (started September 2018) resulted in an impost of \$74k in net legal costs to the close of the financial year. I am pleased to say the case went against Mr Middeldorp. Nevertheless legal costs for the period October 2018 through to July 2019 have severely hurt the financials of the club and even put pressure on cash flows at one point.

Mr Middeldorp has appealed parts of the High Court decision so further legal costs in this respect will impact the 2019/20 season. On a personal note I express sadness that the personal agenda of a sole committee person results in club expenditure that costs members so dearly, and which could have been better used for the racing at AJC. The conflict mentality of the member, in my view, overshadows some of the progress we have made.

T A Berkahn

Treasurer

Financials At A Glance

	18/19	17/18	16/17	15/16	14/15
Surplus per Financials Statements	(283,200)	(83,800)	33,000	375,400	31,300
Plus: Depreciation	235,000	216,200	192,600	175,700	173,200
Less: Grants	0	25,000	60,200	112,600	0
Cash Surplus from operations	(48,200)	107,400	285,800	438,460	204,500
\$ Improvement	(155,600)	(178,400)	(152,660)	233,960	227,200
% increase	(145%)	(62.4%)	(35%)	114%	1,000%
Gain/(Loss) on sale of Land	0	0	(27,400)	0	2,584,800
Members' Funds	4,292,100	4,575,300	4,659,100	4,626,100	4,250,800

RACING MANAGER'S REPORT

Introduction

The quality of the track highlights the case for more racing at the Club, in my view, and I continue to sing the praises of the Avondale track. As reported on the Club's website, the 10 July 2019 winter meeting was a test for the success of remediation works relating to the ground from the 1400m start down the 1600m chute and we seem to have solved a long-standing drainage problem.

A recent internal study of the allocation of fixtures over the past 25 years in the Auckland greater metropolitan area shows an interesting result. While the Auckland Racing Club has remained fairly level at around 23 race days per season since the 1994/1995 year (with reductions at times due to track-related works), Counties Racing Club has seen their race days tend to rise over the period.

From 9 fixtures in 1994/1995 to 14 in 2017/18 and 12 in 2018/19 for the Pukekohe track. Avondale, in contrast, raced on 19 days in the 1995/95 season, through a reduction to 12 by the 2016/17 season.

With sectors of the industry rumbling for release of land assets for training-related infrastructure and synthetic surfaces, by the 2019/20 season Avondale is to hold only 8 race days. One of the surprising elements of the move away from Avondale is no racing taking place after the meeting on 10 July 2019 (previous season) until 18 October 2019.

Recently the Club has applied to the Safety Development Fund for funding to improve racetrack safety. Grants are available for a number of infrastructure projects ranging from track maintenance equipment to running rail. Cost estimates over time for the replacement of aluminium running rails here have eased and now Avondale is committed to replacing its existing rail with a plastic rail. The plastic rail mitigates risk of injury to horse and rider. Furthermore it is transferable and makes moving the rail regularly to provide a fresh racing surface, easier.

The Members Stand lift was recommissioned in April 2019 following the repair and reconditioning of the existing lift and motor under a contract with Electronic and Electrical Technologies Ltd. This job was completed at a price many times less than the project costings by bringing in components from offshore.

Facilities

A number of improvements have been made over the season and it is pleasing to see the refurbished Marshall Stand being used for non-raceday bookings at a better level.

Improvements have been made to the security arrangements whereby the Ash St gate is now closed (except race days, trials and for the Avondale Sunday Markets). The Elm St gate is used as the club's main entry point and we aim to upgrade that area as soon as possible to present a better entrance.

Leases

Housie continues to operate four days a week in the public stand area and the Council-leased infield provides a welcome and appreciated community benefit for sports and recreation activities.

Despite a new world of on-line shopping the Avondale Sunday Markets remains popular and highlights the attraction of weekend markets and the benefit of shopping locally.

The architectural style and period decor of our buildings continue to attract location scouts looking for unique settings that are to feature in future film productions.

Richard Pridham

Racing Manager

INDEPENDENT AUDITOR'S REPORT

To the Members of Avondale Jockey Club Incorporated

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Avondale Jockey Club Incorporated ('the Incorporated Society') on pages 12 to 28, which comprise the statement of financial position as at 31 July 2019, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at 31 July 2019, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards Reduced Disclosure Regime ('PBE Standards RDR').

Our report is made solely to the Members of Avondale Jockey Club Incorporated. Our audit work has been undertaken so that we might state to the Members of the Society those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Avondale Jockey Club Incorporated and the Members of the Avondale Jockey Club Incorporated, for our audit work, for our report or for the opinions we have formed.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor and provider of other assurance services, we have no relationship with, or interests in, Avondale Jockey Club Incorporated. The provision of these other assurance services has not impaired our independence.

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

The Committee is responsible for the other information. The other information comprises the information included in the Society's annual report for the year ended 31 July 2019 (but does not include the financial statements and our auditor's report thereon).

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

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

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

Responsibilities of the Committee with Governance for the Financial Statements

The Committee is responsible on behalf of the Society for the preparation and fair presentation of the financial statements in accordance with PBE Standards RDR, and for such internal control as the Committee determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Committee are responsible on behalf of the Society for assessing the Society'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 intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are 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 ISAs (NZ) 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 these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>



BAKER TILLY STAPLES RODWAY AUCKLAND

Auckland, New Zealand

4 November 2019

Statement of Comprehensive Revenue and Expense

For the Year ended 31 July 2019

	Notes	2019 \$	2018 \$
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Grant revenue	3.6	-	25,000
Race meeting subsidies	12.1 & 3.6	276,348	400,000
Total revenue from non-exchange transactions		276,348	425,000
REVENUE FROM EXCHANGE TRANSACTIONS			
Race meeting revenues	12.1	850,193	1,106,293
Rendering of services	12.2	933,622	939,180
Other operating revenue	12.3	28,399	7,827
Finance revenue	13	9,949	12,900
Total revenue form exchange transactions		1,822,163	2,066,200
TOTAL REVENUE		2,098,511	2,491,200
EXPENSES			
Race meeting costs and expenses	12.1	1,074,964	1,477,746
Direct cost of services	12.2	103,971	129,238
Other operating expenses	14	1,201,859	966,502
Finance expense	13	1, 275	1,548
Total expenses		2,382,069	2,575,034
Net operating surplus / (deficit)		(283,558)	(83,834)
Other gains / losses			
Other gains		337	-
Total other gains / (losses)		337	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		(283,221)	(83,834)

Statement of Changes in Net Assets

	Capital Reserve	Accumulated Comprehensive Revenue and Expense	Total Equity
Opening Balance 1 August 2018	6,106,310	(1,530,975)	4,575,335
Surplus/(deficit) for the year	-	(283,221)	(283,221)
Closing Equity 31 July 2019	6,106,310	(1,814,196)	4,292,114
Opening Balance 1 August 2017	6,106,310	(1,447,141)	4,659,170
Surplus/(deficit) for the year	-	(83,834)	(83,834)
Closing Equity 31 July 2018	6,106,310	(1,530,975)	4,575,335

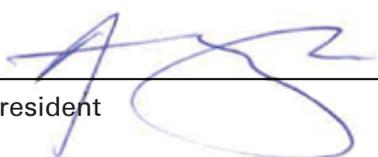
NOTE: These Financial Statements should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position

For the Year ended 31 July 2019

	Notes	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	15	218,895	508,703
Receivables from exchange transactions	16	50,163	71,796
Inventories	17	5,270	5,335
Other current assets	18	29,276	39,274
Prepayments		19,660	16,157
Total current assets		323,264	641,264
Non-current assets			
Other non-current assets	18	-	501
Property, plant and equipment	19	4,176,730	4,108,679
Total non-current assets		4,176,730	4,109,180
TOTAL ASSETS		4,499,994	4,750,445
LIABILITIES			
Current liabilities			
Employee entitlements	20	6,557	5,864
Other current liabilities	20	56,766	46,619
Payables under exchange transactions	20	144,558	122,627
Total current liabilities		207,881	175,110
TOTAL LIABILITIES		207,881	175,110
NET ASSETS		4,292,114	4,575,335
EQUITY			
Accumulated comprehensive revenue and expenses		(1,814,196)	(1,530,975)
Capital reserve		6,106,310	6,106,310
TOTAL EQUITY		4,292,114	4,575,335

Signed on behalf of the Committee on the 4th of November 2019 who authorised these financial statements for issue on 14th of October 2019.



 President



 Treasurer

NOTE: These Financial Statements should be read in conjunction with the Notes to the Financial Statements.

Cash Flow Statement

For the Year ended 31 July 2019

	Notes	2019 \$	2018 \$
Cash flows from operating activities			
Receipts			
Industry profit distribution		819,160	1,076,689
Donations, fundraising and other similar receipts		291,739	411,987
Receipts from providing goods or services		1,039,128	940,405
Total Receipts		2,150,027	2,429,081
Payments			
Payments to suppliers and employees		1,260,493	1,174,021
NZRB charges		886,500	1,184,766
Total Payments		2,146,993	2,358,787
Net cash flows from operating activities		3,034	70,294
Cash flows from investing activities			
Receipts			
Disposal of property, plant and equipment		337	-
Total receipts		337	-
Payments			
Purchase of property, plant and equipment		303,096	237,232
Total Payments		303,096	237,232
Net cash flows from investing activities		(302,759)	(237,232)
Cash flows from financing activities			
Receipts			
Interest and dividends received		9,949	12,900
Total Receipts		9,949	12,900
Payments			
Interest Paid		32	-
Total payments		32	-
Net cash flows from financing activities		9,917	12,900
Net increase / (decrease in cash and cash equivalents)		(289,808)	(154,038)
Cash and cash equivalents at 1 August		508,703	662,741
Cash and cash equivalents at 31 July	15	218,895	508,703

NOTE: These Financial Statements should be read in conjunction with the Notes to the Financial Statements.

Statements of Accounting Policies

For the Year ended 31 July 2019

1. Basis Of Preparation

Reporting entity

Reporting entity Avondale Jockey Club Incorporated ("the Club") is incorporated under the Incorporated Societies Act 1908. The primary objective of the Club is to promote, conduct and control thoroughbred racing and is registered with the New Zealand Thoroughbred Racing Code ("the Code") consistent with the Code's constitution. The Club is a recognised industry organisation in accordance with the Racing Act 2003.

The financial statements presented are for the Club for the year ended 31 July 2019 and were authorised for issue by the President on 4 November 2019.

Statement of compliance

The financial statements have been prepared in accordance with the Racing Act 2003, which requires compliance with generally accepted accounting practice in New Zealand ("NZ GAAP").

As the primary objective of the Club is not towards making financial returns but the promotion, conduct and control of thoroughbred racing, it has designated itself as a not-for-profit public benefit entity (PBE) for financial reporting purposes.

The financial statements of the Club comply with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR) and disclosure concessions have been applied. The Club is eligible to report in accordance with PBE Standards RDR because they do not have public accountability and they are not large for financial reporting purposes.

Measurement basis

The financial statements have been prepared on a historical cost basis, with the exception of certain items for which specific accounting policies have been identified and are presented in New Zealand dollars which is also the Club's functional currency.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar (\$1).

Going concern

The financial statements have been prepared on a going concern basis.

Changes in accounting policies

The accounting policies adopted in these financial statements are consistent with those of the previous financial year.

2. Summary Of Accounting Policies

The significant accounting policies used in the preparation of these financial statements as set out below have been applied consistently to both years presented in these financial statements.

Statement of Accounting Policies

For the Year ended 31 July 2019

3. Revenues And Direct Costs & Expenses

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Club and it can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenues are classified as to whether they arise from an exchange or non-exchange transactions. An exchange transaction is one in which the Club receives assets or services, or has liabilities extinguished, and directly gives approximately equal value to another entity in exchange and includes sale of goods, rendering of services and charges for the use of the Club's assets (e.g. interest and dividends). The Club recognises revenue from exchange transactions when the revenue recognition criteria mentioned above are satisfied.

A non-exchange transaction is any other transaction not classified as exchange. The Club's revenue recognition criteria are detailed below.

Revenue From Exchange Transactions

3.1 Race Meeting Revenue And Expenses

Race meeting revenues comprise the amounts received or receivable for services provided and goods sold that directly relate to race meeting events conducted by the Club during the financial year. These primarily include industry distributions from the New Zealand Racing Board (NZRB) and the Code and other receipts that directly relate to the Club's race meeting activities from members of the Club (aside from membership fees included in other operating income) and third parties in the form of grants and subsidies.

The Club incurred certain direct costs and expenses in conducting its race meeting days and recognises these as costs and expenses when incurred regardless of when the payment is made unless they qualify for recognition as asset. Direct costs and expenses on race meeting days are presented below, these include a portion of wages and salaries. Additional wages, salaries and depreciation expenses are included as part of other expenses in note 14.

3.2 Revenue From Sale Of Goods And Cost Of Sales

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to the Club.

The direct costs and expenses included in this table relate to purchases of inventory items and other directly attributable costs on acquiring the inventories sold. Salaries and wages and depreciation relating to sale of goods are included under note 12.

3.3 Revenue From Rendering Of Services

The Club performed various services including venue rental to third parties. Revenue from rendering of services is recorded as revenue when the service is provided. Costs and expenses related to these revenues are included in note 12.

Statement of Accounting Policies

For the Year ended 31 July 2019

3.4 Other Operating Revenue

Membership Subscriptions, net raffle/fundraiser revenue and sundry.

3.5 Interest And Dividend Income

Interest revenue is recognised as it accrues, using the effective interest method.

3.6 Revenue From Non-exchange Transactions

Revenue from a non-exchange transaction is recognised as soon as the inflow of resources can be recognised as an asset in the financial statements but only to the extent that no present obligation is recognised with respect to the asset received/receivable. A present obligation exists when there is a condition attached to the asset received that requires the Club to use the resources as specified by the transferor or return the same if the condition is not satisfied.

An asset acquired through a non-exchange transaction (e.g.cash, goods, inventory, or property, plant and equipment) is initially measured at its fair value as at the date of acquisition consistent with the fair value basis applicable for each type of asset received. Revenue from non-exchange transaction is measured on the basis of the value of the asset received less any present obligation attached as of the date of transfer.

Revenue from non-exchange transactions that the Club receives is detailed below:

Grant Revenue

Grant for Lift Project	2019:nil (2018:-\$25,000)
------------------------	---------------------------

NZTR

Race Meeting Subsidies	2019: \$276,348 (2018:\$400,000)
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4. Financial Instruments

The Club's financial assets include its:

Cash and cash equivalents:

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to know amounts of cash and which are subject to insignificant risk of changes in value.

Short term investments:

Short term investments comprise term deposits which have a term greater than three months and therefore do not fall into the category of cash and cash equivalents.

Inventories:

Inventories held for consumption in the provision of services that are not sold on a commercial basis are measured at the lower of cost and net realisable value.

For inventory that was acquired through non-exchange transactions, the cost of the inventory is its fair value at the date of acquisition. For inventory held for distribution or consumption in providing goods and services to be distributed at no charge or for nominal charge, these are measured at cost adjusted for a loss of service potential.

Statement of Accounting Policies

For the Year ended 31 July 2019

Financial assets:

Financial assets also include various receivables, investments in debt securities, loans and advances, quoted and unquoted equity investments and derivative assets. The Club recognises financial assets when it becomes party to a contract. These assets may be classified into one of the four categories of financial assets depending on the Club's intention to hold them and the nature of the investments.

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through surplus or deficit, transaction costs that are attributable to the acquisition of the financial asset. The subsequent measurement and presentation of the financial assets will vary depending on their category.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Club commits to purchase or sell the asset.

At each reporting date, the Club assesses whether the financial assets are impaired and when there is objective evidence of impairment, the carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in surplus or deficit.

The categories of financial assets are described below and the Club has not made any transfers between categories during the year (2018: nil):

A financial asset is derecognised primarily when: (a) the rights to receive cash flows from the asset have expired, or (b) the Club has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

(a) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include debt and equity instruments which may either be held for trading or those designated upon initial recognition at fair value through surplus or deficit. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments as defined by PBE IPSAS 29.

Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value presented as other losses (negative net changes in fair value) or other gains (positive net changes in fair value) in surplus or deficit except for fair value changes of an effective portion of cash flow hedge derivatives which is recognised in other comprehensive revenue and expense.

(b) Loans and receivables

Loans and receivables are non-derivative debt instruments with fixed or determinable payments that are not quoted in an active market. These investments are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any premium or discount on acquisition and fees or costs that are an integral part of the effective interest rate.

The amortisation of any premium or discount is reported as part of finance income and cost while losses arising from impairment of the financial assets are reported as part of other losses (for loans) and in cost of sales or other operating expenses (for receivables).

This category includes all of the Club's loans and advances (including concessionary loans), receivables (trade and those arising from non-exchange transactions) and finance lease receivables.

As at 31 July 2019, the Club has no loans. (2018: nil).

Statement of Accounting Policies

For the Year ended 31 July 2019

(c) Held to maturity investments

Non-derivative debt instruments with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Club has the positive intention and ability to hold them to maturity.

After initial measurement, held to maturity investments are measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as finance income while the losses arising from impairment are recognised as part of other losses.

As at 31 July 2019, the Club has no investment categorised as held-to-maturity (2018: nil).

(d) Available for sale financial assets

Available for sale (AFS) financial investments include equity and debt instruments. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through surplus or deficit. Debt instruments in this category are those that are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive revenue and expense and accumulated in the AFS reserve until the asset is derecognised (cumulative gain/loss is closed to operating income) or impaired (cumulative loss is reclassified from AFS reserve to other losses in surplus or deficit).

Fair value is determined with reference to quoted price for those equity instruments listed in an active market. Investments in unlisted shares (other than investments in associates and joint ventures) are carried at cost as there is no reliable basis to measure their fair value; these investments are assessed for impairment by the Club at each reporting date. The Club has determined that the costs of these investments approximate their fair value as of reporting date and are not impaired.

Interest earned on AFS debt instruments is reported as interest income using the effective interest rate method and included in surplus or deficit.

As at 31 July 2019, the Club has no available for sale financial assets (2018: nil).

5. Property, Plant And Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a nonexchange transaction, its cost is measured at its fair value as at the date of acquisition.

If an item of property, plant and equipment is revalued, the entire class to which the asset belongs is revalued.

A revaluation surplus is recorded in other comprehensive revenue and expense and credited to the asset revaluation reserve in equity. However, to the extent that it reverses a revaluation deficit of the same class of asset previously recognised in surplus or deficit, the increase is recognised in

Statement of Accounting Policies

For the Year ended 31 July 2019

surplus or deficit. A revaluation deficit is recognised in the surplus or deficit, except to the extent that it offsets an existing surplus on the same asset class recognised in the asset revaluation reserve.

Depreciation is charged on either a straight line or diminishing basis over the useful life of the asset, except for land. Land is not depreciated. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

- Buildings	2 - 10% Straight Line, 8 - 16% Diminishing Value.
- Furniture & Fittings	10% Straight Line, 10 - 50% Diminishing Value.
- Land	0%.
- Land Improvements	0 - 10% Straight Line, 4.8 - 10% Diminishing Value.
- Motor Vehicles	14.3% Straight Line, 13 - 16% Diminishing Value.
- Plant & Equipment	10 - 67% Straight Line, 10 - 50% Diminishing Value.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and are adjusted if there is a change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset.

6. Leases

Operating Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

Finance Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the Club. Assets held under a finance lease are capitalised at the commencement of the lease at the fair value of the leased property or at the present value of the future minimum lease payments, whichever is lower. The Club also recognises the associated lease liability at the inception of the lease, at the same amount as the capitalised leased asset.

Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as finance costs in surplus or deficit. Contingent rents shall be charged as expenses in the period in which they are incurred.

An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Club will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

7. Employee Entitlements

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date.

The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Statement of Accounting Policies

For the Year ended 31 July 2019

8. Income Tax

The Club is exempt from New Zealand income tax pursuant to section CW 47(2) of the Income Tax Act 2007.

9. Goods And Service Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except for receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows 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 Inland Revenue Department is classified as part of operating cash flows.

10. Equity

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Capital Reserve

This reserve is for the capital gains and losses on Property, Plant and Equipment when sold.

Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Club's accumulated surplus or deficit since its formation, adjusted for transfers to/from specific reserves.

11. Significant accounting judgements, estimates and assumptions

Management has exercised the following critical judgements in applying accounting policies for the year ended 31 July 2019.

The following expenses have been apportioned as direct service rendering costs in 2019:

- 15% of racecourse superintendent salary
- 50% of commercial manager salary
- 80% of maintenance operator wages
- 80% of accounts officer wages

The development manager role ceased in the previous financial year.

The following expenses have been apportioned as direct service rendering costs in 2018:

- 15% of track manager/racecourse superintendent salary
- 15% of development manager salary
- 50% of commercial manager salary
- 80% of maintenance operator wages
- 80% of accounts officer wages

Notes to the Financial Statements

For the Year ended 31 July 2019

12. Revenue

Surplus before tax including the following specific income and expenses:

Revenue From Exchange Transactions

12.1 Race Meeting Revenues And Expenses	2019	2018
	\$	\$
Race meeting revenues		
NZTR stakes funding	778,683	1,019,000
On-course turnover commissions	40,476	57,689
Race book sales	781	772
Race function income	14,862	16,845
Race meeting sponsorships	15,391	11,987
Total race meeting revenues	850,193	1,106,293
Race meeting expenses		
Advertising and promotions	848	246
Direct race meeting operating costs	71,507	111,749
NZRB charges	108,000	162,421
Other race meeting costs	23,253	36,053
Salaries and wages (direct)	72,120	119,840
Stakes	799,236	1,047,437
Total race meeting expenses	1,074,964	1,477,746
Net race meeting surplus/(deficit) exchange revenues	(224,771)	(371,453)
Race meeting revenue as non-exchange	276,348	400,000
Overall net race meeting surplus/(deficit)	51,577	28,547

12.2 Revenue From Rendering Of Services	2019	2018
	\$	\$
Rendering of services		
Rental	812,186	825,173
Training income	454	700
Trials income	120,982	113,307
Total revenue from rendering of services	933,622	939,180
Direct cost of services		
Trials expenses	65,795	65,722
Salaries and wages (service)	38,176	63,516
Total direct cost of services	103,971	129,238
Net rendering of services surplus/(deficit)	829,651	809,942

Notes to the Financial Statements

For the Year ended 31 July 2019

12.3 Other Operating Revenue	2019 \$	2018 \$
Other operating revenue		
Membership subscriptions	5,205	5,680
Net raffle/fundraising revenue	-	251
Sundry income	23,194	1,896
Total other operating revenue	28,399	7,827
13. Finance Income and Costs	2019 \$	2018 \$
Finance revenue		
Interest received	9,569	12,550
Dividends received	380	350
Total finance revenue	9,949	12,900
Finance cost		
Bank charges	1,243	1,548
Interest expense	32	-
Total finance cost	1,275	1,548
Net finance income and costs surplus/(deficit)	8,674	11,352
14. Other Expenses	2019 \$	2018 \$
Other expenses		
ACC levies	3,510	270
Administration expenses	69,127	63,282
Audit fees	15,414	12,974
Bad & doubtful debts	-	(4,303)
Depreciation	235,044	216,247
Entertainment	281	141
Equipment hire	17,367	21,043
Insurance	51,214	53,264
Other expenses	9,133	8,023
Professional and consulting fees	228,178	76,499
R&M-Buildings	97,485	120,094
R&M - Equipments vehicles	23,611	10,286
R&M -Grounds	6,125	11,161
R&M -Track preparation	20,672	31,100
Rates	129,069	134,277
Travel expenses	1,054	2,241
Wages & salaries	294,575	209,903
Total other expenses	1,201,859	966,502

Notes to the Financial Statements

For the Year ended 31 July 2019

15.	Cash And Cash Equivalents	2019 \$	2018 \$
	Cash at bank		
	ASB Bank Limited – Business Cheque – 00 Account	6,034	15,228
	ASB Bank Limited – Savings On Call – 50 Account	9,933	88,107
	Total cash at bank	15,967	103,335
	Cash on hand		
	Petty Cash	166	40
	Total cash on hand	166	40
	Short-term deposits		
	ASB Bank Limited - Term Deposit - 77 account	202,762	-
	ASB Bank Limited - Term Deposit - 78 account	-	100,773
	ASB Bank Limited - Term Deposit - 90 account	-	304,555
	Total short-term deposits	202,762	405,328
	Total cash and cash equivalents	218,895	508,703
16.	Receivables From Exchange Transactions	2019 \$	2018 \$
	Receivables from exchange transactions		
	Trade debtors	50,163	71,796
	Total receivables from exchange transactions	50,163	71,796
17.	Inventories	2019 \$	2018 \$
	Inventories		
	Beverages	4,070	4,407
	Crockery and glassware	-	-
	Photo frames	1,200	928
	Total Inventories	5,270	5,335

Notes to the Financial Statements

For the Year ended 31 July 2019

18. Other Assets	2019 \$	2018 \$
Other current assets		
Goods and services tax	15,657	25,572
Income tax	7,862	7,862
Accrued income	5,757	5,840
Total other current assets	29,276	39,274
Other non-current assets		
Deposits with vendor	-	501
Total other non-current assets	-	501
Total other assets	29,276	39,775

19. Property, Plant & Equipment

	2019				2018	
	Accumulated Cost	Depreciation	Net Book Value	Accumulated Cost	Depreciation	Net Book Value
Buildings	6,020,539	4,276,187	1,744,352	5,820,058	4,161,669	1,658,389
Furniture and fittings	643,908	588,002	55,905	602,812	573,130	29,682
Land and improvements	2,336,950	355,642	1,981,309	2,336,950	288,191	2,048,759
Motor vehicles	244,376	199,911	44,466	221,333	188,975	32,358
Racecourse Facilities	9,196	766	8,429	1,691,317	-	-
Plant and machinery	1,691,890	1,555,911	135,979	177,584	1,529,409	161,908
Capital Work in Progress	206,289	-	206,289	-	-	177,584
Total	11,153,149	6,976,419	4,176,730	10,850,054	6,741,374	4,108,679

Reconciliation of the carrying amount at the beginning and end of the period:

2019	Opening Balance	Additions	Disposals	Depreciation	Net Book Value
Buildings	1,658,389	200,481	-	114,518	1,744,353
Furniture and Fittings	29,682	41,096	-	14,873	55,905
Land and Improvements	2,048,759	-	-	67,451	1,981,308
Motor Vehicles	32,358	23,043	-	10,935	44,466
Racecourse Facilities	-	9,196	-	766	8,429
Plant and Machinery	161,908	574	-	26,502	135,981
Capital Work in Progress	177,584	43,313	14,607	-	206,290
Total	4,108,680	317,703	14,607	235,045	4,176,730

During the 2017 financial year, asbestos was discovered in the old public stand. Affected tenants of the building were moved out and the building was cordoned off. As the asbestos is not airborne, the Club has no immediate obligation to wrap, remediate or demolish the building. The Asbestos Management Plan is now complete and in place as required by the regulations but there is still no timeframe for demolition or otherwise of the old public stand, it remains cordoned off. No estimate of the costs involved can be made at this time.

Notes to the Financial Statements

For the Year ended 31 July 2019

The Club has applied for resource consent to subdivide a small parcel of land off Elm Street. Resource consent has been granted and title has yet to be issued. There is currently a conditional offer of sale and purchase on this lot.

The Club has applied for resource consent to subdivide a small parcel of land at Wingate Street. The private plan change has been approved and is in the notification/consultation phase.

20. Liabilities	2019 \$	2018 \$
Employee entitlements		
Holiday pay	6,557	5,864
Total employee entitlements	6,557	5,864
Other current liabilities		
Accruals	39,322	22,410
Deposits collected	-	3,000
PAYE	7,506	10,671
Revenue received in advance	9,938	10,538
Total other current liabilities	56,766	46,619
Payables under exchange transactions		
ASB visa	1,236	635
Trade creditors	143,322	121,992
Total payables under exchange transactions	144,558	122,627
Total liabilities	207,881	175,110

21. Related Party Transactions

There are no related party transactions.(2018:\$nil)

Key management personnel

The key management personnel, as defined by PBE IPSAS 20 Related Party Disclosures, are the members of the governing body which is comprised of the Committee, Development and Commercial Manager, which constitutes the governing body of the Club. No remuneration is paid to members of the Committee. The aggregate remuneration of key management personnel and the number of individuals receiving remuneration is as follows:

	2019	2018
Total Remuneration	149,460	75,287
Number of persons (part time)	3	3

Remuneration and compensation provided to close family members of key management personnel

During the reporting period, total remuneration and compensation of \$nil (2018: \$nil) was provided by the Club to employees who are close family members of key management personnel.

Notes to the Financial Statements

For the Year ended 31 July 2019

22. Commitments

The following minimum lease payments were recognised as an expense during the year ended 31 July 2019. There were no sublease payments or contingent rents recognised as an expense during the period. There are no clauses for contingent commitments within the contracts for the Operating Leases the Club is engaged in. There is no sublease component to the Operating Leases.

	2019	2018
Operating lease expense		
Fuji Xerox	4,968	5,786
Total Operating lease expense	4,968	5,786

The Club leases property, plant and equipment in the normal course of its business. The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

2019 Operating lease commitments	< 1 Year	1 - 5 Years	> 5 Years	Total
Fuji Xerox	4,572	1,487	-	6,059

2019 Operating lease commitments	Term (months)	Months expired	Months left	Monthly payment
Fuji Xerox	24	8	16	380

2018 Operating lease commitments	< 1 Year	1 - 5 Years	> 5 Years	Total
Fuji Xerox	964	-	-	964

23. Financial Instruments

The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

	2019 \$	2018 \$
Financial assets		
Cash and cash equivalents	218,895	508,703
Receivables from exchanges transactions	50,163	71,796
Total	269,059	580,499
At amortised cost		
Trade and other creditors	144,558	122,627
Total	144,558	122,627
Total financial assets	124,500	457,872

Notes to the Financial Statements

For the Year ended 31 July 2019

24. Capital Commitments

There are no capital commitments at balance date. (2018: \$Nil).

25. Contingent Assets And Liabilities

The Club is currently involved in a legal proceeding whereby Mr V. Middeldorp sought to judicially review a number of decisions of the committee including those relating to Mr Middeldorp's position as a committee member and decisions about membership. The Club succeeded in the High Court, and Mr Middeldorp has appealed to the Court of Appeal. His appeal is expected to be heard in November 2019. Mr Middeldorp seeks only declaratory relief and makes no financial claim against the Club. The potential exposure for the Club is a potential adverse costs order if Mr Middeldorp's appeal is successful. There are no other contingent assets or liabilities at balance date. (2018: \$Nil.)

26. Events Subsequent to Balance Date

A new constitution was adopted on 27 September 2019 - effective on registration at the Companies Office.

The Committee and management are not aware of any other matters or circumstances since the end of the reporting period, not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Club.

LIST OF MEMBERS

November 2019

1993	Abbott, M	1988	Gore, MA	2011	Marshall, M	1988	Simmons, TA
2014	Archer, S	1993	Gough, E	2013	Marshall, P	2000	Sisson, IR
2016	Amies, B	2001	Green, T	2015	Martin, LM	2014	Skinner, A
2017	Armstrong, DW	2009	Gurney, L	2018	Mason, D	1987	Skinner, J
2013	Baker, C	2018	Hall, B	2000	Maunsell, KN	2000	Skinner, TJ
1969	Baker, R	1991	Harkness, JJ	1989	May, RVS	2013	Southworth, J
1987	Ball, CA	1981	Harrison, SM	1978	McElroy, RC	1987	Spooner, BR
2019	Barry, K	2016	Harrod, NC	1998	McClafferty, VP	1972	Starkie, IL
1984	Bates, G	1996	Hart, BJ	2019	McFlinn, J	2018	Storck, LC
2017	Battersby, M	2001	Hartley, RM	2011	McGee, DJ	2017	Stevenson, PJ
1980	Beesley, M	2012	Hassall, B	2017	McLaughlin, M	2003	Strand, WG
1987	Bell, JA	2003	Haylock, JP	2013	McLellan, A	2011	Talbot, K
2011	Berkahn, T	1977	Haydon, JD	2014	McLeod, J	2013	Theobald, S
1982	Bilish, AG	2013	Heaven, B	1991	McLeod, J	1980	Thompson, JP
2018	Boyack, M	2013	Heeni, A	2000	McLeod, G	2012	Thompson, BR
1987	Boyle, AM	2012	Henare, S	2010	Merkulov, G	2011	Thompson, SG
1985	Boyle, JD	1976	Henson, ET	1982	Middeldorp, V	2011	Thomsen, M
2016	Buckingham, C	2013	Hetherington, JC	2013	Moffitt, G	1984	Thomson, B
2009	Bult, PC	2016	Higgins, DJ	2010	Moller, RW	2018	Thornton, C
1983	Butler, RT	1990	Howie, DB	2014	Morgan, J	2012	Tullett, GJ
2013	Carmody, M	1977	Hoy, T	2014	Morgan, M	2012	Tullett, EA
2018	Carson, R	2017	Hunter, PJ	2000	Morgan, CL	2018	Vickers, M
2019	Carter, J	2016	Hughes, C	2011	Murray, CS	1999	Volz, HL
2019	Carter, M	1977	Hughes, SA	2016	Murray, ZL	1999	Volz, J
2017	Carter, NJ	2014	Ingley, OSM, KM	2013	Nagaiya, S	2019	Wadham, B
2017	Carter, VM	2002	Jackson, BR	2012	Nakhle, D	2001	Waddell, D
1959	Christian, J	2009	Jamieson, JT	2012	Nakhle, E	2002	Wakefield, GR
2006	Clark, J	2002	Jamieson, AC	2016	NG, H	2010	Wakefield, MB
2001	Clark, J	2016	Jamieson, VL	2012	Niethe, M	2009	Wakefield, CR
2000	Cleland, BR	2018	Jeffcoat, B	1984	Nobilo, LJF	1987	Walker, KR
2002	Clydesdale, JM	2011	Jenkins, GC	1972	Norman, MA	2013	Wallbank, B
2011	Cole, S	2006	Jillings, CM	1950	O'Connor, JP	1996	Walton, HM,
2013	Coll, JG	1974	Johnson, TSL	2013	Oxenham, RD	2013	Weafer, NF
1987	Coltman, JR	2010	Johnson, P	2019	Pamatatau, B	2012	Wedding, C
2017	Coon, D	2010	Johnson, M	1975	Panther, A	2013	West, D
2014	Conning, R	2016	Johnson, D	2009	Patterson, JF	2013	West, GA
2011	Cook, C	2016	Johnson, K	1969	Payne, RJ	1970	Weston, AJ
2003	Cozens, WR	2017	Johnson, RA	2017	Pearce, CJ	2013	Whitfield, RA
2018	Craig, J	1966	Johnstone, DJ	2017	Pearce, RJ	2014	Williams, D
1967	Curham, PJ	1990	Jones, GJ	1996	Penney, SJ	2013	Wilson, J
2017	Currie, N	2008	Jones, PL	2014	Perron, D	2012	Winters, LA
1993	Curtin, EV	2010	Jones, JC	2011	Peters, M	2005	Wolsey, SM
2014	Dahlin, DG	1970	Joyce, JP	2005	Pollock, AW	2003	Wolsey, WG
2017	Davis, AK	2017	Kearney, RA	2013	Porter, R	1965	Yee, RC
2014	Davis, GR	2003	Keith, EM	1999	Powell, L	1965	Yee, VS
2009	Dawkins, R	1995	Kemp, RO	2011	Preston, PE		
1988	Dawson, MK	2001	Kerrisk, PT	1981	Pye, DN		
2007	Delaney, R	1978	Kiely, PT	2017	Quinn, T		
2013	Di Mattina, T	2010	King, G	2012	Reid, JS		
2010	Dimes, JM	2019	Knight, RJ	1986	Richardson, JSS		
1966	Doherty, EF	2019	Labady, S	1985	Robinson, M		
2018	Donaldson, W	2019	Lonergan, LS	2013	Robinson, K		
2015	Erkkila, GF	2011	Larsen, NP	1985	Rodokal, N		
2015	Evans, MV	2013	Lawrence, RL	1971	Rogers, PD		
1979	Faulkner, CH	2012	Lawrey, AL	1999	Ryan, CA		
2014	Feek, M	1976	Lees, DN	1999	Sapich, PE		
1978	Fell, LW	2019	Leitch, W	2012	Sauerbier, L		
2009	Fitzsimmons, KB	1980	Lewis, JE	2015	Saunders, RL		
2013	Francis, M	2012	Macdonald, D	2019	Schamroth, M		
2001	Gallagher, CD	1981	Mackley, HJ	2019	Sellar, W		
2011	Gibson, ML	2014	Malcolmson, SA	2013	Sewell, P		
2012	Gillies, CH	1986	Malloch, EFS	2012	Sheahan, TP		
1991	Goldman, PH	2013	Manley, D	2002	Simiona, S		
2014	Goodson, MC	2010	Marshall, MA	2018	Simons, L		

ORGANISATIONAL VISION

2030 Vision Statement adopted in 2017

'[In the long term] Avondale JC owns and operates a successful metropolitan race track playing a strong supporting role to Auckland's main track, Ellerslie, whereby Avondale JC provides regular, high quality thoroughbred horse racing for Aucklanders, the wider community and visitors. Ancillary to horse racing the club provides a range of community or commercial activities (including leisure, recreation, leasing or housing) for the people of west Auckland and elsewhere. It hosts a variety of sporting, cultural or community events designed to appeal to and meet the needs of a broad cross-section of interests. As well as the primary functions of horse racing and event hosting, it functions incidentally as a commercial or business site on parts of club land and the club derives substantial and sustainable income from those operations.'

The Vision Statement is underpinned by a list of "non-negotiables". The Vision Statement requires these principles be taken into consideration in forming goals or plans to achieve the Statement.

1. Retains ownership and control of the real estate necessary to achieve the stated vision;
2. Ensures no divestment of the race track or cessation of the operation of thoroughbred horse racing at the venue;
3. Site to remain predominantly a 'green space' amenity open to the public where possible but subject to good order, security and good management;
4. Infrastructure superfluous to present needs must be adapted or disposed of; and
5. Maintains prudent future cash flows from operations and minimises indebtedness





Committee 2019: L. Martin, J. Mcleod, B. Cleland, T. Berkahn, A. Boyle J. Skinner, J. Clark, C. Ryan, I. Starkie, G. Jenkins

**AJC Committee Members
(Absent-V. Middeldorp)**



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