



Annual Report

Season 2019/2020



Directory 2019/2020

REGISTERED OFFICE	SECRETARY	
<p>22 Elm Street Avondale, Auckland New Zealand</p>	<p>B R Cleland secretary@ajc.co.nz</p>	
COMMITTEE	STEWARDS	LIFE MEMBERS
<p>Allan Boyle (President) Jan Skinner (Vice President) Tracey Berkahn (Hon Treasurer) Bruce Cleland Gary Jenkins Leeann Martin Jan McLeod Chris Ryan Irvine Starkie</p>	<p>Warwick Donaldson Bryan Jackson Terry Skinner Warren Strand Denise West</p>	<p>Eddie Doherty Thayne Green Colin Jillings Robyn McElroy Jan McLeod John O'Connor Jim Patterson Russell Payne Stephen Penny Jan Skinner Graham Wakefield</p>



Notice of Meeting

The 130th Annual Members Meeting of members of the Avondale Jockey Club will be held on the first floor, Marshall Stand, Avondale Racecourse on Thursday 26th November 2020 at 4:00pm.

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

Order of business

1. Adoption of Minutes of the last AMM held on 28 November 2019.
2. To consider audited Financial Statements for year ended 31 July 2020.
3. To consider and approve the annual reports of the Committee and the Treasurer.
4. To elect Office Bearers for 2020/21
A list of the nominations accepted by the Election Co-ordinator for the vacant positions is enclosed.
5. To appoint an auditor and authorise the fixing of auditor's remuneration.
6. To receive a summary of any "interest" disclosed for the purposes of Rule 14.1(c) in relation to the club's Interests Register.
7. To consider a remit relating to the approval of an alteration to the Rules, regarding life members' eligibility to vote.
8. To consider as an item of General Business, Committee recommendations set out below under Committee Recommendations.
9. To consider any other remit received by the Secretary pursuant to Rule 7.4, if put forward by the Committee.

Text of motions and remits

That the draft minutes of the Annual General Meeting held on 28 November 2019, as distribut-

ed, are confirmed.

That the audited Financial Statements for the year ended 31 July 2020 are received.

That the annual reports of the Committee and the Treasurer are approved.

That [insert highest polling candidate] is duly elected as President of the club.

That Jan Skinner is duly elected as Vice President of the club.

That Allan Boyle, Warwick Donaldson and Chris Ryan are duly elected to the vacant positions (3) as Committee Members of the club.

That Baker Tilly Staples Rodway is appointed as the club's auditor and the Committee is authorised to fix their remuneration for the year ending 31 July 2021.

That the Remit received from J McLeod and A Boyle on 12 October 2020, comprising the following motion be considered and if thought fit passed (75% majority): "The alteration to Rule 7.2 (Voting) shown below is approved and the Secretary is authorised to take the necessary steps to register this alteration with the Registrar of Incorporated Societies following this AMM: (a) Each member, including Life Members, will be entitled to one vote for each resolution voted on at a Members' Meeting."

That recommendations numbered 1 to 4 in the Committee Recommendations section [page 4] are approved by the meeting.

Committee Recommendations

Discussions among Auckland Racing Club 'ARC', Counties Racing Club 'CRC' and Avondale Jockey Club 'AJC' have identified for AJC a course of action to secure the club's long term future as a racing club that races at the Ellerslie venue and actively supports a transition in Auckland racing that would see a single venue handling 40 race dates per season, subject to understanding and acceptance by AJC members.

That vision includes the following expectations - stakes doubling within 5 years; trebling within 10; average stakes greater than \$100,000 per race; international standard racing surfaces at Ellerslie with 40 or more race days per year; ten races worth \$500k ea. per year and three races worth \$1m ea. per year; for the Avondale Cup and Guineas races, a return to being races of significance and hosted by AJC at Ellerslie.

Members' support is sought for:

Recommendation 1

AJC understands that the amalgamation of ARC and CRC into a new club is being canvassed as an option, referred to here as "merged club". AJC explicitly supports the needs of the merged club, with the continued use of the Avondale track to ensure that racing in Auckland continues at an adequate level while installation and track development is undertaken by the merged club of a new StrathAyr track at Ellerslie.

Recommendation 2

AJC acknowledges the need to join forces with the merged club and create wealth from reduction of Avondale's racing footprint including dispo-

sition of redundant land owned by AJC to pursue a much-needed increase in the frequency of racing in the city, and in stakes levels as outlined above.

Recommendation 3

In conjunction with the merged club, AJC will support the future maximisation of returns to industry participants involved directly with thoroughbred racing in Auckland as well as an optimal allocation of race dates, trials, racing venues and training facilities with a view to transitioning racing in Auckland to the scale and quality outlined above, while retaining a separate AJC identity.

Recommendation 4

AJC will develop policies conducive to: (1) operation of the Avondale track through to end 2025/26 in the best interests of both AJC and the merged club; (2) partial development, sale or lease of AJC land that is part of the non-racing footprint and land and assets not essential to racing activities; (3) the strategic development and master planning of the broader AJC site and (4) the future needs of thoroughbred racing in Auckland.

2021

If these recommendations are supported by members at the AMM (majority vote), in the new year the Committee will ask members to authorise short and medium term objectives intended to facilitate (1) AJC's contribution to the transition outlined above; (2) joint arrangements relating to the redevelopment referred to above and (3) in due course a comprehensive asset-sharing plan between the clubs whereby the AJC site is ultimately to be closed.

PRESIDENT'S REPORT

Introduction

In a season where sizeable challenges have faced the club, and continue into the current season, the Committee is pleased to report a cash surplus of \$223,200 for the year to 31 July 2020. While our scheduled race day of Friday 20 March went ahead, within days the country went into Covid-19 level 4 lockdown and the rental/events side of the club's business did not produce a return again until July, following the move to alert level 1. The government's wage subsidy scheme and our cash reserves saw the club through the first five months of the pandemic. The August 2020 lockdown in Auckland was another blow, however our key tenants and users have stuck with the club and are back in action.

Racing

These shutdowns saw AJC's site mothballed, but a more harmful blow to the club – and to members' enthusiasm for their club – was probably the industry-initiated media activity in May 2020 during alert level 4, whereby the NZ Herald told the populace Avondale's venue almost certainly would never race again. That announcement was made when there was no finalisation of the racing calendar: so an objectionable act measured against a viewpoint of industry leadership or sound governance.

In relation to the Racing Industry Act 2020 asset provisions ('the Act'), members seem to have suspected the die was cast for that law, after the Messara report provided its justification and the then-Minister for Racing had to 'deliver' for his faithful. The typical reaction to the new law from targeted clubs was spelt out by Dargaville Racing Club's, Tim Antonio, when he said "no club, and no person, in any industry, in any town or city should live in fear of the seizure of their assets by the State".

There have been on-going talks among the three thoroughbred clubs in Auckland for over 18 months about Auckland's future racing ("3 Chairs" meetings). In July 2020 the 3 Chairs meetings looked at developing an amalgamation of the Auckland clubs, following the AJC Committee considering the possible future ramifications under the Act.

Naturally a merger was sensitive in terms of the heritage of both of the secondary clubs in an amalgamation scenario and members are well aware of strong views within the industry, expressed in the media and elsewhere, about the merits of closing Avondale. Internally AJC has not accepted there

should be a sudden stop to racing at this venue, and we have had regard to the model used in Sydney in 2011 when the Australian Jockey and Sydney Turf clubs merged and Canterbury Park was transitioned out under a 10 year moratorium. An 8 -10 year transition at Avondale was seen by the Committee as the reasonable and appropriate swan song.

The 3 Chairs meetings could not make work a transition structure whereby AJC would merge with limited racing at its venue supporting the merged club over a short period and eventually cease. However, in discussions since then the chairmen of ARC, CRC and AJC have been looking at ideas from the Avondale Committee about the sharing of assets and resources within the Auckland clubs [these are referred to on page 4].

Non-racing matters

The Elm Street subdivision (3,245 m2 of surplus land) is under contract to an unconditional buyer. Settlement of the transaction is 14 working days following a separate title for the land being issued, the only current obstacle to which is ongoing delay being caused by Auckland Council.

Members will recall the Wingate project, which involved the subdivision of land at the old 800m chute and creation of a 4,570 m2 development lot. A consent to the subdivision was granted in October 2018, creating a lot partially zoned for residential purposes and partially zoned for racing purposes. The project passed the final planning hurdle in July 2020 when a unified 'Residential – Terrace Housing and Apartment Building' zone was assigned, and the site has been removed from the Avondale Racecourse Precinct.

Committee and Staff

Under the constitution the majority of Committee members do not retire each year, avoiding a situation where 'corporate memory' is lost. Irvine Starkie is leaving the Committee this year. And Warwick Donaldson is retiring as a Steward and moves to the Committee. To both I express my appreciation for their work on behalf of the membership.

AJC staff have done well in trying times, in particular under the shutdowns. I join with the Committee to extend our gratitude to all our staff.

Obituaries

The passing of the members whom I have listed during

my address, is recorded with regret.

Membership

This is my last President's message before I retire and I thank members for their support over six years as chairman. It has been a pleasure to be involved. In 2014 I took on the role based on the fact most members felt AJC's racetrack's quality and location made it 'of importance' and worth saving. Since that time support for the venue from NZTR has evaporated.

In my view we are now at a turning point, brought about by the fact the Act is in play and a policy intent on the part of Government and RITA/TABNZ towards rationalisation of racing. A number of members may feel the club's business and its community activities will become unsustainable: members' reaction may be to give up. That does not have to happen. I believe a key ingredient for success – whether short term or long – will be to keep together the membership base and for the Committee to develop and nurture what it is that members get out of their club.

Sustainability can be achieved. I believe the Committee should keep working on a road map for a new role for the club in the future of Auckland's racing. I hope that Avondale's members are willing to give a mandate to the Committee that has as its primary driver supporting the expansion of a new Auckland club comprising ARC and CRC, if that eventuates.

A plan that sees this club intend to carry on with the aim of enriching all of the racing at Ellerslie and retain its own identity, would bring about an important, new focus to the sport in the city. It is the view of the existing Committee that, with the trust of the racing industry and the public, AJC could continue its long history as a racing club and at the same time help the premier club make the thoroughbred horse racing in Auckland world class.

Allan Boyle

President

TREASURER'S REPORT

As members will appreciate, the Covid-19 pandemic lockdown dealt a serious blow to our sport, and in particular the club's financial performance, by the loss of rental receipts from our main users (excluding Auckland Council who reinstated their rent during level 4 of the lockdown). However, with the benefit of the government's support package – the Wage Subsidy - the year of the virus has been a lot less disruptive on both the year gone and in this current season than it may have.

The year started with promise through higher than expected non-racing revenue and ended with the cancellation of three race meetings. Our overall result sees the Committee report a cash surplus of \$223,200. With the deduction of depreciation (\$277,700) the financial result is a loss of \$54,500.

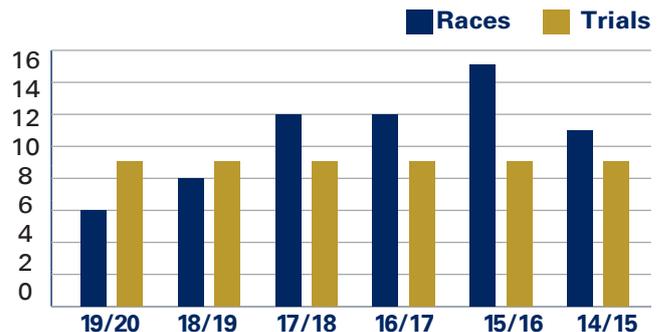
Racing related activities

Five of the allocated eight race days for 2019/2020 were run due to the suspension of racing in New Zealand between late-March and mid-July 2020 and a sixth was added in late July. For the 2019/20 financial year racing-related activities produced a surplus of \$118,400 (race meetings \$66,800 and trials \$51,600) an increase on last year's \$107,200. The difference is mainly related to higher profitability at the two race meetings in March that were held without the public.

The Committee has addressed the trend towards AJC being predominantly a trials venue, by offering the Northern Programming Committee (NPC) a set of months when Avondale is willing to take trials events. The months we have offered reflect both the number of race dates allocated by TAB NZ and the negative impact on club finances when the club would have to heavily irrigate in hot summer months. The NPC has responded positively and when we held trials on 7 October 2020 we had a near-record turnout of 270 horses.

The graph below shows the proportionate allocation of trials days at Avondale for the reported year and the trend through 2014/15.

Race Days vs Trials



Covid-19 and the Wage Subsidy

AJC obtained operational support under both tranches of the Covid-19 wage subsidy; the first for twelve weeks between April and June and the second for eight weeks for July 2020 through August, representing in total \$42,600 for the 2019/20 financial year.

The subsidy helped significantly with the running of the club. We have retained all staff through the period of lockdown and to date. The fact we use a predominantly part-time workforce is the driver of that good outcome. AJC's staff has been loyal and dedicated in a difficult phase of life and I hope we can build on where we are financially by continuing with new ways of working as a result of the Covid-19 crisis.

Rentals

The income year started very well, with a new relationship with four church groups for the provision of Housie (replacing a previous contract), the rental

Race-meeting Statistics	19/20	18/19	17/18	16/17	15/16
Number Race Meetings	6	8	12	12	15
Number of Races	37	64	98	98	123
Average Starters per Race	8.84	10.6	11.3	10.7	10.9
Race meeting surplus \$	66,800	51,600	28,800	45,500	163,100

of the caretaker house ('Elm Street') and an active use of the property by casual hires (mainly filming on location).

This early boost helped balance losses in income over 'lockdown months'. Various levels of lockdown restrictions, in particular gathering sizes, prevented the Avondale Sunday Markets and Housie from operating for April – most of June.

Overall non-racing related revenue held its own at \$796,800, compared to 2018/19's \$812,200.

I'd like to thank the Committee, stewards and staff of AJC for their efforts during this year and know we'll need to show the same fortitude for the year to come in a time when there is an uncertain economic horizon. Members have to maintain their support of the club and keep turning up when we have sporting and community activity at the venue.

T A Berkahn
Treasurer

Financials At A Glance	19/20	18/19	17/18	16/17	15/16
Surplus per Financials Statements	(54,500)	(283,200)	(83,800)	33,000	375,400
Plus: Depreciation	227,700	235,000	216,200	192,600	175,700
Plus: Grant refund	5,500	0	25,000	60,200	112,600
Cash Surplus from operations	287,700	(48,200)	107,400	285,800	438,460
\$ Improvement	335,900	(155,600)	(178,400)	(152,660)	233,960
% increase	696%	(145%)	(62.4%)	(35%)	114%
Gain/(Loss) on sale of Land	0	0	0	(27,400)	0
Members' Funds	4,237,700	4,292,100	4,575,300	4,659,100	4,626,100

RACING MANAGER'S REPORT

Activity during the latter part of the season was constrained by the COVID-19 Lockdown which started on 25th March 2020. After 8 successful trials and 4 race meetings up to the middle of March, the fifth race meeting on 20th March was conducted with no public admission. The ANZAC meeting and a meeting scheduled for 8th July fell victim to the Lockdown. We raced on 22nd July.

In recent years pressure has been building in relation to the Club's future, and there has been increasing industry focus on the Club's utility. While an external process started some years ago and then ceased, most recently following the release of the Messara Report (August 2018), the NZTR Draft Venue Plan in January 2019 (never finalised) and the passing of the Racing Industry Act in July 2020, the Committee and management has been looking at all options relating to a role for the Club in the future of thoroughbred racing in Auckland.

In December 2019 the Club had been initially allocated 7 race fixtures for the 2020/21 season, which offered some sense of temporary relief. However these dates were 'deleted' during COVID-19 Lockdown in May 2020 when a reactive racing calendar was implemented, with no racing allocated to the Club. A joint submission from Auckland Racing Club, Counties Racing Club and AJC resulted in 5 race fixtures being allocated to AJC in the final calendar made public in early July.

The Clubs' submission on behalf of AJC identified the need for more racing in close proximity to the largest population in the country and disputing the need for racing to be located 'closer to the horse population'. The submission also argued that Avondale is not significantly further in travel terms to other tracks. RITA - now TAB NZ - was strongly reminded that not allocating AJC race dates could circumvent the possibility of the Auckland clubs developing an agreed approach to strengthening racing in the Auckland region. The latter point appears to have been determinative and the support we received from both Auckland Racing Club and Counties Racing Club in arguing for dates is a significant development that will hopefully gain support from NZTR over time.

TAB NZ / NZTR has noted that the allocation of dates to Avondale for the 2020/21 season is tagged with a stipulation for ongoing discussions between the Auck-

land clubs and a regional review being completed by December 2020. NZTR has now agreed in writing that it supports the intention of making progress without necessarily formulating a written report.

Subsequently, an additional race meeting for 22nd July was granted and warmly received. Avondale racecourse was the substitute venue for a Counties flagship meeting on Saturday 25th July, highlighting the level of co-operation referred to above and the strategic importance of the Avondale track in the short term, at least. Industry-wide race programming was severely affected by COVID-19 which resulted in open races being scheduled with \$15k stakes. A resemblance of the standard programme was reintroduced in August 2020 with open handicaps becoming a feature.

Securing sponsors has been tough this season because of the on-going political arena the club confronts and with the impact of the pandemic three sponsors were lost at the March and July meetings. We are pleased to acknowledge arrangements with NZB Pearl Series, West Brook Wines, Avondale Sunday Markets, Beckett Real Estate, Perfection Print Ltd, Race Images, Auckland Alarms and 5 Star Horse Transport. We have an agreement with International Racehorse Transport (IRT) whereby saddlecloths and bibs at all race meetings are IRT branded. Thanks to these sponsors.

A fresh approach to the management of Housie resulted in a more positive and stronger direction by the churches; the Congregational Christian Churches of Samoa based in Blockhouse Bay, Glen Eden, Green Bay and Mt Eden. However, they unfortunately suffered the same fate under the lockdown with a complete ban on games from 25 March until 17 June. The loss of the Sunday Markets for 12 weeks was a disappointing turn of events. Fortunately the market has not lost the support of its stall holders and is strong again.

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 Club') on pages 13 to 30, which comprise the statement of financial position as at 31 July 2020, 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 Club as at 31 July 2020, 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 Club 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 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 Club in accordance with Professional and Ethical Standard 1 (Revised) *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) 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 are responsible for the other information. The other information comprises the information included in the Avondale Jockey Club's annual report for the year ended 31 July 2020 (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.

Emphasis of Matters

– Implementation of the Racing Industry Act 2020

We draw attention to note 1 of the financial statements, which describes the impact of the Racing Industry Act 2020, which came into effect in July 2020, and Management's assessment of, and responses to, the effects of the Act on the Club. The implementation of the Act allows Thoroughbred Racing New Zealand Incorporated to determine that a club is "no longer racing" by the agreement with the club, dissolve it and transfer its assets to the code, including any surplus venues. Avondale Jockey Club has had 5 race meets confirmed for the financial year ended 31 July 2021 with no confirmation of further renewal as at the date of signing of these financial statements. As at the date of signing of these financial statements, Management is not aware of any planned dissolution and have continued to apply the going concern assumption in the preparation of these financial statements. Our opinion is not modified in respect of this matter.

– Increased level of inherent uncertainty arising from the ongoing global pandemic of coronavirus disease 2019

We draw attention to notes 1 and 26 of the financial statements, which describes the impact of the ongoing global pandemic of the novel coronavirus disease 2019 ('COVID-19') and Management's assessment of, and responses to, this pandemic on the Club. Since March 2020 the COVID-19 pandemic has lowered overall economic activity and confidence, resulting in significant volatility and instability in financial markets and economic uncertainty. Consequently, there has been an increase in the level of inherent uncertainty in the critical accounting estimates and judgements applied by Management in the preparation of these financial statements, described in note 1 of the financial statements. As at the date of the signing of these financial statements, all reasonably known and available information with respect to the COVID-19 pandemic has been taken into consideration in the critical accounting estimates and judgements applied by Management, and all reasonably determinable adjustments have been made in preparing these financial statements. Our opinion is not modified in respect of this matter.

Responsibilities of The Committee for the Financial Statements

The Committee is responsible on behalf of the Club for the preparation and fair presentation of the financial statements in accordance with PBE Standard 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 Club for assessing the Club'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 Club 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://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-8/>



BAKER TILLY STAPLES RODWAY AUCKLAND

Auckland, New Zealand

21 October 2020

Statement of Comprehensive Revenue and Expense For the Year ended 31 July 2020

	Notes	2020 \$	2019 \$
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Grants revenue	3.6	(5,510)	-
Race meeting subsidies	3.6	233,268	276,348
Total revenue from non-exchange transactions		227,758	276,348
REVENUE FROM EXCHANGE TRANSACTIONS			
Race meeting revenues	12.1	543,299	850,193
Rendering of services	12.2	909,350	933,622
Other operating revenue	12.3	48,899	28,399
Finance revenue	13	3,790	9,949
Total revenue form exchange transactions		1,505,339	1,822,163
TOTAL REVENUE		1,733,097	2,098,510
EXPENSES			
Race meeting costs and expenses	12.1	709,780	1,074,964
Direct cost of services	12.2	82,098	103,971
Other operating expenses	14	994,408	1,201,859
Finance expense	13	1,271	1,275
Total expenses		1,787,557	2,382,069
Net operating surplus / (deficit)		(54,460)	(283,559)
Other gains / losses			
Other gains		-	337
Total other gains / (losses)		-	337
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		(54,460)	(283,222)

Statement of Changes in Net Assets

	Capital Reserve	Accumulated Comprehensive Revenue and Expense	Total Equity
Opening Balance 1 August 2019	6,106,310	(1,814,196)	4,292,114
Surplus/(deficit) for the year	-	(54,460)	(54,460)
Closing Equity 31 July 2020	6,106,310	(1,868,656)	4,237,654
Opening Balance 1 August 2018	6,106,310	(1,530,975)	4,575,335
Surplus/(deficit) for the year	-	(283,222)	(283,222)
Closing Equity 31 July 2019	6,106,310	(1,814,196)	4,292,114

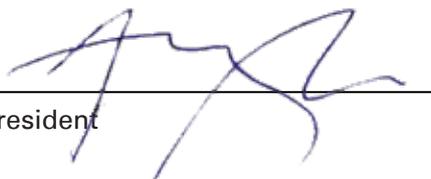
NOTE: These Financial Statements should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position

For the Year ended 31 July 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	15	307,879	218,895
Receivables from exchange transactions	16	49,923	50,163
Inventories	17	3,158	5,270
Other current assets	18	30,429	29,276
Prepayments		387	19,660
Total current assets		391,775	323,264
Non-current assets			
Property, plant and equipment	19	4,057,812	4,176,730
Total non-current assets		4,057,812	4,176,730
TOTAL ASSETS		4,449,586	4,499,994
LIABILITIES			
Current liabilities			
Employee entitlements	20	4,080	6,557
Other current liabilities	20	80,975	56,766
Payables under exchange transactions	20	126,876	144,558
Total current liabilities		211,931	207,881
TOTAL LIABILITIES		211,931	207,881
NET ASSETS		4,237,654	4,292,114
EQUITY			
Accumulated comprehensive revenue and expenses		(1,868,656)	(1,814,196)
Capital reserve		6,106,310	6,106,310
TOTAL EQUITY		4,237,654	4,292,114

Signed on behalf of the Committee on the 21st of October 2020 who authorised these financial statements for issue on 21st of October 2020.



 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 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts			
Industry profit distribution		519,571	819,160
Donations, fundraising and other similar receipts		241,301	291,739
Receipts from providing goods or services		938,313	1,039,128
Total Receipts		1,699,184	2,150,027
Payments			
Payments to suppliers and employees		942,339	1,260,493
NZRB charges		558,817	886,500
Total Payments		1,501,156	2,146,993
Net cash flows from operating activities		198,029	3,034
Cash flows from investing activities			
Receipts			
Disposal of property, plant and equipment		-	337
Total receipts		-	337
Payments			
Purchase of property, plant and equipment		110,177	303,096
Total Payments		110,177	303,096
Net cash flows from investing activities		(110,177)	(302,759)
Cash flows from financing activities			
Receipts			
Interest and dividends received		1,136	9,949
Total Receipts		1,136	9,949
Payments			
Interest Paid		4	32
Total payments		4	32
Net cash flows from financing activities		1,132	9,917
Net increase / (decrease in cash and cash equivalents)		88,984	(289,808)
Cash and cash equivalents at 1 August		218,895	508,703
Cash and cash equivalents at 31 July	15	307,879	218,895

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 2020

1. Basis Of Preparation

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 Club's constitution. The Club is a recognised industry organisation in accordance with the Racing Industry Act 2020.

The financial statements presented are for the Club for the year ended 31 July 2020 and were authorised for issue by the President on 19 October 2020.

Statement of compliance

The financial statements have been prepared in accordance with the Racing Industry Act 2020, 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 report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Racing Industry Act

In the current financial year the Racing Industry Act was enacted with the aim to finalise the post-transition governance structure of the racing industry, create legislative framework that enables property to better benefit the racing industry, and allow new ways of seeking approval for betting products. This replaces the existing Racing Act 2003.

The updated act includes an amendment that could potentially impact on the club's ability to continue as a going concern due to the transfer of assets and surplus venues by Thoroughbred

Statement of Accounting Policies

For the Year ended 31 July 2020

Racing New Zealand Incorporated ("the code"). Per the Racing Industry Act 2020, subpart 2 and subpart 3, the act allows the code to determine that a club is "no longer racing" by the agreement with the club, dissolve it and transfer its assets to the code, including any surplus venues.

For the subsequent reporting period, relating to the financial year ended 31 July 2021, Avondale Jockey Club has had 5 race meets confirmed. This confirms that the race club is still racing and is expected to continue in the normal course of business until the end of the financial year. Subsequent to this the code can assess their rights in the act to initiate section 27 which could result in the transfer of assets and surplus venues to the code. For section 27 to be initiated, a number of prerequisites have to be met between the code and the club. This has not been initiated as of date of signing.

The Committee have determined that the Club's application of the going concern basis of accounting remains appropriate in light of this event.

Global pandemic (Covid-19)

A significant event arose in March 2020, prior to reporting date, that has had, and continues to have, an impact on the Club's operations, earnings, cash flows and financial position. Refer to the section on 'Global pandemic of coronavirus disease 2019' further below and Note 27 for further information.

The Committee have determined that the Club's application of the going concern basis of accounting remains appropriate in light of this event.

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.

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.

Statement of Accounting Policies

For the Year ended 31 July 2020

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 TAB New Zealand (formerly known as 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 15.

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 13.

3.3 Revenue from rendering of services

The Club performed various services including course and 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 13.

3.4 Other operating revenue

Other Revenue includes revenue that has been received that cannot be classified as race meeting revenue, revenue from sale of goods or revenue from rendering of services. Membership subscriptions are recognised as revenue when they are received. The Covid-19 wage subsidy received was initially recognised as a liability and the revenue is recognised over the time period that the subsidy relates to. Other operating revenue is detailed in note 13.3.

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

Statement of Accounting Policies

For the Year ended 31 July 2020

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

2020: (\$5,510) - Return of Grant for Safety Development Fund.

NZTR

Race Meeting Subsidies-2020: \$233,268 (2019: \$276,348)

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.

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 of 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 (2019: 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.

Statement of Accounting Policies

For the Year ended 31 July 2020

(a) 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 includes all of the Club's cash and cash equivalents, receivables from exchange transactions, GST receivable and income tax receivable.

(b) 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 2020, the Club has no investment categorised as held-to-maturity (2019: nil).

(c) 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 2020, the Club has no available for sale financial assets (2019: nil).

Statement of Accounting Policies

For the Year ended 31 July 2020

5. 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.

6. 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 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.

7. 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 com-

Statement of Accounting Policies

For the Year ended 31 July 2020

mencement 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.

8. 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.

9. Income tax

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

10. 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.

11. 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.

Notes to the Financial Statements

For the Year ended 31 July 2020

12. Revenue

Surplus before tax including the following specific income and expenses:

Revenue From Exchange Transactions

12.1 Race Meeting Revenues And Expenses	2020	2019
	\$	\$
Race meeting revenues		
NZTR stakes funding	491,299	778,682
On-course turnover commissions	28,271	40,476
Race book sales	223	781
Race function income	18,673	14,862
Race meeting sponsorships	4,833	15,391
Total race meeting revenues	543,299	850,193
Race meeting expenses		
Advertising and promotions	-	848
Direct race meeting operating costs	49,104	71,507
NZRB charges	78,517	108,000
Other race meeting costs	14,038	23,253
Salaries and wages (direct)	59,193	72,120
Stakes	508,927	799,237
Total race meeting expenses	709,780	1,074,964
Net race meeting surplus/(deficit) exchange revenues	(166,481)	(224,771)
Race meeting revenue as non-exchange	233,268	276,348
Overall net race meeting surplus/(deficit)	66,787	51,577
	2020	2019
	\$	\$
12.2 Revenue From Rendering Of Services		
Rendering of services		
Rental	796,754	812,186
Training income	200	454
Trials income	112,397	120,982
Total revenue from rendering of services	909,350	933,622
Direct cost of services		
Trials expenses	60,954	65,795
Salaries and wages (service)	21,145	38,176
Total direct cost of services	82,098	103,971
Net rendering of services surplus/(deficit)	827,252	829,650

Notes to the Financial Statements

For the Year ended 31 July 2020

12.3 Other Operating Revenue	2020 \$	2019 \$
Other operating revenue		
Membership subscriptions	6,324	5,205
Covid-19 Wage Subsidy	42,575	-
Sundry income	-	23,194
Total other operating revenue	48,899	28,399
13. Finance Income and Costs	2020 \$	2019 \$
Finance revenue		
Interest received	3,415	9,569
Dividends received	375	380
Total finance revenue	3,790	9,949
Finance cost		
Bank charges	1,267	1,243
Interest expense	4	32
Total finance cost	1,271	1,275
Net finance income and costs surplus/(deficit)	2,519	8,674
14. Other Expenses	2020 \$	2019 \$
Other expenses		
ACC levies	3,496	3,510
Administration expenses	78,566	69,127
Audit fees	16,232	15,414
Bad & doubtful debts	40,727	-
Depreciation	227,668	235,044
Entertainment	-	281
Equipment hire	5,852	17,367
Insurance	55,899	51,214
Other expenses	3,640	9,133
Professional and consulting fees	152,923	228,178
R&M - Buildings	69,519	97,485
R&M - Equipments vehicles	8,962	23,611
R&M - Grounds	1,922	6,125
R&M - Track preparation	28,292	20,672
Rates	116,486	129,069
Travel expenses	1,856	1,054
Wages & salaries	182,366	294,575
Total other expenses	994,408	1,201,859

Notes to the Financial Statements

For the Year ended 31 July 2020

15. Cash And Cash Equivalents	2020	2019
	\$	\$
Cash at bank		
ASB Bank Limited – Business Cheque – 00 Account	69,052	6,034
ASB Bank Limited – Savings On Call – 50 Account	137,646	9,933
ASB Bank Limited - FastSaver - 51 Account	1,000	-
Total cash at bank	207,698	15,967
Cash on hand		
Petty Cash	182	166
Total cash on hand	182	166
Short-term deposits		
ASB Bank United - Term Deposit - 72 account	100,000	-
ASB Bank Limited - Term Deposit - 77 account	-	202,762
Total short-term deposits	100,000	202,762
Total cash and cash equivalents	307,879	218,895
16. Receivables From Exchange Transactions	2020	2019
	\$	\$
Receivables from exchange transactions		
Trade debtors	95,833	50,163
Provision for doubtful debts	(45,910)	-
Total receivables from exchange transactions	49,923	50,163
17. Inventories	2020	2019
	\$	\$
Inventories		
Beverages	2,589	4,070
Photo frames	569	1,200
Total Inventories	3,158	5,270

Notes to the Financial Statements

For the Year ended 31 July 2020

18. Other Assets	2020 \$	2019 \$
Other current assets		
Goods and services tax	16,616	15,657
Income tax	7,862	7,862
Accrued income	5,951	5,757
Total other current asset	30,429	29,276

19. Property, Plant & Equipment

	2020			2019		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Buildings	6,020,539	4,392,195	1,628,344	6,020,539	4,276,187	1,744,353
Furniture and Fittings	645,856	600,055	45,801	643,908	588,002	55,905
Land and Improvements	2,337,300	422,358	1,914,942	2,336,950	355,642	1,981,308
Motor Vehicles	244,376	206,272	38,105	244,376	199,911	44,466
Racecourse Facilities	9,196	1,609	7,586	9,196	766	8,429
Plant and Machinery	1,698,671	1,581,598	117,074	1,691,890	1,555,911	135,979
Capital Work in Progress	305,960	-	305,960	206,289	-	206,289
Total	11,261,899	7,204,087	4,057,812	11,153,149	6,976,419	4,176,730

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

2019	Opening Balance	Additions	Disposals	Depreciation	Net Book Value
Buildings	1,744,353	-	-	116,008	1,628,344
Furniture and Fittings	55,905	1,948	-	12,052	45,801
Land and Improvements	1,981,308	350	-	66,716	1,914,942
Motor Vehicles	44,466	-	-	6,361	38,105
Racecourse Facilities	8,429	-	-	843	7,586
Plant and Machinery	135,979	6,781	-	25,687	117,074
Capital Work in Progress	206,289	99,670	-	-	305,960
Total	4,176,730	108,750	-	227,668	4,057,812

During the 2017 financial year, asbestos was discovered in the old public stand. Affected tenants of the building were moved out and the affected parts of the building were 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 2020

The Club applied for resource consent to subdivide a small parcel of land off Elm Street. Resource consent was granted, and title has yet to be issued. There is currently an unconditional offer of sale and purchase on this lot dated 21 September 2020.

The Club has applied for resource consent to subdivide a small parcel of land at Wingate Street.

20. Liabilities	2020 \$	2019 \$
Employee entitlements		
Holiday pay	4,080	6,557
Total employee entitlements	4,080	6,557
Other current liabilities		
Accruals	63,306	39,322
ASB Bank Limited - Business Cheque - 01 Account	5	-
Covid-19 Wage Subsidy	8,886	-
Deposits collected	1,000	-
PAYE	1,414	7,506
Revenue received in advance	6,364	9,938
Total other current liabilities	80,975	56,766
Payables under exchange transactions		
ASB visa	1,595	1,236
Trade creditors	125,281	143,322
Total payables under exchange transactions	126,876	144,558
Total liabilities	211,931	207,881

21. Related Party Transactions

There are no related party transactions. (2019: \$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 and Racing Manger (2019 included the Race Course Superintendent, Commercial Manager and Development 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:

	2020	2019
Total Remuneration	56,234	149,460
Number of persons (part time)	1	3

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

During the reporting period, total remuneration and compensation of \$nil (2019: \$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 2020

22. Commitments

The following minimum lease payments were recognised as an expense during the year ended 31 July 2020. 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.

	2020	2019
Operating lease expense		
Fuji Xerox	4,560	4,968
Total Operating lease expense	4,560	4,968

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:

2020 Operating lease commitments	< 1 Year	1 - 5 Years	> 5 Years	Total
Fuji Xerox	1,487	-	-	1,487

2020 Operating lease commitments	Term (months)	Months expired	Months left	Monthly payment
Fuji Xerox	24	20	4	380

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

23. Financial Instruments

The carrying amounts of financial instruments presented in the statement of financial position relate to the following categories:

	2020	2019
	\$	\$
Financial assets		
Cash and cash equivalents	307,879	218,895
Receivables from exchanges transactions	49,923	50,163
Total	357,802	269,059
At amortised cost		
Trade and other creditors	126,876	144,558
Total	126,876	144,558
Total financial assets	230,926	124,500

Notes to the Financial Statements

For the Year ended 31 July 2020

24. Capital Commitments

There are no capital commitments as at balance date. (2019: \$Nil).

25. Contingent Assets And Liabilities

In 2019 the Club was 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. Mr Middeldorp seeks only declaratory relief and makes no financial claim against the Club. The Club succeeded in the High Court, and Mr Middeldorp appealed to the Court of Appeal. His appeal was heard in November 2019 and Mr Middeldorp has since appealed the cost award. The matter is unresolved at balance date, however the potential exposure for the Club is immaterial if his appeal is successful.

There are no other contingent assets or liabilities at balance date. (2019: Nil)

26. Global Pandemic (COVID 19)

The ongoing outbreak of a novel coronavirus, known as 'coronavirus disease 2019' ('COVID 19'), was declared a pandemic on 11 March 2020.

The rapid spread of COVID 19 has seen an unprecedented global response by governments, regulators and numerous industry sectors. Governments and regulators worldwide (including in New Zealand) have, and continue to, implement a range of:

- public health and social measures to prevent and contain the transmission of COVID 19; and
- economic responses to provide financial stimulus and welfare support to mitigate the economic impacts of the COVID 19 pandemic.

Public health and social measures implemented include restrictions on travel / non-essential movement, entry bans / closure of borders, quarantines, temporary closure of non-essential businesses and schools, and the cancellation of gatherings and events. The pandemic, and these public health and social measures have had an immediate impact on many entities ability to operate, which has lowered overall economic activity and confidence, reduced demand for many goods and services, and resulted in significant volatility and instability in the financial markets.

The economic responses implemented by the New Zealand Government have mitigated some of the economic impacts. These responses range from quantitative easing and reductions in official interest rates by the Reserve Bank of New Zealand to the release of significant financial stimulus and welfare support packages.

The Club provides racing and social events. Under the public health and social measures implemented in New Zealand, the Club was not classified as a provider of essential services and was unable to fully undertake its normal business activities in the ordinary course of business during the more restrictive phases of New Zealand's public health and social responses during March 2020 to June 2020 and August 2020 to September 2020.

The Club's earnings, cash flow and financial position have been impacted since the pandemic was declared and continue to be impacted up to the date of the signing of these financial state-

Notes to the Financial Statements

For the Year ended 31 July 2020

ments. The impacts arise from restrictions on large crowds which has meant the cancellation of race meets, and other sources of lease revenue driven from holding other large events at the racecourse.

It is not possible to estimate the impact of the COVID 19 pandemic's short and long-term effects, or the New Zealand Government's efforts to combat the outbreak and support businesses. As such, it is not practicable to provide any further quantitative or qualitative estimate of the potential impact of this outbreak on the Club at this time.

The Club anticipates that the lowered levels of economic activity and confidence will continue for at least the short to medium term and will likely impact the Club's ability to maintain revenue levels, and in turn impact its earnings, cash flow and financial position.

In response to the COVID 19 pandemic, and measures implemented, the Committee have:

- Implemented appropriate health and safety responses to ensure the continuity of the Club's operations under each of the Alert Levels, whilst complying with the applicable public health and social measures for that level.
- Obtained government grant that aims to provide racing clubs with financial stability through these uncertain times.
- Implemented measures to reduce operating costs and capital expenditures (where applicable deferring non-essential capital projects).
- Applied for the COVID 19 'Wage Subsidy Scheme' developed by the New Zealand Government, which is available to certain New Zealand businesses that are adversely affected by the COVID 19 pandemic.
- Assessed the impact of the COVID 19 pandemic on the Club's financial and non-financial assets.
- Considered and reaffirmed the Club's application of the going concern basis of accounting remains appropriate as at date of the signing of these financial statements (21 October 2020).

As at date of signing these financial statements, the Club has cash at bank of \$609,830 which provides sufficient operating cashflows for the Club's immediate requirements. These financial statements have been prepared based upon conditions existing as at 31 July 2020 and consider those events occurring subsequent to that date that provide evidence of conditions that existed at the end of the reporting date. As the outbreak of the COVID-19 pandemic occurred before 31 July 2020 its impacts are considered an event that is indicative of conditions that arose prior to reporting period. Accordingly, as at the date of signing these financial statements, all reasonably known and available information with respect to the COVID-19 pandemic has been taken into consideration in the critical accounting estimates and judgements applied by Management and all reasonably determinable adjustments have been made in preparing these financial statements.

27. Events Subsequent to Balance Date

Subsequent to balance date, the club received an unconditional offer on the Elm Street Lot on 21 September 2020. Apart from this, 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 as at 31 July 2020

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

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