



Annual Report

Season 2020/2021



Directory 2020/2021

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>Tracey Berkahn(President) Jan Skinner (Vice President) Leeann Martin (Hon Treasurer) Allan Boyle Bruce Cleland Warwick Donaldson Jan McLeod Chris Ryan</p>	<p>Terry Skinner Warren Strand Denise West</p>	<p>Eddie Doherty Thayne Green Colin Jillings Robyn McElroy Jan McLeod Jim Patterson Stephen Penny Chris Ryan Jan Skinner Graham Wakefield</p>



Notice of Meeting

The 131st Annual Members Meeting of members of the Avondale Jockey Club will be held on the first floor, Marshall Stand, Avondale Racecourse, or by virtual meeting (via zoom), subject to Covid Alert Level restrictions in Auckland on Monday 29th November 2021 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 26 November 2020.
2. To consider audited Financial Statements for year ended 31 July 2021.
3. To consider and approve the annual reports of the Committee and the Treasurer.
4. To elect Office Bearers for 2021/22

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 Interests Register.
7. 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 Members' Meeting held on 26 November 2020, as distributed, are confirmed.

That the audited Financial Statements for the year ended 31 July 2021 are received.

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

That Tracey Berkahn is duly elected as President of the club.

That Daniel Higgins is duly elected as Vice President of the club.

That Manny Boyack, Janet McLeod, Leeann Martin and Janice Skinner are duly elected to the vacant positions as Committee Members of the club.

That on the recommendation of the committee RSM New Zealand is appointed as the club's auditor and the Committee is authorised to fix their remuneration for the year ending 31 July 2022.

PRESIDENT'S REPORT

On behalf of the Avondale Jockey Club (AJC) Committee it is my pleasure, to present my first Annual Report as President.

Even with the disruption to last season we could not have predicted the combined impact of Covid alert levels preventing race meetings being held or necessitating race meetings held 'behind closed doors' in the 2021 racing year and two of our main tenants not being able to operate outside of Alert Level 1.

We have learned to expect the unexpected.

Racing

That being said we delivered 5 race meetings (although one was abandoned after race six) and enjoyed a well patronised and very successful members' lunch at our ANZAC Day race meeting.

It is a long time ago that AJC hosted a Black Type race, as members know. And while that did not happen in 2020/21, we involved the club (for the first time since 2013 when we last sponsored with The Falls Restaurant) with the Avondale Guineas. With the support of Auckland Racing Club we took the sponsorship of the AJC Avondale Guineas run on 20 February 2021. AJC funded an addition to the stake of \$20,000 to take the total stake for the three year olds' classic to \$120,000. The day was not quite what your Committee anticipated because the day run at Ellerslie was under Alert Level 2 and therefore the planned members lunch could not proceed. The results for the Group 2 event in 2020/2021 were:

- Race Winner: Rocket Spade,
- Jockey: Craig Grylls and,
- Trainers: Lance O'Sullivan and Andrew Scott.

Finance

The 2020/21 year was one of fiscal expansion where, regardless of declining TAB wagering involving Avondale's venue, we have achieved a noteworthy financial result through the club's goal to dispose of the redundant piece of land at the Elm Street entrance (after a number of years in the planning and execution). The cumulation of many years of hard work sees the gain on sale of \$3.39m added to members' funds for the 2021 financial year.

In August 2020 and again in February/March 2021 Covid-19 caused us to close our doors to patrons and meant we lost tenant and racing income of approxi-

mately \$140,000. Initial government support was limited to the wage subsidy for permanent, part time staff as the business resurgence payments did not include 'landlord' income. This \$19k helped us pay staff during times when no work was possible on site.

However, as the Treasurer points out in her report, there has been no difficulty to secure the financial viability of the club. Ancillary spending was halted and our projects that involved future planning were delayed but the combined surplus (including an operating surplus of some \$51k) being reported to members is \$3.45m

In the coming year we may run more race days to reflect the restricted capacity of ATR in connection with their track redevelopment. But indications are that AJC's venue is not going to be recognised as a viable metropolitan track despite its proximity to the NZ population and the fact the AJC track continues to rate among the very best of our racing surfaces nation-wide. In a way we find ourselves in a state of semi hibernation with restricted capacity to race under a ruthless Racing Calendar and new rules/policies in the NZTR pipeline relating to a re-draft of the draft Venue Plan (November 2021).

Non-racing matters

As detailed above the Elm Street subdivision settled in April 2021 and the Committee has invested the proceeds with a view to increasing income and growing the capital.

In September the Committee signed a conditional contract for the sale of the Wingate Street lot. Under the terms of the Racing Industry Act 2020 the Committee now must secure the approval of the governing body for the sale.

Obituaries

It is with regret that we record the passing of the members whom I have listed during my address.

Appreciation

This season the Committee established two sub-committees and these have been an aid to the executive functions of the club as well as assistance to senior staff. The Finance Sub-Committee comprising Leeann Martin (Treasurer), Bruce Cleland (Secretary), Daniel Higgins (a committed member who stood for VP this month) and myself worked well to monitor and assist

with budgeting and the annual audit. In the case of the Infrastructure sub-committee both Warwick Donaldson and Allan Boyle worked tirelessly to ensure the smooth running of the Avondale site.

Earlier this year long standing member Gary Jenkins retired from his Committee role.

Committee member and Secretary Bruce Cleland, who was up for re-election this year, also retired. Thank you for your service Bruce.

Once again I would like to thank my fellow Committee members for their contribution to the club throughout the year. Their dedication and business knowledge is a benefit to the club. As I am sure you understand, the role of a board member in a racing club today requires so much more than just a knowledge of racing. With compliance and financial management under so much scrutiny these days, together with the challenges of seeing the 'business' move forward, I believe the membership has been well-served.

Two well-known and long-serving members were recently awarded life memberships — to the late Bryan Jackson and to Chris Ryan: we acknowledge your exceptional service for and on behalf of the club.

I would like to extend my thanks to our staff as well as all those connected with the governance function. Janice Skinner steps down this year from her extended period as the club's Vice-President. I acknowledge Jan's tireless efforts and support throughout the year. On behalf of the Committee I thank the Racing Manager, Richard Pridham, who has supported the Committee in navigating these difficult times.

May I wish you good health and happiness and look forward to catching up with many of you as and when Auckland's current Covid-19 restrictions allow.

Tracey Berkahn

President

TREASURER'S REPORT

It is a pleasure to present to members the financial report on the affairs of the club for the year to 31 July 2021, including the full financial statements for the financial year '20/21.

In '20/21 the Club recorded a surplus from total comprehensive revenue and expenditure of \$3.45m after depreciation and amortisation. This compares with a deficit of \$54,560 for the previous year and the uplift is largely due to the completion of the sale of the subdivision created at Elm Street, but also includes a net operating surplus of \$51,565 due to savings in operational costs (after fewer legal fees and lower wages and salaries) and better than expected casual rental of the site.

Producing a positive operating result (after depreciation), particularly in the current economic climate, is a very pleasing outcome and in the view of the Committee shows that the Club is on a secure footing in financial terms, unlike many of the country's racing clubs, and is on the right path to maintaining future sustainability.

As you know, the current Delta-related lockdowns in Auckland have impacted the Club's non-racing activities as well as the cancellation of the scheduled October and November race meetings. In terms of the brief lockdown in August 2020 there was interruption to the businesses of our main tenants. Currently we have some relief from the Government with grants paid in the 2021 year of \$19,000 representing the wage subsidy payments.

Racing-related activities

The 2020/21 season comprised only our five race meetings – one of which was abandoned after six races. AJC returned a Surplus from racing-related activities of \$67.2k (racing - a surplus of \$19.2k and a surplus for trials of \$48.5k).

Trading other than racing

The Club's income from tenancies and licences was \$799,000 – a small increase from last financial year mainly due to better-than-expected casual rentals in non-lockdown months.

Operational spending in the 2020/21 year was predominantly made up of:

- Occupancy-related costs (22%) - such as rates, building and grounds related maintenance: a decrease of 4% from 2019/20;
- Depreciation (27%): a small decrease of 2.8% from last year;
- Professional and consulting fees (7%): a marked decrease of 64% from last year; and
- Non-racing related staffing (19.6%): down 12% from 2019/20.

Leeann Martin

Treasurer

Race meeting Statistics	20/21	19/20	18/19	17/18	16/17
Number Race Meetings	5	6	8	12	12
Number of Races	40	37	64	98	98
Average Starters per Race	10.4	8.84	10.6	11.3	10.7
Race meeting surplus \$	19,200	66,800	51,600	28,800	45,500
Number of Trials Days	4	8	9	9	9

Financials At A Glance	20/21	19/20	18/19	17/18	16/17
Surplus per Financials Statements	51,600	(54,500)	(283,200)	(83,800)	33,000
Plus: Depreciation	224,400	227,700	235,000	216,200	192,600
Plus: Grant	0	5,500	0	25,000	60,200
Cash Surplus from operations	276,000	178,700	(48,200)	107,400	285,800
\$ Improvement	97,300	226,900	(155,600)	(178,400)	(152,660)
% increase	(57%)	246%	(145%)	(62.4%)	(35%)
Gain/(Loss) on sale of Land	3,398,599	0	0	0	(27,400)
Members' Funds	7,691,000	4,237,700	4,292,100	4,575,300	4,659,100

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 12 to 30, which comprise the statement of financial position as at 31 July 2021, and the statement of comprehensive revenue and expense, statement of changes in net assets 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 2021, 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 the Club. 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 the Members of the Club as a body, 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ('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.

Other Information

The Committee is responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 31 July 2021 (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 Matter

– 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 five race meets confirmed for the financial year ending 31 July 2022 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, the Committee 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 Standards RDR, and for such internal control as the Committee determines 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 is 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 intends 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/>

A handwritten signature in blue ink that reads "Baker Tilly Staples Rodway". The signature is written in a cursive, flowing style.

BAKER TILLY STAPLES RODWAY AUCKLAND

Auckland, New Zealand

27 October 2021

Statement of Comprehensive Revenue and Expense For the Year ended 31 July 2021

	Notes	2021	2020
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Grants revenue	3.6	-	5,510
Race meeting subsidies	3.6	117,500	233,268
Total revenue from non-exchange transactions		117,500	227,758
REVENUE FROM EXCHANGE TRANSACTIONS			
Race meeting revenues	12.1	410,800	543,299
Rendering of services	12.2	879,208	909,350
Other operating revenue	12.3	25,074	48,899
Finance revenue	13	3,916	3,790
Total revenue form exchange transactions		1,318,998	1,505,339
TOTAL REVENUE		1,436,498	1,733,097
EXPENSES			
Race meeting costs and expenses	12.1	509,135	709,780
Direct cost of services	12.2	49,922	82,098
Other operating expenses	14	824,956	994,408
Finance expense	13	921	1,271
Total expenses		1,384,933	1,787,557
Net operating surplus / (deficit)		51,565	(54,460)
Other gains / losses			
Gain on sale of fixed assets		3,398,460	-
Total other gains / (losses)		3,398,460	-
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR		3,450,024	(54,460)

Statement of Changes in Net Assets | As at 31 July 2021

	Capital Reserve	Accumulated Comprehensive Revenue and Expense	Total Equity
Opening Balance 1 August 2020	6,106,310	(1,868,656)	4,237,654
Surplus/(deficit) for the year	-	3,450,024	3,450,024
Closing Equity 31 July 2021	6,106,310	1,581,368	7,687,678
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

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 2021

	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	15	2,008,282	307,879
Receivables from exchange transactions	16	50,034	49,923
Inventories	17	3,484	3,158
Investments	18	300,750	-
Other current assets		542	30,429
Prepayments		-	387
Total current assets		2,363,092	391,775
Non-current assets			
Property, plant and equipment	19	3,595,525	4,057,812
Total non-current assets		3,595,525	4,057,812
TOTAL ASSETS		7,858,616	4,499,586
LIABILITIES			
Current liabilities			
Employee entitlements	20	6,862	4,080
Other current liabilities	20	88,137	80,975
Payables under exchange transactions	20	75,939	126,876
Total current liabilities		170,938	211,931
TOTAL LIABILITIES		170,938	211,931
NET ASSETS		7,687,678	4,237,654
EQUITY			
Accumulated comprehensive revenue and expenses		1,581,368	(1,868,656)
Capital reserve		6,106,310	6,106,310
TOTAL EQUITY		7,687,678	4,237,654

Signed for and on behalf of the Committee on the 27th day of October 2021 who authorised these financial statements for issue on the 27th day of October 2021.



 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 2021

	Notes	2021	2020
Cash flows from operating activities			
Receipts			
Industry profit distribution		400,500	519,571
Donations, fundraising and other similar receipts		120,300	241,301
Receipts from providing goods or services		946,307	938,313
Total Receipts		1,467,107	1,699,184
Payments			
Payments to suppliers and employees		866,542	942,339
NZRB charges		380,500	558,817
Total Payments		1,247,042	1,501,156
Net cash flows from operating activities		220,064	198,029
Cash flows from investing activities			
Receipts			
Disposal of property, plant and equipment		3,800,000	-
Total receipts		3,800,000	-
Payments			
Investment into term deposits greater than three months		300,750	
Purchase of property, plant and equipment		121,869	110,177
Investment into Salt Investment		1,900,000	
Total payments		2,322,619	110,177
Net cash flows from investing activities		1,477,381	(110,177)
Cash flows from financing activities			
Receipts			
Interest and dividends received		2,959	1,136
Total Receipts		2,959	1,136
Payments			
Interest Paid		0	4
Total payments		0	4
Net cash flows from financing activities		2,958	1,132
Net increase / (decrease in cash and cash equivalents)		1,700,403	88,984
Cash and cash equivalents at 1 August		307,879	218,895
Cash and cash equivalents at 31 July	15	2,008,282	307,879

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 2021

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 2021 and were authorised for issue by the President on 27 October 2021.

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 prior 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 2021

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 2022, 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' in notes 26 and 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.

2. Summary of accounting policies

The significant accounting policies adopted by the Club in the preparation and presentation of the financial statements are set out in Note 3. The accounting policies have been consistently applied, unless otherwise stated.

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

Statement of Accounting Policies

For the Year ended 31 July 2021

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 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 relating to sale of goods are included under note 12.1.

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 12.2.

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 12.3.

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 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.

Statement of Accounting Policies

For the Year ended 31 July 2021

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

Grant Revenue

2021: nil (2020: (\$5,510))

NZTR

Race Meeting Subsidies – 2021: \$117,500 (2020: \$233,268)

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 Club's investment equities fall into this category of financial instruments. 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 (2020: 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) 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

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For the Year ended 31 July 2021

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 2021, the Club has no investment categorised as held-to-maturity (2020: 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 2021, the Club has no available for sale financial assets (2020: nil).

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

Statement of Accounting Policies

For the Year ended 31 July 2021

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	8 - 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 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

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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 2021

12. Revenue

Surplus before tax including the following specific income and expenses:

Revenue From Exchange Transactions

12.1 Race Meeting Revenues And Expenses	2021	2020
Race meeting revenues		
NZTR stakes funding	375,499	491,299
On-course turnover commissions	25,000	28,271
Race book sales	384	223
Race function income	7,117	18,673
Race meeting sponsorships	2,800	4,833
Total race meeting revenues	410,800	543,299
Race meeting expenses		
Direct race meeting operating costs	47,813	49,104
NZRB charges		78,517
Other race meeting costs	19,165	14,038
Salaries and wages (direct)	49,027	59,193
Stakes	393,131	508,927
Total race meeting expenses	509,135	709,780
Net race meeting surplus/(deficit) exchange revenues	(98,336)	(166,481)
Race meeting revenue as non-exchange	117,500	233,268
Overall net race meeting surplus/(deficit)	19,164	66,787
12.2 Revenue From Rendering Of Services		
Rendering of services		
Rental	799,148	796,754
Training income		200
Trials income	80,060	112,397
Total revenue from rendering of services	879,208	909,350
Direct cost of services		
Trials expenses	31,489	60,954
Salaries and wages (service)	18,433	21,145
Total direct cost of services	49,922	82,098
Net rendering of services surplus/(deficit)	829,286	827,252

Notes to the Financial Statements

For the Year ended 31 July 2021

12.3 Other Operating Revenue	2021	2020
Other operating revenue		
Membership subscriptions	5,613	6,324
Sundry income	19,460	42,575
		-
Total other operating revenue	25,074	48,899
13. Finance Income and Costs	2021	2020
Finance revenue		
Interest received	3,636	3,415
Dividends received	280	375
Total finance revenue	3,916	3,790
Finance cost		
Bank charges	921	1,267
Interest expense	0	4
Total finance cost	921	1,271
Net finance income and costs surplus/(deficit)	2,995	2,519
14. Other Expenses	2021	2020
Other expenses		
ACC levies	717	3,496
Administration expenses	72,364	78,566
Audit fees	15,405	16,232
Bad & doubtful debts	-	40,727
Depreciation	224,442	227,668
Equipment hire	2,292	5,852
Insurance	54,922	55,899
Loss on disposal of fixed assets	201	-
Other expenses	11,941	3,640
Professional and consulting fees	54,362	152,923
Race Sponsorship	20,000	-
R&M - Buildings	62,853	69,519
R&M - Equipment & vehicles	12,284	8,962
R&M - Grounds	6,885	1,922
R&M - Track preparation	13,983	28,292
Rates	110,416	116,486
Travel expenses	1,110	1,856
Wages & salaries	160,778	182,366
Total other expenses	824,955	994,408

Notes to the Financial Statements

For the Year ended 31 July 2021

15.	Cash And Cash Equivalents	2021	2020
	Cash at bank		
	ASB Bank Limited – Business Cheque – 00 Account	71,951	69,052
	ASB Bank Limited – Savings On Call – 50 Account	935,324	137,646
	ASB Bank Limited - FastSaver - 51 Account	1,001	1,000
	Total cash at bank	1,008,275	207,698
	Cash on hand		
	Petty Cash	6	182
	Total cash on hand	6	182
	Short-term deposits		
	ASB Bank Umited - Term Deposit - 72 account	-	100,000
	ASB Bank Limited - Term Deposit - 77 account	1,000,000	-
	Total short-term deposits	1,000,000	100,000
	Total cash and cash equivalents	2,008,282	307,879
16.	Receivables From Exchange Transactions	2021	2020
	Receivables from exchange transactions		
	Trade debtors	50,034	95,833
	Provision for doubtful debts	-	(45,910)
	Total receivables from exchange transactions	50,034	49,923
	Total receivables from exchange transactions	50,034	49,923
17.	Inventories	2021	2020
	Inventories		
	Beverages	3,060	2,589
	Photo frames	424	569
	Total Inventories	3,484	3,158
18.	Investments	2021	2020
	Current investments		
	ASB Bank Limited - Term Deposit - 72 account	100,750	-
	ASB Bank Limited - Term Deposit - 74 account	200,000	-
	Total current investments	300,750	-
	Non-current investments		
	Salt NZ Dividend Appreciation Fund	400,000	-
	Salt Sustainable Income Fund	1,500,000	-
	Total non-current investments	1,900,000	-

Notes to the Financial Statements

For the Year ended 31 July 2021

Salt NZ Dividend Appreciation Fund

The Fund's investment objective is to outperform the S&P/NZX 50 Gross Index on a rolling three year basis by investing predominantly in New Zealand shares. The Fund targets a portfolio of shares of New Zealand companies that may, in our opinion, pay high and sustainable dividends.

Salt Sustainable Income Fund

The Fund's investment objective is to provide a gross fixed quarterly income in excess of bank deposit rates, along with a positive return on capital on a rolling three year basis. The Fund targets a diversified mix of growth and defensive assets, with a focus on securities with strong ESG credentials and reliable income generation.

18.1 Other current assets	2021	2020
Other current assets		
Goods and services tax	-	16,616
Income tax	-	7,862
Accrued income	542	5,951
Total other current assets	542	30,429
Total other current asset	542	30,429

19. Property, Plant & Equipment

	2021			2020		
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value
Buildings	6,021,769	4,510,774	1,510,995	6,020,539	4,392,195	1,628,344
Furniture and Fittings	647,971	605,862	42,109	645,856	600,055	45,801
Land and Improvements	2,290,229	488,412	1,801,816	2,337,300	422,358	1,914,942
Motor Vehicles	244,376	211,713	32,663	244,376	206,272	38,105
Racecourse Facilities	9,196	2,368	6,828	9,196	1,609	7,586
Plant and Machinery	1,705,779	1,604,771	101,009	1,698,671	1,581,598	117,074
Capital Work in Progress	100,106	-	100,106	305,960	-	305,960
Total	11,019,426	7,423,900	3,595,525	11,261,899	7,204,087	4,057,812

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

2021	Opening Balance	Additions	Disposals	Depreciation	Net Book Value
Buildings	1,628,344	1,230	-	118,579	1,510,994
Furniture and Fittings	45,801	6,214	18	9,888	42,108
Land and Improvements	1,914,942	-	47,071	66,055	1,801,816
Motor Vehicles	38,105	-	-	5,442	32,663
Racecourse Facilities	7,586	-	-	759	6,827
Plant and Machinery	117,074	8,140	484	23,720	101,010
Capital Work in Progress	305,960	124,677	330,531	-	100,106
Total	4,057,812	140,261	378,104	224,442	3,595,525

Notes to the Financial Statements

For the Year ended 31 July 2021

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.

The Club applied for resource consent to subdivide a small parcel of land off Wingate Street. Resource consent was granted, and the title has been issued.

20. Liabilities	2021 \$	2020 \$		
Employee entitlements				
Holiday pay	6,862	4,080		
Total employee entitlements	6,862	4,080		
Other current liabilities				
Accruals	60,026	63,306		
ASB Bank Limited - Business Cheque - 01 Account	-	5		
Covid-19 Wage Subsidy	-	8,886		
Deposits collected	1,000	1,000		
Goods and Services Tax	308	-		
PAYE	3,886	1,414		
Revenue received in advance	22,917	6,364		
Total other current liabilities	88,137	80,975		
Payables under exchange transactions				
ASB visa	1,319	1,595		
Trade creditors	74,620	125,281		
Total payables under exchange transactions	75,939	126,876		
Total liabilities	170,938	211,931		
21. Related Party Transactions	2021 Value of Transaction	Amount Outstanding	2020 Value of Transaction	Amount Outstanding
AAA Alarms and Monitoring Services Limited				
Security	4,443	-	-	-
Total	4,443	-	-	-
Auckland 24 Hour Glass & Property Services				
Repairs & Maintenance	612	-	-	-
Total	612	-	-	-
Railside Food Limited				
Catering Expenditure	670	-	-	-
Total	670	-	-	-
Total related party transactions	5,725	-	-	-

AAA Alarms and Monitoring Services Limited is a related party of the Club as it is the business owned by Warwick Donaldson, who is on the Committee of the Club

Auckland 24 Hour Glass & Property Services is a related party of the Club as it is the family business of Chris Ryan, who is on the Committee of the Club

Railside Food Limited is a related party of the Club as it is the business owned by Leeann Martin, who is on the Committee of the Club

Notes to the Financial Statements

For the Year ended 31 July 2021

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 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:

	2021	2020
Total Remuneration	45,044	56,234
Number of persons (part time)	1	1

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

During the reporting period, total remuneration and compensation of \$nil (2020: \$nil) was provided by the Club to employees who are close family members of key management personnel.

22. Commitments

The following minimum lease payments were recognised as an expense during the year ended 31 July 2021. 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.

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:

	2021	2020
Operating lease expense		
Fuji Xerox	1,487	4,560
Total Operating lease expense	1,487	4,560

	< 1 Year	1 - 5 Years	> 5 Years	Total
2021 Operating lease commitments				

Fuji Xerox	-	-	-	-
	Term (months)	Months expired	Months left	Monthly payment

2021 Operating lease commitments				
Fuji Xerox	24	24	-	380
	< 1 Year	1 - 5 Years	> 5 Years	Total

2020 Operating lease commitments				
Fuji Xerox	1,487	-	-	1,487

Notes to the Financial Statements

For the Year ended 31 July 2021

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:

	2021	2020
Financial assets		
Cash and cash equivalents	2,008,282	307,879
Current investments	300,750	-
Non-current investments	1,900,000	-
Receivables from exchange transactions	50,034	49,923
Total	4,259,066	357,802
At amortised cost		
Trade and other creditors	75,939	126,876
Total	75,939	126,876
Total financial assets	4,183,127	230,926

24. Capital Commitments

There are no capital commitments as at balance date. (2020: \$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 sought only declaratory relief and made no financial claim against the Club. The Club succeeded in the High Court and costs were awarded to the Club. Mr Middeldorp appealed to the Court of Appeal. His appeal was heard in November 2019 and his appeal was allowed, but only to grant a partial declaration on one of the many claims made. The High Court then upheld the costs award in favour of the Club with a minor reduction. Mr Middeldorp appealed that cost award. His appeal was dismissed with further costs payable to the Club. As at the balance date, Mr Middeldorp had applied for leave to appeal the costs award to the Supreme Court, and this application had not been determined. However, the potential exposure for the Club was immaterial if his appeal were to be successful. Subsequent to the balance date, the Supreme Court dismissed Mr Middeldorp's application and awarded further costs to the Club. Mr Middeldorp has no further avenues for appeal.

There are no other contingent assets or liabilities at balance date. (2020: 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.

Notes to the Financial Statements

For the Year ended 31 July 2021

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, August 2020 to September 2020 and February 2021 to March 2021.

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 statements. 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. 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.

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.

Notes to the Financial Statements

For the Year ended 31 July 2021

- 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 (27 October 2021).

As at 30 September 2021, the Club has cash at bank of \$1,958,289.87 which provide sufficient operating cashflows for the Club's immediate requirements.

These financial statements have been prepared based upon conditions existing as at 31 July 2021 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 2021 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.

29. Events Subsequent to Balance Date

Subsequent to the balance date, the Supreme Court dismissed Mr Middeldorp's application and awarded further costs to the Club. Mr Middeldorp has no further avenues for appeal.

Subsequent to balance date, Auckland entered an alert 4 lockdown on 17 August 2021 and has remained in an alert level 4 or alert level 3 lockdown since. These alert levels result in reduced revenue as several of the clubs tenants can not operate until alert level 1. The race meeting scheduled for 15 October was also relocated to the Waikato due to alert level 3.

On 29 September 2021, the Club entered into a conditional sale and purchase agreement for sale of lot 1 Wingate Street, Avondale.

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 2021

1993	Abbott, M	2011	Gibson, ML	2012	Macdonald, D	1971	Rogers, PD
2016	Amies, B	2014	Goodson, MC	2013	Manley, D	2019	Rolston, A
2019	Amlehn L	1988	Gore, MA	2010	Marshall, MA	1999	Ryan, CA
2019	Amlehn M	1993	Gough, E	2011	Marshall, M	2019	Salvidge, L
2017	Armstrong, DW	2001	Green, T	2013	Marshall, P	2012	Sauerbier, L
2013	Baker, C	2018	Hall, B	2015	Martin, LM	2015	Saunders, RL
1969	Baker, R	1991	Harkness, JJ	2018	Mason, D	2019	Schamroth, M
1987	Ball, CA	1981	Harrison, SM	1978	McElroy, RC	2019	Seller, W
2019	Barry, K	1996	Hart, BJ	1998	McClafferty, VP	2013	Sewell, P
1984	Bates, G	2001	Hartley, RM	2019	McFlinn, J	2012	Sheahan, TP
1980	Beesley, M	2012	Hassall, B	2011	McGee, DJ	2002	Simiona, S
1987	Bell, JA	1977	Haydon, JD	2020	McGill C	2018	Simons, L
2011	Berkahn, T	2013	Heaven, B	2020	McGill R	1988	Simmons, TA
1982	Bilish, AG	2013	Heeni, A	2013	McLellan, A	2000	Sisson, IR
2018	Boyack, M	2012	Henare, S	2014	McLeod, J	2014	Skinner, A
1987	Boyle, AM	1976	Henson, ET	1991	McLeod, JM	1987	Skinner, JA
1985	Boyle, JD	2013	Hetherington, JC	2000	McLeod, G	2000	Skinner, TJ
2016	Buckingham, C	2016	Higgins, DJ	2010	Merkulov, G	1972	Starkie, IL
1983	Butler, RT	2020	Hodge P	1982	Middeldorp, V	2018	Storck, LC
2013	Carmody, M	2020	Holmes N	2013	Moffitt, G	2017	Stevenson, P.I
2019	Carter, J	1990	Howie, DB	2010	Moller, RW	2003	Strand, WG
2019	Carter, M	1977	Hoy, T	2014	Morgan, J	2011	Talbot, K
2017	Carter, NJ	2016	Hughes, C	2014	Morgan, M	2013	Theobald, S
2017	Carter, VM	1977	Hughes, SA	2000	Morgan, CL	2012	Thompson, BR
1959	Christian, J	2017	Hunter, PJ	2011	Murray, CS	2011	Thompson, SG
2006	Clark, J	2014	Ingley OSM, KM	2016	Murray, ZL	2011	Thomsen, M
2001	Clark, J	2002	Jackson, BR	2013	Nagaiya, S	1984	Thomson, B
2000	Cleland, BR	2009	Jamieson JT	2012	Nakhle, D	2018	Thornton, C
2002	Clydesdale, JM	2016	Jamieson, VL	2012	Nakhle, E	2012	Tullett, GJ
2011	Cole, S	2018	Jeffcoat, B	2016	NG, H	2012	Tullett, EA
2013	Coll, JG	2011	Jenkins, GC	2012	Niethe, M	2018	Vickers, M
1987	Coltman, JR	2006	Jillings, CM	1984	Nobilo, LJF	1999	Volz, HL
2017	Coon, D	1974	Johnson, TSL	1972	Norman, MA	1999	Volz, J
2014	Conning, R	2010	Johnson, P	2013	Oxenham, RD	2019	Wadham, B
2011	Cook, C	2010	Johnson, M	2019	Pamatatau, B	2001	Waddell, D
2003	Cozens, WR	2016	Johnson, D	1975	Panther, A	2002	Wakefield, GR
2018	Craig, J	2016	Johnson, K	2009	Patterson, JF	2010	Wakefield, MB
1993	Curtin, EV	1966	Johnstone, DJ	2017	Pearce, CJ	2009	Wakefield, CR
2017	Davis, AK	1990	Jones, GJ	1996	Penney, SJ	1987	Walker, KR
2014	Davis, GR	2008	Jones, PL	2014	Perron, D	1996	Walton, HM
2009	Dawkins, R	2010	Jones, IC	2011	Peters, JM	2013	Weafer, NF
1988	Dawson, MK	1970	Joyce, JP	2020	Pirtle LJ	2012	Wedding, C
2007	Delaney, R	2017	Kearney, RA	2021	Pointon A	2013	West, D
2013	Di Mattina, T	1995	Kemp, RO	2005	Pollock, AW	2013	West, GA
2010	Dimes, JM	2001	Kerrisk, PT	2013	Porter, R	1970	Weston, AI
1966	Doherty, EF	1978	Kiely, PT	2021	Prasad A	2013	Whitfield, RA
2018	Donaldson, W	2010	King, G	2011	Preston, PE	2014	Williams, D
2020	Draper JD	2019	Knight, RJ	1981	Pye, DN	2013	Wilson, J
2015	Erkkila, GF	2019	Labady, S	2017	Quinn, T	2012	Winters, LA
2015	Evans, MV	2011	Larsen, NP	2019	Raymond, W	2005	Wolsey, SM
1979	Faulkner, CH	2013	Lawrence, RL	2012	Reid, JS	1965	Yee, RC
2014	Feek, M	2012	Lawrey, AI	2020	Reid PA	1965	Yee, VS
1978	Fell, LW	1976	Lees, DN	2019	Reynolds, G		
2009	Fitzsimmons, KB	2019	Leitch, W	1985	Robinson, M		
2020	Fu A	1980	Lewis, JE	2013	Robinson, K		

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