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Broome Turf Club Incorporated

ABN 11 670 116 476

FINANCIAL REPORT

For the year ended 31 August 2017

Prepared by
Male & Co Pty Ltd
PO Box 21
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Liability limited by
a scheme approved
under Professional
Standards Legislation.



Male & Co.
Accounting Services
is a CPA Practice.

Broome Turf Club Incorporated

ABN 11 670 116 476

FINANCIAL REPORT

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Broome Turf Club Incorporated

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INCOME STATEMENT

For the year ended 31 August 2017

	Note	2017 \$	2016 \$
Sales revenue	2	860,200	1,323,875
Cost of sales	3	(463,365)	(629,536)
Gross surplus		396,835	694,339
Other revenues from ordinary activities	4	2,994,838	3,803,554
Utilities & maintenance expenses	5	(408,529)	(552,797)
Administrative expenses	6	(144,198)	(189,886)
RWWA expenses	7	(1,376,344)	(1,988,236)
Race day expenses	8	(668,819)	(895,894)
Motor vehicle expenses	9	(18,582)	(21,845)
Other operating expenses	10	(17,079)	(18,454)
Personnel expenses	11	(601,834)	(685,481)
Depreciation expenses	12	(190,519)	(176,145)
Other income	13	508	4,704
Other expenses	14	(2,666)	
SURPLUS / (DEFICIT) FROM ORDINARY ACTIVITIES		(36,390)	(26,142)
Less: Depreciation		190,519	176,145
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES EXCL DEPRECIATION		154,129	150,003
Retained surplus at the beginning of the financial year		2,484,748	2,510,890
TOTAL AVAILABLE FOR APPROPRIATION		2,448,358	2,484,748

The accompanying notes form part of these financial statements.
These statements should be read in conjunction with the attached compilation report.

Broome Turf Club Incorporated

ABN 11 670 116 476

BALANCE SHEET

As at 31 August 2017

	Note	2017 \$	2016 \$
CURRENT ASSETS			
Receivables	15	265,009	427,349
Cash assets	16	671,288	397,549
Other assets	17	7,471	2,280
TOTAL CURRENT ASSETS		943,768	827,177
NON-CURRENT ASSETS			
Property, plant and equipment	18	2,659,215	2,585,714
TOTAL NON-CURRENT ASSETS		2,659,215	2,585,714
TOTAL ASSETS		3,602,983	3,412,891
CURRENT LIABILITIES			
Payables	19	756,086	683,577
Interest bearing liabilities	20	66,889	-
Provisions	21	15,903	7,519
Personnel-related items	22	51,144	87,958
Tax liabilities	23	(54,217)	(114,317)
TOTAL CURRENT LIABILITIES		835,804	664,737
NON-CURRENT LIABILITIES			
Interest bearing liabilities	20	55,414	-
TOTAL NON-CURRENT LIABILITIES		55,414	-
TOTAL LIABILITIES		891,218	664,737
NET ASSETS		2,711,765	2,748,155
EQUITY			
Reserves	24	263,407	263,407
Accumulated surplus		2,448,358	2,484,748
TOTAL EQUITY		2,711,765	2,748,155

The accompanying notes form part of these financial statements.
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Broome Turf Club Incorporated
ABN 11 670 116 476
STATEMENT OF CHANGES IN EQUITY
As at 31 August 2017

	2017	2016
	\$	\$
Total equity at the beginning of the financial year	2,748,155	2,774,297
Surplus attributable to members	(36,390)	(26,142)
Total equity at the end of the financial year	2,711,765	2,748,155

These statements should be read in conjunction with the attached compilation report.

Broome Turf Club Incorporated
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

	2017	2016
	\$	\$
NOTE 4: OTHER REVENUE		
Annual member subscriptions	99,779	127,584
Bookmaker fees	1,909	3,009
Calcutta proceeds	14,375	21,878
Catering & equipment rental income	10,227	9,955
Day member subscriptions	101,595	214,411
Flights recouped	83,504	19,240
Function income	74,591	79,608
GST Rebate income	113,442	171,956
Gaming income	9,027	17,963
Gate admissions	129,383	122,796
Grants & subsidies	26,770	48,219
Insurance recoup	19,059	-
Kiosk sales	19,283	20,740
RWWA abandoned meeting & scratchings	-	11,625
RWWA distribution & funding	532,904	-
RWWA meeting stakes	911,240	1,205,357
RWWA meeting venue fee	-	194,200
RWWA nominations & acceptances	-	8,500
RWWA sky international rights	-	54,702
RWWA starter produced subsidy	-	47,392
RWWA sundry income	-	50,117
RWWA tote on course income	257,055	372,548
RWWA vision subsidy	-	12,000
RWWA westspeed & ride fees	-	173,897
RWWA workers compensation	-	87,645
Racebook sales	19,977	33,282
Sponsorship	570,717	696,953
	2,994,838	3,803,554
NOTE 5: BUILDING & MAINTENANCE EXPENSES		
Assets \$1,000 & under	25,933	6,329
Electricity	35,447	35,715
Freight	1,694	11,567
Insurance	33,096	35,499
Rent	2,000	2,000
Repairs & maintenance - buildings	20,100	63,400
Repairs & maintenance - grounds	50,524	56,747
Repairs & maintenance - office	5,766	1,130
Repairs & maintenance - stables	27,992	21,549
Repairs & maintenance - track	97,652	195,228
Waste disposal - general	15,754	61,461

These notes should be read in conjunction with the attached compilation report.

Broome Turf Club Incorporated
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

	2017	2016
	\$	\$
Waste disposal - stables	34,152	15,621
Water	58,419	46,552
	408,529	552,797
 NOTE 6: ADMINISTRATIVE EXPENSES		
Accounting fees	23,810	2,147
Advertising	33,693	37,926
Audit Fees	14,200	6,000
Bank charges	4,241	6,475
Bookkeeping fees	32,860	64,758
Legal fees	13,229	31,585
Office post, stationery & MYOB	7,108	17,299
Telephone & website	15,059	23,696
	144,198	189,886
 NOTE 7: RWWA EXPENSES		
RWWA & Other tote on course expenses	56,487	61,641
RWWA distribution and funding	218,117	-
RWWA meeting stakes paid	1,101,740	1,584,525
RWWA officials race meeting	-	7,409
RWWA other expenses	-	51,895
RWWA public liability	-	10,470
RWWA westspeed & ride fees	-	173,897
RWWA workers compensation	-	87,645
Unplaced subsidy payments	-	10,756
	1,376,344	1,988,236
 NOTE 8: RACE DAY EXPENSES		
Ambulance & emergency services	13,194	16,357
Cup day function	20,047	46,690
Food & bev for officials, trainers & jockeys	5,967	23,777
Members expenses	22,249	8,830
Merchandise purchases	12,727	17,002
Race day bus hire	30,000	43,167
Race day cleaning	10,922	34,127
Race day competitions	-	1,182
Race day electrician & audio-visual techs	30,978	42,727
Race day entertainment	29,845	72,652
Race day equipment hire	31,949	38,148
Race day flights & accomodation	159,728	191,205
Race day gaming expenses	-	3,150
Race day general expenses	-	12,191

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Broome Turf Club Incorporated
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

	2017	2016
	\$	\$
Race day photographer	3,450	6,550
Race day printing	41,528	59,576
Race day security	135,401	146,518
Raceday Vision	61,330	48,001
Sponsorship expenses	42,515	57,078
Trophies & awards	6,736	13,629
Veterinarian costs	10,252	13,337
	<u>668,819</u>	<u>895,894</u>
 NOTE 9: MOTOR VEHICLE EXPENSES		
Vehicle & equipment fuel	5,767	10,230
Vehicle & equipment registration & insurance	4,357	11,815
Vehicle & equipment repairs & maintenance	8,458	-
	<u>18,582</u>	<u>21,845</u>
 NOTE 10: OTHER OPERATING EXPENSES		
Licenses, permits & memberships	17,079	15,595
Sundry expenses	-	2,859
	<u>17,079</u>	<u>18,454</u>
 NOTE 11: PERSONNEL EXPENSES		
Accrued annual leave	8,384	7,519
Committee allowances	18,196	20,975
Gate & parking attendants	7,771	9,153
Labour hire	-	44,089
OH&S	-	8,522
Staff accomodation	15,678	10,006
Staff amenities	3,177	-
Superannuation contributions	45,420	89,959
Tote, Kiosk & other contractors	32,916	55,848
Wages - administration	121,037	141,303
Wages - barrier attendants	-	41,768
Wages - clean up	-	85,453
Wages - kiosk	-	11,818
Wages - operations & maintenance	182,024	45,687
Wages - professionals	-	7,970
Wages - race day casuals	118,517	43,044
Wages - totalisator	42,297	60,780
Workers compensation insurance	6,417	1,787
	<u>601,834</u>	<u>685,481</u>

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Broome Turf Club Incorporated
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

	2017	2016
	\$	\$
NOTE 12: DEPRECIATION EXPENSES		
Depreciation - buildings	132,148	131,128
Depreciation - vehicles	4,489	3,825
Depreciation - plant & equipment	53,881	41,192
	190,519	176,145
NOTE 13: OTHER INCOME		
Interest received	508	4,704
NOTE 14: OTHER EXPENSES		
Interest	2,666	-
NOTE 15: RECEIVABLES		
Sundry debtors	23,568	171,956
Trade debtors	241,440	255,393
	265,009	427,349
NOTE 16: CASH ASSETS		
Cash on hand	-	14,779
Petty cash	-	500
Westpac business account 275253	670,377	376,488
Westpac reserve account 275261	911	5,782
	671,288	397,549
NOTE 17: OTHER ASSETS		
Borrowing Costs	346	-
Prepayments	4,928	-
Deposit paid	2,198	2,280
	7,471	2,280
NOTE 18: PROPERTY, PLANT AND EQUIPMENT		
Building & improvements at valuation	315,300	315,300
Buildings & improvements additions	3,007,694	3,001,907
Less accumulated depreciation	(1,310,420)	(1,178,272)
Motor vehicles at cost	80,768	73,045
Less accumulated depreciation	(50,342)	(45,853)
Plant and equipment at cost	1,065,844	815,334
Less accumulated depreciation	(449,628)	(395,747)
	2,659,215	2,585,714
NOTE 19: PAYABLES		
Trade creditors	448,057	491,010

These notes should be read in conjunction with the attached compilation report.

Broome Turf Club Incorporated
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2017

	2017	2016
	\$	\$
Sundry creditors	2,000	-
RWWA liability	210,460	230,757
Electronic clearing acct	-	9,958
Accrued expenses	95,568	(48,147)
	<u>756,086</u>	<u>683,577</u>
NOTE 20: INTEREST BEARING LIABILITIES		
Vendor Loan - Showscreen (CL)	36,667	-
Vendor Loan - New Holland Tractor (CL)	24,500	-
Claas Finance KG3000 (CL)	6,548	-
Less unexpired interest (CL)	(826)	-
Claas Finance KG3000 (NCL)	19,644	-
Less unexpired interest (NCL)	(897)	-
Vendor Loan - Showscreen (NCL)	36,667	-
	<u>122,303</u>	-
NOTE 21: PROVISIONS		
Provision for holiday pay	15,903	7,519
NOTE 22: PERSONNEL-RELATED ITEMS		
PAYG withholding payable	23,069	55,182
Superannuation payable	28,075	32,776
	<u>51,144</u>	<u>87,958</u>
NOTE 23: ATO LIABILITIES		
GST liability	(54,217)	(114,317)
NOTE 24: RESERVES		
Asset revaluation reserve	263,407	263,407

These notes should be read in conjunction with the attached compilation report.

Broome Turf Club Incorporated
ABN 11 670 116 476

STATEMENT BY THE COMMITTEE


The Committee have determined that Broome Turf Club Incorporated is not a reporting entity. The Committee have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Committee of Broome Turf Club Incorporated declare that:

1. the financial statements and notes attached present fairly the Broome Turf Club Incorporated financial position as at 31/08/2017 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the Committees' opinion there are reasonable grounds to believe that Broome Turf Club Incorporated will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Committee and is signed on their behalf by:

Michael Chapman:



Michael Winde:



Dated : 03/11/2017



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MEMBERS OF BROOME TURF CLUB INC.

Qualified Opinion

We have audited the financial report of Broome Turf Club Inc. (the Club), which comprises the statement of financial position as at 31 August 2017, the statement of profit or loss and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the declaration by those charged with governance.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report gives a true and fair view of the financial position of Broome Turf Club Inc. as at 31 August 2017, and of its financial performance for the year then ended in accordance with the *Associations Incorporation Act (Western Australia) 2015* and the accounting policies described in Note 1 to the financial statements.

Basis for Qualified Opinion

Comparatives - Opening balances as at 1 September 2016 (and prior year balances as at 31 August 2016)

As the incoming auditor we have been unable to obtain sufficient evidence regarding the comparatives, and the current audit report is qualified on the basis of this scope limitation.

Property, plant and equipment as at 31 August 2017

There was insufficient evidence to support whether the assets listed on the Broome Turf Club Inc. fixed asset register as at 31 August 2017 of \$2,659,215 existed, were valued correctly and was in working order. This qualification extends to the associated depreciation expense for the year ended 31 August 2017 of \$190,518.

Cash receipts – race day takings

As is common for organisations of this type, it is not practicable for the Club to maintain an effective system of internal control over cash receipts, specifically the race day takings. Accordingly, our audit in relation to income was limited to amounts recorded in the financial records.

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

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

Emphasis of Matter – Going Concern

We draw attention to Note 1(b) to the financial statements which outlines that the Broome Turf Club Inc. Committee has resolved after reviewing the financial result for the previous year, and the cash flow budget for the ensuing year and considering the increased cash flow opportunities through stricter money handling controls and reduction in variable outgoings, that Broome Turf Club will be able to pay its debts as and when they fall due, and will continue in operation for the foreseeable future.

Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Broome Turf Club Inc. to meet the requirements of the *Associations Incorporation Act (Western Australia) 2015*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act (Western Australia) 2015* and for such internal control as management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management are responsible for assessing the Broome Turf Club Inc. ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the Broome Turf Club Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Broome Turf Club Inc. financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

AMD Chartered Accountants



TIM PARTRIDGE
Director

28-30 Wellington Street, Bunbury, Western Australia

Dated this 3rd day of November 2017