



# Latrobe Business Solutions

Accountants & Advisors

ABN 62 092 599 767

## Independent Auditor's Report

To the members of the Victorian Harness Racing Sports Club Inc

### ***Report on the financial report***

We have audited the accompanying financial report, being a special purpose financial report, of Victorian Harness Racing Sports Club Inc, which comprises the Profit & Loss Statement, Cashflow, Balance Sheet and Changes in Equity for the year ended 30 June 2019.

### ***The responsibility of the Committee of Management for the financial report***

The Committee of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies and the financial report are appropriate to meet the financial reporting requirements of the Victorian Harness Racing Sports Club Inc and are appropriate to meet the needs of the members. The Committee's responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used are appropriate to meet the needs of the members. We conducted our audit in accordance with the Australian auditing standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution by the Committee for the purpose of fulfilling the financial reporting responsibilities. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

### ***Auditor's opinion***

In our opinion, the special purpose financial statements presents fairly, in all material respects, the financial position of the Victorian Harness Racing Sports Club Inc as of 30 June 2019 and of its financial performance for the year then ended.

Mr. Ron Gowland FCPA  
Director

Dated this 14<sup>th</sup> day of October 2019



## Victorian Harness Racing Club Inc.

### Profit & Loss Year ended 30th June 2019

	This Year	% of Sales	Last Year	LY % of Sales
<b>Income</b>				
Bonus Races	\$25,000.00	16.1%	\$23,454.55	15.8%
Interest	\$54,550.97	32.3%	\$46,112.67	31.2%
Member Subscription	\$79,970.00	51.5%	\$78,370.00	53.0%
Food Sales	\$0.00	0.0%	\$66.09	0.0%
<b>Total Income</b>	<b>\$159,520.97</b>	<b>100.0%</b>	<b>\$148,003.31</b>	<b>100.0%</b>
<b>Expenses</b>				
Advertising	\$1,364.10	0.9%	\$7,394.60	5.0%
Audit Fees	\$2,200.00	1.4%	\$250.00	0.2%
Bank Charges	\$80.33	0.1%	\$445.63	0.3%
Bonus Races	\$101,000.00	65.1%	\$69,500.00	47.0%
Bookkeeping	\$8,460.78	5.5%	\$6,100.00	4.1%
Depreciation Expense	\$952.00	0.0%	\$427.73	0.3%
Entertainment	\$908.80	0.6%	\$1,034.50	0.7%
Freight	\$85.00	0.1%	\$0.00	0.0%
Insurance-General	\$0.00	0.0%	\$90.09	0.1%
Interest Paid	\$0.09	0.0%	\$18.32	0.0%
Legal Fees	\$920.00	0.6%	\$1,790.00	1.2%
Licence & Fees	\$57.80	0.0%	\$405.30	0.3%
Marketing & Promotions	\$3,959.08	2.6%	\$7,379.54	5.0%
Management & Services-HRV	\$60,151.83	38.8%	\$55,000.04	37.2%
Membership Fee-HRV	\$3,620.00	2.3%	\$3,495.00	2.4%
Merchandise Expenses	\$3,770.00	2.4%	\$0.00	0.0%
Other Marketing Functions & Ev.	\$8,573.27	5.5%	\$15,140.87	10.2%
Other Expenses	\$0.00	0.0%	\$1,637.37	1.1%
Postage	\$2,750.02	1.8%	\$3,177.95	2.1%
Printing	\$7,406.18	4.8%	\$9,912.27	6.7%
Prizes/Giveaways/Complimentary	\$4,881.77	3.1%	\$659.09	0.4%
R & M Main Building	\$0.00	0.0%	\$523.30	0.4%
Software Maintenance & Support	\$236.88	0.2%	(\$642.08)	(0.4%)
Sponsorship Expenses	\$41,272.73	26.6%	\$28,434.55	19.2%
Stationery	\$1,081.05	0.7%	\$373.15	0.3%
Telephone-Landline	\$0.00	0.0%	\$428.81	0.3%
Trophies & Rugs	\$475.00	0.3%	\$300.00	0.2%
VRIF-Club Contribution	\$0.00	0.0%	\$12,100.00	8.2%
Website Subscription & Hosting	\$2,400.00	1.5%	\$0.00	0.0%
Employment Expenses	\$0.00	0.0%	\$0.00	0.0%
Workcover	\$0.00	0.0%	(\$5,832.79)	(3.9%)
Total Employment Expenses	\$0.00	0.0%	(\$5,832.79)	(3.9%)
Payroll Tax	\$0.00	0.0%	(\$3,793.82)	(2.6%)
<b>Total Expenses</b>	<b>\$256,606.71</b>	<b>164.8%</b>	<b>\$215,749.42</b>	<b>145.8%</b>
<b>Operating Profit</b>	<b>(\$97,085.74)</b>	<b>-64.8%</b>	<b>(\$67,746.11)</b>	<b>(45.8%)</b>
Other Income	\$0.00	0.0%	\$0.00	0.0%
Rebates- Referral Fee La Trobe	\$490.20	0.3%	\$0.00	0.0%
Extraordinary Items	\$0.00	0.0%	\$0.00	0.0%
Refund of JT Outgoings	\$24,544.17	15.8%	\$63,636.36	43.0%
Total Extraordinary Items	\$24,544.17	15.8%	\$63,636.36	43.0%
<b>Total Other Income</b>	<b>\$25,034.37</b>	<b>16.1%</b>	<b>\$63,636.36</b>	<b>43.0%</b>
Extraordinary Items				
VCGLR Regulation Fee-Gaming	\$0.00	0.0%	\$14,488.55	9.8%
Strategic Plan Development Fee	\$82,837.36	53.4%	\$0.00	0.0%
<b>Total Extraordinary Items</b>	<b>\$82,837.36</b>	<b>53.4%</b>	<b>\$14,488.55</b>	<b>9.8%</b>
<b>Total Other Expenses</b>	<b>\$82,837.36</b>	<b>53.4%</b>	<b>\$14,488.55</b>	<b>9.8%</b>
<b>Net Profit/(Loss)</b>	<b>(\$154,888.73)</b>	<b>-102.1%</b>	<b>(\$18,598.30)</b>	<b>(12.6%)</b>



## Victorian Harness Racing Club Inc.

### Balance Sheet as at June 30 2019

	This Year	Last Year	\$ Difference
<b>Assets</b>			
<b>Current Assets</b>			
Bendigo Trading Acc 161246988	\$ 112,673.29	\$ 25,691.92	\$ 86,981.37
Bank of Queensland Hub Account	\$ 142.80	\$ -	\$ 142.80
AMP Business Saver Account	\$ 90,000.00	\$ -	\$ 90,000.00
<b>Total Current Assets</b>	\$ 202,816.09	\$ 25,691.92	\$ 177,124.17
<b>Term Deposits</b>			\$ -
Bendigo Term Deposit 161451711	\$ -	\$ 1,005,671.23	-\$ 1,005,671.23
Bendigo Term Deposit 161451745	\$ -	\$ 939,240.74	-\$ 939,240.74
Latrobe Financial Term Deposit	\$ 863,813.39	\$ -	\$ -
<b>BOQ Money Market Term Deposits</b>	\$ -	\$ -	\$ 863,813.39
AMP-Term Deposit	\$ 250,000.00	\$ -	\$ 863,813.39
MyState-Term Deposit	\$ 250,000.00	\$ -	\$ -
Members Equity Bank -Term Depo	\$ 250,000.00	\$ -	\$ 250,000.00
<b>Total BOQ Money Market Term Deposits</b>	\$ 750,000.00	\$ -	\$ 250,000.00
Petty Cash	\$ 274.60	\$ 82.00	\$ 250,000.00
<b>Total Term Deposits</b>	\$ 1,614,087.99	\$ 1,944,993.97	\$ 750,000.00
Accrued Interest	\$ 4,386.15	\$ 10,196.66	\$ 192.60
Trade Debtors	\$ 9,636.00	\$ 5,681.00	-\$ 330,905.98
<b>Non Current Assets</b>	\$ -	\$ -	-\$ 10,196.66
Furniture & Fittings	\$ 55,501.73	\$ 55,501.73	\$ 3,955.00
Acc Depreciation - F & F	-\$ 53,338.73	-\$ 52,386.73	\$ -
<b>Total Non Current Assets</b>	\$ 2,163.00	\$ 3,115.00	\$ -
<b>Total Assets</b>	\$ 1,833,089.23	\$ 1,989,678.55	\$ -
<b>Current Liabilities</b>			\$ -
Trade Creditors	\$ 19,201.81	\$ 15,652.50	\$ 3,549.31
Bendigo Credit Card 700166 283	\$ 179.05	\$ 27.07	\$ 151.98
<b>GST Liabilities</b>	\$ -	\$ -	\$ -
GST Collected/output tax	\$ 1,416.71	\$ 1,283.28	\$ 133.43
GST Paid/input tax credits	-\$ 1,953.25	-\$ 3,290.94	\$ 1,337.69
<b>Total GST Liabilities</b>	-\$ 536.54	-\$ 2,007.66	\$ 1,471.12
Unclaimed Monies	\$ -	\$ 6,873.00	-\$ 6,873.00
<b>Total Current Liabilities</b>	\$ 18,844.32	\$ 20,544.91	-\$ 1,700.59
<b>Net Assets</b>	\$ 1,814,244.91	\$ 1,969,133.64	-\$ 158,322.88
<b>Equity</b>			
Contributed Capital	\$ 396,414.00	\$ 396,414.00	\$ -
Retained Earnings	\$ 1,572,719.64	\$ 1,591,317.94	-\$ 18,598.30
Current Year Surplus/Deficit	-\$ 154,888.73	-\$ 18,598.30	-\$ 139,724.58
<b>Total Equity</b>	\$ 1,814,244.91	\$ 1,969,133.64	-\$ 158,322.88





Victorian Harness Racing Club Inc.

## Statement of Cash Flow

July 2018 To June 2019

	Account Name		
Cash Flow from Operating Activities			
Net Income		(\$154,888.73)	
	Accrued Interest	\$5,810.51	
	Trade Debtors	(\$3,955.00)	
	Acc Depreciation F&F	\$952.00	
	Trade Creditors	\$3,549.31	
	Bendigo Credit Card 700166 283	\$151.98	
	GST Collected/output tax	\$133.43	
	GST Paid/input tax credits	\$1,337.69	
	Unclaimed Monies	(\$6,873.00)	
Net Cash Flow from Operating Activities			(\$153,781.81)
Cash Flow from Investing Activities			
Net Cash Flow from Investing Activities			\$0.00
Cash Flow from Financing Activities			
Net Cash Flow from Financing Activities			\$0.00
Net Increase/Decrease for the period			(\$153,781.81)
Cash at the Beginning of the period			\$1,970,685.89
Cash at the End of the period			\$1,816,904.08



## Victorian Harness Racing Club Inc.

### Change in Equity 2019

	<b>Contributed capital</b>	<b>Retained Earnings</b>	<b>Opening Balance</b>
Equity Balance July 1 2018	\$ 396,414.00	\$ 1,572,719.64	\$ 1,969,133.64
Earnings 2018/19		(\$154,888.73)	(\$154,888.73)
Closing Balance	\$ 396,414.00	\$ 1,417,830.91	\$ 1,814,244.91



# Victorian Harness Racing Club Inc.

## Notes to the Financial Statements for the year ended 30th June 2019

The financial statements cover Victorian Harness Racing Club Inc.

### 1 Basis of preparation

The company is a non-reporting entity since there are unlikely to be any users who would rely on the general purpose financial statements.

These special purpose financial statements have been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and interpretations, and the disclosure requirements.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs.

### 2. Summary of significant Accounting Policies

#### (a) Cash and cash equivalents

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

#### (b) Property, Plant and Equipment

All plant and equipment is valued at cost

#### (c) Depreciation

The asset classes have been standardised from previous years. The impact on the previous classification for the year is \$449.

The depreciation calculation used is the reducing balance method.

The rates used are as follows:

Electronic equipment	40%
Office furniture and equipment	20%
Office Fixtures	10%

#### (d) Trade Debtors

Trade debtors are recorded at the face value and are all current and expected to be paid. No allowance has been made for doubtful debts.

#### (e) Revenue

Revenue is recognized when received or when it had been invoiced and not yet received. Interest for term deposits has been calculated to June 30th 2019.

#### (f) Trade Creditors

Trade creditors represent the liabilities at the end of the accounting period for goods and services received that remain unpaid.

#### (g) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST.

Cash flows are presented on a gross basis and any GST component is classified as part of the cash flow statement.

