

A young woman with long dark hair is smiling broadly. She is wearing a large, elaborate hat with purple and white feathers and a necklace with white ruffles and dark beads. She is holding a bouquet of pink flowers wrapped in orange paper. The background shows a crowd of people under blue umbrellas at a race track.

Yarra vally Racing
Annual Report
2009-2010

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Notice of Annual General meeting

The Seventh Annual General Meeting of Yarra Valley Racing Inc will be held in the Yarraview Room, First Floor of the Grandstand, Yarra Glen Racecourse, on Wednesday 24th November 2010 at 7.00pm.

AGENDA

1. Apologies
2. Approve the minutes of the Annual General Meeting held on 25 November 2010.
3. To receive the Board Reports upon the transactions of the Club for the 2009-10 Financial Year.
4. To elect one Thoroughbred Racing member to the Board of the Club. The retiring Thoroughbred Racing member is Mr Reg Hodgson. Mr Reg Hodgson is the only candidate for the position and is re-elected for a term of three years.
5. To elect one Harness Racing Member to the Board of the Club. The retiring Harness Racing member is Mr Roly Wilson. Mr Roly Wilson is the only candidate for the position and is re-elected for a term of three years.
6. Appoint an Auditor for 2010-11 season.
7. Notice of Member Business – Nil.
8. General Business

By order of the Board

1st October 2010

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Chairman's Report

Season 2009/10 in review

It is my pleasure and privilege to present my fourth report to you as chairman of Yarra Valley Racing Inc.

Once again the club has enjoyed a very good season with healthy attendances at all our meetings. The highlight was a crowd of about 12,000 at our Melbourne Cup Day meeting.

The club was not eligible to win Thoroughbred Country Race Club of the Year but the Harness Section did us proud when we received awards for Best On-Course Promotion, Best Presented Venue and Brett Shambrook won secretary of the Year. Graham Wood my predecessor as Chairman was recognised with an award for his service to harness racing.

These awards are a great achievement for the club and I thank and congratulate all our staff, Board Members, Members, Sponsors and supporters of the club.

We have completed a number of projects during the season including:-

- New perimeter fencing
- Modifications to the long bar including the installation of new asphalt pathways and lawn areas adjacent to the bar areas.
- Installation of a permanent children's playground.
- Replacement of air conditioning to the Members Lounge above the mounting yard.
- Installation of drainage along the north boundary which was carried out by Yarra Ranges Council.
- Upgrading of the sand training track.

At our thoroughbred cup day meeting the Deputy Premier and Minister for Racing Rob Hulls announced a grant of \$2m to the club to implement Stage 1 of the Regional Racecourse Revitalisation Project which will improve the utilization and sustainability of the racecourse precinct by creating better linkages with the local community. This will be achieved through the development of multi-use facilities to benefit not only the racing industry, but also those who live within or visit the Yarra Valley Region. The redeveloped Yarra Valley Racecourse will become a precinct that provides facilities for use in emergency and crisis situations, as well as business, sporting and cultural events.

Projects that will start in the near future include construction of a storage shed at the north end of the complex, asphaltting and garden beds and development of the ground level of the grandstand.

The \$2m grant is funded by the State Government, Racing Victoria Limited, Yarra Ranges Council and Yarra Valley Racing Club. I thank them for their support and vote of confidence in the club.

Stage 2 of the Regional Racecourse Revitalisation Project is the development of a new four-star, equine themed hotel resort, restaurant and social club partnership with commercial investors. Expressions of interest were sought and negotiations were held with an interested party but did not reach a result that the club considered as being in the best interests of the club.

During the year the Board conducted an all day meeting to review the current strategic plan and develop a new 5 year strategic plan.

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Chairman's Report

Season 2009/10 in review

The plan titled ONE CLUB – ONE DIRECTION includes the following key targets:

- Improve Liquidity by a minimum of \$750,000 by 2015.
- Have 1000 members by 2015
- Develop a detailed Facilities Master Plan which includes a much needed course proper track reconstruction by 2015.
- Establish a unique Owners Lounge experience which offers first class country hospitality for our most important customers by 2011.
- Conduct a Dual Code Raceday by 2015.

Going forward Yarra Valley Racing will also continue to capitalise on its competitive advantage by not only assuring its customers a great day at the races but a genuine Yarra Valley experience that showcases all the wonderful things the region has to offer. This has proven to be the catalyst of the Clubs success over the past five years and will continue to be a high priority.

The Club will also continue its successful strategy of becoming more self sufficient. The Club will expand on the successful Food & Beverage Strategy, Equipment Strategy and Maintenance Strategy to improve long term profitability and reduce the reliance on outside contractors. The Club will identify new opportunities and enthusiastically implement the necessary actions.

The Club recognizes that a significant gap in our current operations is the quality of racing on offer at our meetings. In recognition of our primary function as a racing club the Club will develop strategies to not only improve the quality of racing on offer at Yarra Valley Racing Centre but develop innovative racing products which provide us with an exciting point of difference.

Yarra Valley Racing is excited about the growth opportunities available in the coming years and is confident that the Club can continue to develop as a community leader, showcasing a food, wine and racing experience which highlights the best that the region has to offer.

I would like to thank all our sponsors for their continued support in particular NMIT sponsors of Yarra Valley Cup and SEW Eurodrive sponsors of Yarra Valley Racing Cup.

We are fortunate to have an excellent group of full and part-time staff ably led by our Chief Executive Brett Shambrook and on behalf of the Club I thank them for their continued outstanding work.

I also thank my fellow Board members and sub-committee members for their time, service and commitment to this club.

Finally to our members, I thank you for supporting the club and hope you will continue to do so in what will be an exciting future for the club.

Barry Coulthard
Chairman

*Proud Harness Sub Committee
Members and CEO at the 2009
Gordon Rothacker Medal night
at Tabcorp Park*



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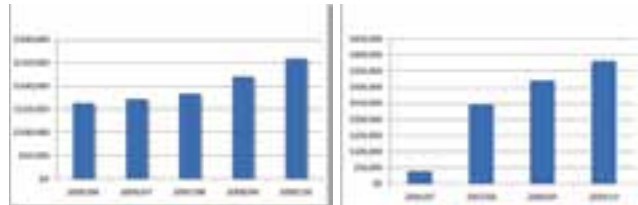
Treasurer's Report

Revenue, excluding industry funding and capital grants was \$2,545,376, just 1.5% lower than in 2008/2009. Profit from operations was \$17,507 however, with the depreciation of owned and industry funded assets added back, the cash generated in 2010 was \$ 235,298.

Major revenue sources were:

- Admission income increased 18% to \$260,106 largely a result of a strong Melbourne Cup Day attendance;
- Beverage sales also increased by 18% to \$381,546;
- Race day Package income decreased by 14.4% however, the margin on all package sales, excluding admission, increased from 32.76% to 35.6%. This is an excellent achievement given the financial environment during the past year and it reflects among other factors, the decision to purchase high use portable equipment; a 102% increase in Melbourne Cup day sales and a one-off Pipe-line function.
- Sundry income increased 80% to \$43,707 as a result of Yarra valley Racing Inc. Winning Country Club of the Year for a historic 3rd time in addition to winning the Event of the Year for the Christmas meeting in December 2008.

The objective of the Board and management is to continue the significant growth experienced by the Club over the past few years while maintaining a viable liquidity position by implementing effective cost management initiatives.



The club has completed a number of significant capital projects in the past four years with other major works to be completed as part of the Regional Racecourse Revitalisation Project. These works will require the Club to contribute \$250,000 in two years time; in addition to the \$100,000 already paid. While the Club's performance has been excellent, the contributions to the projects will require expenditures to be closely monitored, savings to be made wherever appropriate, and ongoing monitoring of the liquidity position.

The Board recently identified a Thoroughbred Course Proper reconstruction as a major goal by 2016 and, to be in a financial position to contribute to this project, the Club has set the goal of accumulating \$750,000 by 2015.

The Club is currently undertaking a major management restructure as part of the changes that will need to be made to ensure that this financial goal is achieved. The restructure will involve some staff redundancies, changes to roles and responsibilities and the way the organisation functions. It will all be done in such a way that will ensure the appropriate resources avail to achieve continued growth in our core business, and the maintenance of the Club's high standards in customer facilities as well as the racing and training surfaces.

Management's objective is to achieve a cash position in excess of \$200,000 by the end of the 2011 financial year providing a good platform to reach the goal of \$750,000 in improved liquidity by 2015.

It is also appropriate and warranted that I compliment the C.E.O and his staff for their diligent and professional control of the budgets. The financial well being of the Club and the ability to continue to finance its growth, is greatly dependent on the management of income and expenditure and in this regard, the Board and the members of the Club are extremely well served.

Reg Hodgson

Treasurer

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Financial Report

Income Statement for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue	2	2,870,759	3,981,793
Employee benefits expense		(927,399)	(801,338)
Finance Costs	3	(1,986)	(3,311)
Operating lease expense	3	(4,066)	(4,066)
Depreciation and amortisation expense	3	(217,791)	(194,144)
Other expenses	3a	(1,702,010)	(2,665,690)
Profit before income tax		17,507	313,244
Income tax expense	1(a)	-	-
Profit from operations		17,507	313,244

The accompanying notes form part of this financial report

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Financial Report

Balance Sheet as at 30 June 2010

	Note	2010 \$	2009 \$
Current Assets			
Cash and cash equivalents	5	79,467	116,675
Trade and other receivables	6	140,753	182,127
Inventories	7	31,118	24,447
Other current assets	8	18,971	30,123
Total Current Assets		<u>270,309</u>	<u>353,372</u>
Non-Current Assets			
Financial assets	9	52,564	52,564
Property, plant and equipment	10	3,384,528	3,390,758
Total Non-Current Assets		<u>3,437,092</u>	<u>3,443,322</u>
Total Assets		<u>3,707,400</u>	<u>3,796,694</u>
Current Liabilities			
Trade and other payables	11	149,822	302,685
Short-term financial liabilities	12	7,486	9,076
Non-interest bearing liabilities	13	10,404	10,404
Provisions	14	62,554	86,369
Total Current Liabilities		<u>230,266</u>	<u>408,534</u>
Non-Current Liabilities			
Short-term financial liabilities	12	164,574	20,346
Non-interest bearing liabilities	13	52,836	64,396
Provisions	14	30,294	17,370
Total Non-Current Liabilities		<u>247,705</u>	<u>102,113</u>
Total Liabilities		<u>477,970</u>	<u>510,647</u>
Net Assets		<u>3,229,430</u>	<u>3,286,047</u>
Equity			
Reserves	15	1,045,073	1,119,196
Retained Earnings		2,184,358	2,166,851
Total Equity		<u>3,229,431</u>	<u>3,286,047</u>

The accompanying notes form part of this financial report

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Financial Report

Statement of Changes in Equity for the year ended 30 June 2010

	Retained Earnings	Capital Funding Reserve	Total
2009			
Balance at beginning of the financial year	1,853,607	1,193,319	3,046,926
Profit/(loss) for the year	313,244		313,244
Introduction of Committee of Management assets			-
Transfers to and from reserves		(74,123)	(74,123)
Balance at end of the financial year	2,166,851	1,119,196	3,286,047
	Retained Earnings	Capital Funding Reserve	Total
2010			
Balance at beginning of the financial year	2,166,851	1,119,196	3,286,047
Profit/(loss) for the year	17,507		17,507
Transfers to and from reserves		(74,123)	(74,123)
Balance at end of the financial year	2,184,358	1,045,073	3,229,431

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Financial Report

Cash Flow Statement for the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash Flows From Operating Activities			
Receipts from customers		2,883,162	3,766,121
Operating grants received		17,616	143,600
Payments to suppliers and employees		(2,637,617)	(3,460,036)
Interest received		3,964	11,168
Net cash flows from/(used in) operating activities	20	267,126	460,853
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(285,684)	(375,825)
Proceeds from sale of property, plant and equipment		-	1,500
Net cash flows from/(used in) investing activities		(285,684)	(374,325)
Cash Flows From Financing Activities			
Loan repayments		(11,560)	(10,404)
Proceeds from finance leases		-	-
Finance lease payments (net of interest component)		(7,090)	(13,718)
Net cash flows from/(used in) financing activities		(18,650)	(24,122)
Net increase/(decrease) in cash held		(37,208)	62,406
Cash at the beginning of the financial year		116,675	54,269
Cash at the end of the financial year	5	79,466	116,675

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Financial Report - notes

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Yarra Valley Racing Inc as an individual entity. Yarra Valley Racing Inc. is an association incorporated in Victoria under the Associations Incorporation Act (Victoria) 1981.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Associations Incorporation Act (Victoria) 1981.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Income Tax

Yarra Valley Racing Inc. is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997.

(b) Inventories

Inventories consist of food and beverages and are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification basis and include direct costs and appropriate overheads, if any.

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the committee to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. The cost of fixed assets constructed within the club includes the cost of materials, direct labour borrowing costs and an appropriate proportion of fixed and variable overheads.

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Financial Report - notes

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the club and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a straight-line basis over their useful lives to the club commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Leasehold Improvements	2.5% to 10.0%
Plant & equipment	10.0% to 33.3%
HRV development grant assets	5.0% to 10.0%
Industry funded assets	2.5% to 10.0%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Club are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amount equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Club will obtain ownership of the asset or ownership over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

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Financial Report - notes

(e) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from change in fair value are taken directly to equity.

Financial Liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payment and amortisation.

Impairment

At each reporting date, the club assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(f) Impairment of Assets

At each reporting date, the club reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Employee Benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

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Financial Report - notes

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(i) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to the customer.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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Financial Report - notes

	Note	2010 \$	2009 \$
NOTE 2. REVENUE			
Member subscriptions and admissions		412,769	384,689
CRV Industry Funding		123,601	1,063,827
HRV Industry Funding		184,166	190,304
Oncourse totalisator commission		79,233	81,002
Bookmakers commission		15,283	16,592
CRV Operations contribution		114,770	114,000
Sponsorship and media right payments		190,199	171,007
Hire of facilities		34,837	117,197
Training track maintenance funding		139,379	143,981
Other race day revenue		1,321,746	1,410,653
Capital grants		17,616	143,600
Interest received		3,964	11,168
Profit/(loss) on disposal of plant & equipment		-	1,500
Other revenue		233,197	132,274
Total Revenue		<u>2,870,759</u>	<u>3,981,793</u>

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Financial Report - notes

	Note	2010	2009
		\$	\$
NOTE 3. EXPENSES			
Depreciation of non-current assets:			
Depreciation		217,791	194,144
Finance costs		1,986	3,311
Operating lease payments		4,066	4,066
(a) Other expenditure			
Racecourse maintenance		228,275	260,597
Administration & Marketing		140,113	123,626
Race meeting costs		1,007,434	1,101,393
Marketing and promotions		45,871	44,058
Prize monies and trophies		154,561	1,092,161
Debt waiver		-	-
Other expenses		125,756	43,856
		<u>1,702,010</u>	<u>2,665,690</u>

(b) Significant revenue and expenses

The following significant revenue and expense items are relevant in explaining the financial performance:
Capital grants income from Racing Industry and other government bodies for infrastructure and track works.

17,616	143,600
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NOTE 4. AUDITORS' REMUNERATION

Remuneration of the auditor of the Club for auditing or reviewing the financial report is payable by Racing Victoria Limited

NOTE 5. CASH AND CASH EQUIVALENTS

Cash at bank	48,775	115,115
Cash on hand	1,560	1,560
Cash on deposit	29,132	-
	79,467	116,675

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Financial Report - notes

	Note	2010	2009
NOTE 6. TRADE AND OTHER RECEIVABLES			
Trade debtors		70,520	73,177
Provision for impairment		-	-
Sundry debtors		70,233	108,950
		<u>140,753</u>	<u>182,127</u>
<p>Current trade receivables are generally 30 day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is an objective guidance that an individual trade receivable is impaired. No impairment was required at 30 June 2009.</p>			
NOTE 7. INVENTORIES			
Current			
At cost - food and beverages		31,118	24,447
		<u>31,118</u>	<u>24,447</u>
NOTE 8. OTHER CURRENT ASSETS			
Prepayments		18,971	30,123
		<u>18,971</u>	<u>30,123</u>
NOTE 9. FINANCIAL ASSETS			
Investment in Radio Sport 927 at cost		52,564	52,564
		<u>52,564</u>	<u>52,564</u>

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Financial Report - notes

	Note	2010	2009
NOTE 10. PROPERTY, PLANT AND EQUIPMENT		\$	\$
<i>Leasehold Improvements</i>			
At valuation		1,032,059	917,834
Less accumulated amortisation		(274,657)	(236,601)
		<u>757,402</u>	<u>681,234</u>
<i>Plant and equipment</i>			
At cost		1,494,080	1,340,012
Less accumulated depreciation		(706,269)	(592,724)
		<u>787,811</u>	<u>747,289</u>
<i>HRV development grant assets</i>			
At cost		1,231,770	1,231,770
Less accumulated depreciation		(362,307)	(295,864)
		<u>869,463</u>	<u>935,906</u>
<i>Industry Funded assets</i>			
At cost		1,117,245	1,117,245
Less accumulated depreciation		(164,783)	(90,914)
		<u>952,461</u>	<u>1,026,330</u>
<i>Work In Progress</i>			
At cost		17,391	-
Less accumulated depreciation		-	-
		<u>17,391</u>	<u>-</u>
Total written down amount		<u>3,384,528</u>	<u>3,390,758</u>
Movements in carrying amounts			
<i>Leasehold Improvements</i>			
Carrying amount at beginning of year		681,233	688,507
Additions		114,225	29,127
Disposals		-	-
Amortisation expense		(38,056)	(36,401)
Carrying amount at end of year		<u>757,402</u>	<u>681,233</u>

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Financial Report - notes

	Note	2010	2009
		\$	\$
NOTE 10. PROPERTY, PLANT AND EQUIPMENT			
'continued			
<i>Plant and equipment at cost</i>			
Carrying amount at beginning of year		747,288	662,219
Additions		154,068	180,660
Disposals			
Depreciation expense		(113,546)	(95,591)
Carrying amount at end of year		<u>787,811</u>	<u>747,288</u>
<i>HRV development grant assets</i>			
Carrying amount at beginning of year		935,906	982,832
Additions		-	18,580
Disposals		-	-
Depreciation expense		(66,443)	(65,506)
Carrying amount at end of year		<u>869,463</u>	<u>935,906</u>
<i>Industry Funded assets</i>			
Carrying amount at beginning of year		1,026,330	949,642
Additions		-	147,458
Disposals		-	-
Depreciation expense		(73,869)	(70,770)
Carrying amount at end of year		<u>952,461</u>	<u>1,026,330</u>
<i>Work In Progress</i>			
Carrying amount at beginning of year		-	-
Additions		17,391	-
Transfer to Assets		-	-
Depreciation expense		-	-
Carrying amount at end of year		<u>17,391</u>	<u>-</u>
Total written down amount		<u>3,384,528</u>	<u>3,390,757</u>

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Financial Report - notes

	Note	2010	2009
NOTE 11. TRADE AND OTHER PAYABLES		\$	\$
Trade creditors		58,742	54,615
Sundry creditors		65,355	93,274
Income in advance		25,725	154,796
GST payable (Net)		-	-
		<u>149,822</u>	<u>302,685</u>
NOTE 12. SHORT TERM FINANCIAL LIABILITIES			
CURRENT			
Lease liability		7,486	9,076
		<u>7,486</u>	<u>9,076</u>
NON CURRENT			
Income in advance		149,727	-
Lease liability		16,227	23,713
Less future finance charges		(1,380)	(3,366)
		<u>164,574</u>	<u>20,346</u>
NOTE 13. NON-INTEREST BEARING LIABILITIES			
CURRENT			
Loan - Country Racing Victoria Ltd		10,404	10,404
		<u>10,404</u>	<u>10,404</u>
NON CURRENT			
Loan - Country Racing Victoria Ltd		52,836	64,396
		<u>52,836</u>	<u>64,396</u>
NOTE 14. PROVISIONS			
<i>Employee benefits</i>			
CURRENT		62,554	86,369
NON CURRENT		30,294	17,370
		<u>92,848</u>	<u>103,739</u>

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Financial Report - notes

	Note	2010 \$	2009 \$
NOTE 15. RESERVES			
Capital Grant Reserve			
The capital grant reserve records receipt of capital funding from Racing Victoria Limited, Country Racing Victoria Limited and Harness Racing Victoria prior to 1st August 2006.			
NOTE 16. CAPITAL AND LEASING COMMITMENTS			
(a) Finance lease commitments			
Payable - minimum lease payment			
not later than 12 months		7,486	9,076
between 12 months and 5 years		16,227	23,713
greater than 5 years		-	-
Minimum lease payments		23,713	32,789
Less future finance charges		(1,380)	(3,366)
Present value of minimum lease payments	12	<u>22,333</u>	<u>9,423</u>
(b) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements			
Payable - minimum lease payment not later than 12 months		2,452	4,066
between 12 months and 5 years		-	2,452
greater than 5 years		-	-
Minimum lease payments		<u>2,452</u>	<u>6,518</u>
Focus Capital Group Pty Ltd holds a charge over the assets of the Club for the operating lease of the photocopier			

NOTE 17. CONTINGENT LIABILITIES

There were no contingent liabilities at the date of this report to affect the financial statements.

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Financial Report - notes

NOTE 18. RELATED PARTY TRANSACTIONS

The names of persons who were members of the Committee at any time during the year were:

Barry Coulthard	<i>Chairman</i>	Toby McKinnon
Reg Hodgson		Kevan Wacey
David Long		Roly Wilson

No remuneration or retirement benefits are payable as the positions are voluntary.

The following Committee members of the Club have received benefits from the business transactions arising in the ordinary course of the Club's business and conducted at ordinary commercial terms and conditions no more favourable than those it is reasonable to expect the Club would have adopted if dealing at arm's length in the same circumstances

	2010	2009
Committee Member	\$	\$
Nil	-	-

NOTE 19. KEY MANAGEMENT PERSONNEL COMPENSATION

Short-term employee benefits	273,415	213,361
------------------------------	---------	---------

NOTE 20. CASHFLOW INFORMATION

(a) Reconciliation of cash

Operating accounts	48,775	115,115
Cash on hand	1,560	1,560
At call deposits	29,132	-
	<u>79,467</u>	<u>116,675</u>

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Financial Report - notes

	2010	2009
	\$	\$
(b) Reconciliation of profit after tax to net cash from/(used in) operating activities		
Profit after income tax	17,507	313,244
Non cash items		
- Depreciation	291,914	268,267
- Amortisation capital funding reserve	(74,123)	(74,123)
- (Profit)/loss on disposal of asset	-	(1,500)
Changes in assets and liabilities		
- (Increase) decrease in investments	-	-
- (Increase) decrease in receivables	41,374	(49,819)
- (Increase) decrease in inventories	(6,671)	4,751
- (Increase) decrease in prepayments	11,152	(18,767)
- Increase (decrease) in payables	(3,136)	(2,681)
- Increase (decrease) in provisions	(10,892)	21,481
Net cashflows from/ (used in) operating activities	267,126	460,853

NOTE 21. FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Club's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivable and payable.

The club does not have any derivative instruments at 30 June 2010

The main risks that the Club is exposed to through its financial instruments are interest rate risk, liquidity risk, credit risk and price risk.

Interest rate risk - is managed with a mixture of fixed and floating rates.

Liquidity risk - is monitored by forecasting cash flows and review of any borrowing facilities.

Credit risk - The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet and notes to the financial statements. There are no material credit risk exposures to any single debtor or group of debtors under financial instruments entered into by the economic entity.

Price risk - the Club is not exposed to any material price risks.

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Financial Report - notes

(b) Financial Instrument Composition and Maturity Analysis

Financial Instrument	Floating Interest		Fixed Interest Rate Maturing				Non Interest Bearing		Weighted Average	
	Rate		1 year or less		Over 1 to 5 years				Effective interest rate	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 %	2009 %
Financial Assets										
Cash assets	79,467	116,675	-	-	-	-	-	-	4.00	2.50
Receivables	-	-	-	-	-	-	140,753	182,127	-	-
Investments	-	-	-	-	-	-	52,564	52,564	-	-
Financial Liabilities										
Payables	-	-	-	-	-	-	149,822	302,685	-	-
Lease liabilities	-	-	7,486	9,076	14,847	20,346			7.00	7.00
Loans	-	-	-	-	-	-	63,240	74,800	-	-

(c) Net Fair Values

The net fair values of financial assets and liabilities approximate the carrying values as disclosed in the Balance Sheet. The Club does not have any unrecognised financial instruments at the year end.

(d) Sensitivity Analysis

The Club has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in risk.

As at 30 June 2010, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

Movement in Interest Rate

	-4%	-3%	-2%	-1%	0%	1%	2%	3%	4%
Change in profit:									
- 2010	(3,179)	(2,384)	(1,589)	(795)	-	795	1,589	2,384	3,179
- 2009	(4,667)	(3,500)	(2,334)	(1,167)	-	1,167	2,334	3,500	4,667
Change in equity:									
- 2010	(3,179)	(2,384)	(1,589)	(795)	-	795	1,589	2,384	3,179
- 2009	(4,667)	(3,500)	(2,334)	(1,167)	-	1,167	2,334	3,500	4,667

(e) Capital Management

The committee members control the capital of the Club in order to maintain a good debt-to-equity ratio and to ensure that the Club can fund its operations and continue as a going concern.

No capital management issues have been noted during the financial year.

NOTE 22. CLUB DETAILS

The registered office and principal place of business is Armstrong Grove, Yarra Glen Vic 3775

NOTE 23. SEGMENT REPORTING

The club operates in the thoroughbred and harness racing sector in Victoria.

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**YARRA VALLEY RACING INC
STATEMENT BY MEMBERS OF THE COMMITTEE**

In the opinion of the committee the financial report as set out in pages 1 to 12

- 1 Presents a true and fair view of the financial position of Yarra Valley Racing Inc. as at 30 June 2010 and its performance for the year ended on that date in accordance with Australian Accounting Standards, mandatory professional reporting requirements and other authoritative pronouncements of the Australian Accounting Standards Board.
- 2 At the date of this statement, there are reasonable grounds to believe that Yarra Valley Racing inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf

of the Committee by:

Chairman

..... 

Mr. Barry Coulthard

Treasurer

..... 

Mr. Reg Hodgson

Dated this 6th day of October 2010

YARRA VALLEY RACING INC

AUDITOR'S REPORT

**TO THE MEMBERS OF YARRA VALLEY RACING INC.
YEAR ENDED 30TH JUNE 2009**

Scope:

We have audited the accounts of YARRA VALLEY RACING INC. for the year ended 30th June 2009. The Committee is responsible for the preparation and presentation of the financial report and the information contained therein. We have conducted an audit of the financial records in order to express an opinion to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial reports are free from material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of accounting policies and any significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Concepts and Standards and statutory requirements so as to present a view of the Association which is consistent with our understanding of its financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

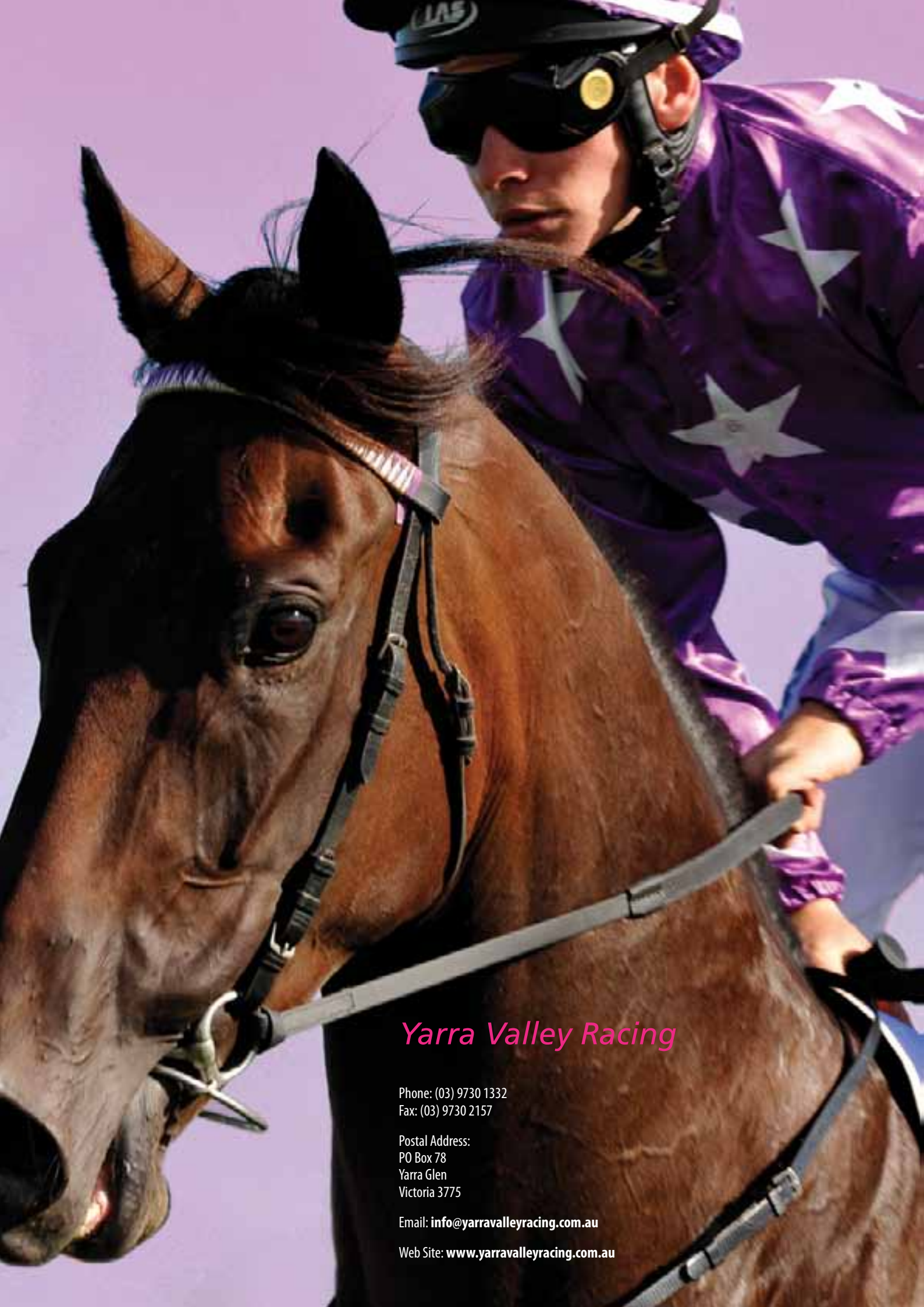
AUDIT OPINION

In our opinion, the financial report presents a true and fair view of the financial position of YARRA VALLEY RACING INC. as at the 30th June 2009 and the results of its operation for the year then ended in accordance with applicable Statements of Accounting Concepts, applicable Accounting Standards and the Associations Incorporation Act (VIC).

SMITH DOSSER

Per.....
B.J SMITH FPNA

Dated at Benalla this 9th day of September 2009.



Yarra Valley Racing

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