

THE MOONEE PONDS CLUB INCORPORATED
43 599 469 338

FINANCIAL REPORT
FOR THE YEAR ENDED
30-June-2023

THE MOONEE PONDS CLUB INCORPORATED
43 599 469 338

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THE MOONEE PONDS CLUB INCORPORATED
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COMMITTEE'S REPORT

Your committee members submit the financial report of The Moonee Ponds Club Inc. for the financial year ended 30 June 2023.

Committee Members

The names of committee members at the date of this report are:

Vincent Comito – Chairman
Adrian Fuller – Treasurer
Helen Mair
Peter Lovell

David Newton – Vice Chairman
David McAllister
Philip Grech

Principal Activities

The principal activities of the association during the financial year were to provide social facilities to members of the association.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The profit after providing for income tax amounted to \$129,443 [2022: 122,616]

Auditor's Independence Declaration

The committee have received an Independence Declaration from the auditor of the Club as set out on page 4 and it forms part of the committee's report for the year ended 30 June 2023.

John Hughes did not receive and are not to receive any fees for the provision of non-audit services.

Signed in accordance with a resolution of the members of the committee.

.....
Vincent Comito – Chairman

.....
Adrian Fuller – Treasurer

Dated this 26th day of September 2023

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AUDITOR'S INDEPENDENCE DECLARATION TO THE COMMITTEE OF THE MOONEE PONDS CLUBS INC.

In accordance with the requirements of section 307C of the Corporations Act 2001, as auditor for the Moonee Ponds Club Inc. for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit;and
- b) no contraventions of any applicable code of professional conduct in relation to the audit

.....
John G Hughes

John Hughes Advisory

Dated this 26th day of September 2023.

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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
INCOME			
Bar and Food			
Sales		1,262,193	782,487
Cost of Sales		734,404	452,990
		<u>527,789</u>	<u>329,498</u>
Gaming and Wagering			
Gaming Income		2,473,735	2,028,169
Gaming and Wagering Expenses		875,818	770,286
		<u>1,597,916</u>	<u>1,257,882</u>
Interest Received		1	5
Sundry Income		91,102	164,430
		<u>2,216,808</u>	<u>1,751,816</u>
EXPENDITURE			
Accounting		13,200	13,200
Advertising		10,480	4,254
Amortisation		115,689	139,053
Auditor's Remuneration		6,683	6,400
Bank Charges		9,186	8,031
Bookkeeping		19,000	21,415
Borrowing Expenses		379	389
Cleaning & Laundry		47,961	33,056
Computer Software		13,153	14,718
Conferences		1,402	6,250
Decorations & Flowers		2,192	637
Depreciation		163,530	143,385
Donations		8,044	-
Electricity & Gas		54,590	44,595
Filing Fees		245	241
Gardening		1,420	1,040
Holiday Leave Accrual		17,766	10,273
Insurance		42,052	34,926
Interest Paid		56,778	55,930
Internet		218	654
Legal Costs		22,340	500
Long Service Leave		1,562	5,806
Loyalty		536	-1,112
Medical Supplies		952	1,423
Membership Expenses		74,514	49,867
Net Loss on Disposals of Fixed Assets		-	40,756
Payroll Tax		13,921	-
Permits, Licences & Registrations		3,042	3,001
Pest Control		6,191	5,819

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INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023	2022
		\$	\$
Postage		3,368	2,883
Printing & Stationery		12,957	50,949
Promotions		66,686	40,335
Rates & Taxes		28,133	12,786
Repairs & Maintenance		44,084	32,932
Replacements		5,866	2,694
Security Costs		96,265	61,730
Seminars		-	228
Sponsorship		41,841	21,509
Staff Amenities		9,507	7,046
Staff Training		2,932	1,015
Subscriptions		3,178	3,021
Superannuation		105,501	75,928
Telephone		4,462	4,837
Travelling Expenses		266	21
Uniforms		330	1,443
Wages & Salaries		897,325	622,354
Waste Disposal		4,542	2,842
Water Charges - Rental		331	0
Workers Compensation		17,482	10,494
		<u>2,052,082</u>	<u>1,599,553</u>
Profit (Loss) before income tax		164,727	152,262
Income tax expense	2	-35,284	-29,646
Profit (Loss) after income tax		<u>129,443</u>	<u>122,616</u>
RETAINED PROFITS AT THE BEGINNING OF THE FINANCIAL YEAR		2,302,068	2,179,452
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		<u>2,431,511</u>	<u>2,302,068</u>

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ASSETS AND LIABILITIES STATEMENT AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	3	648,920	775,127
Trade and other receivables	4	106,203	81,874
Inventories	5	40,822	37,690
Other current assets	6	31,284	26,010
TOTAL CURRENT ASSETS		827,230	920,701
NON-CURRENT ASSETS			
Financial assets	7	5,150	5,150
Property, plant & equipment	8	10,166,687	11,315,991
Intangibles	9	1,030,056	75,020
Tax assets	10	33,021	26,453
TOTAL NON-CURRENT ASSETS		11,234,914	11,422,614
TOTAL ASSETS		12,062,144	12,343,314
CURRENT LIABILITIES			
Trade and other payables	11	151,311	181,458
Provisions	12	129,554	124,328
Other current liabilities	13	17,248	21,780
Financial liabilities	14	985,004	268,294
TOTAL CURRENT LIABILITIES		1,283,117	595,860
NON-CURRENT LIABILITIES			
Financial liabilities	14	1,920,214	1,214,071
TOTAL NON-CURRENT LIABILITIES		1,920,214	1,214,071
TOTAL LIABILITIES		3,203,331	1,809,931
NET ASSETS		8,858,813	10,533,384
MEMBERS' FUNDS			
Reserves	15	7,047,223	8,231,316
Retained profits		2,431,511	2,302,068
TOTAL MEMBERS' FUNDS		9,478,734	10,533,384

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Note	Retained Earnings	Property Revaluation Reserve	Total
		\$	\$	\$
Balance at 30 June 2022		2,302,068	8,231,316	10,533,384
Profit/(loss) attributable to members		129,443	(1,184,093)	(1,054,649)
Balance at 30 June 2023		<u>2,431,511</u>	<u>7,047,223</u>	<u>9,478,735</u>

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STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Cashflows From Operating Activities			
Receipts from customers		3,807,399	3,036,717
Payments to suppliers & employees		(3,405,955)	(2,456,753)
Interest received		1	5
Income tax paid		(55,889)	(68,135)
Net cash provided by operating activities	16	<u>345,556</u>	<u>511,834</u>
Cashflows From Investing Activities			
Payments for property, plant & equipment		(198,509)	(194,892)
Payments for Intangibles		(600)	(700)
Net cash provided by investing activities		<u>(199,109)</u>	<u>(195,592)</u>
Cashflows From Financing Activities			
Proceeds from borrowings		21,210	59,848
Repayment of borrowings		(293,864)	(171,254)
Net cash provided by financing activities		<u>(272,653)</u>	<u>(111,406)</u>
Net increase (decrease) in cash held		(126,207)	204,835
Cash at beginning of financial year		<u>775,127</u>	<u>570,292</u>
Cash at end of financial year	16	<u>648,920</u>	<u>775,127</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act Victoria. The committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

a) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income). The association does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be used.

Non member income of the association is only assessable for tax, as member income is excluded under the principle of mutuality.

b) Property, Plant and Equipment (PPE)

Leasehold improvements and office equipment are carried at cost less, where applicable, any accumulated depreciation.

The depreciable amount of all PPE is depreciated over the useful lives of the assets to the association commencing from the time the asset is held ready for use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c) **Impairment of Assets**

At the end of each reporting period, the entity 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.

d) **Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled.

e) **Provisions**

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

f) **Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

g) **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

Grant and donation income is recognised when the entity obtains control over the funds, which is generally at the time of receipt.

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

h) **Leases**

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts 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 that period.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term. 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.

i) 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 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 assets and liabilities statement are shown inclusive of GST.

j) Investments

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2023

\$

2022

\$

NOTE 2: INCOME TAX EXPENSE

- a) The components of tax expense comprise:

Current tax

35,284

29,646

- b) The prima facie tax on profit before income tax is reconciled to the income tax as follows:

Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 25%

41,182

38,066

Plus/Less

Tax rate change

-

-

Tax effect of:

- Deductible Items

(903)

(33,202)

- Non deductible items

36,399

51,246

- Non-taxable member income arising from principle of mutuality

(41,394)

(26,464)

Income tax attributable to association

35,284

29,646

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Balance at 30 June 2022	Additions	Disposals	Depreciation Expense	Revaluation	Carrying Amount at 30 June 2023
Freehold Land	9,931,093	-	-	-	(1,184,093)	8,747,000
Property Improvements	4,299	-	-	199	-	4,100
Gaming Room	179,287	-	-	18,383	-	160,904
Building Refurbishment	826,811	10,000	-	37,976	-	798,835
Kitchen Upgrade	38,886	-	-	1,193	-	37,693
Loyalty & Pre Commitment	739	-	-	211	-	528
Plant & Equipment	131,063	5,826	-	30,914	-	105,975
Poker Machine Games	175,475	108,930	190	56,495	-	227,720
Kitchen Plant & Equipment	28,339	73,753	-	18,159	-	83,933
Total	11,315,991	198,509	190	163,530	- 1,184,093	10,166,687

THE MOONEE PONDS CLUB INCORPORATED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
 NOTE 9: INTANGIBLES		
Poker Machine Entitlements	1,027,024	73,687
Prepaid Borrowing Expenses	3,186	2,586
less: Amortisation	(854)	(1,953)
Liquor Licence	700	700
Constitution Costs	-	-
	<u>1,030,056</u>	<u>75,020</u>
 NOTE 10: TAX ASSETS		
Provision for Income Tax	10,822	-
Future Income Tax Benefit	22,198	26,453
	<u>33,021</u>	<u>26,453</u>
 NOTE 11: TRADE AND OTHER PAYABLES		
Trade Creditors	54,554	94,079
Other Creditors	23,951	10,123
GST Payable	72,806	77,256
	<u>151,311</u>	<u>181,458</u>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2023	2022
	\$	\$
NOTE 12 PROVISIONS		
Provision for Annual leave	71,563	53,797
Provision for Long Service Leave	50,127	48,565
Provision for Loyalty	7,864	7,328
Provision for Income Tax	-	14,638
	<u>129,554</u>	<u>124,328</u>
NOTE 13 OTHER CURRENT LIABILITIES		
Amounts withheld from wages	17,248	21,780
	<u>17,248</u>	<u>21,780</u>
NOTE 14 FINANCIAL LIABILITIES		
Current		
Credit Card	457	-
Bank Overdraft	622,665	-
Other Borrowings	34,489	59,512
Loan - VGCCC	152,724	-
Loan – ANZ Bank	174,669	208,782
	<u>985,004</u>	<u>268,294</u>
Other Borrowings	24,645	-
Loan – ANZ Bank	1,093,810	1,214,071
Loan - VGCCC	801,759	-
	<u>1,920,214</u>	<u>1,214,071</u>

The Cash at Bank Trading is a bank overdraft facility secured by a registered first mortgage over the property located at 622 Mount Alexander Road Moonee Ponds Vic 3039

Loan – ANZ Bank is a mortgage loan with ANZ Banking Corporation Limited secured by a registered first mortgage over the property located at 622 Mount Alexander Road Moonee Ponds Vic 3039

Loan – ANZ Bank is for a maximum term of 15 years.

NOTE 15 RESERVES

Property Revaluation Reserve	<u>8,231,316</u>	<u>8,231,316</u>
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2023

\$

2022

\$

NOTE 16 CASH FLOW INFORMATION

Reconciliation of Cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Cash on Hand	156,085	144,517
Cash at Bank	492,835	630,610
	<u>648,920</u>	<u>775,127</u>

Reconciliation of net cash provided by operating activities to profit from ordinary activities after income tax

Operating profit (loss) after income tax	129,443	122,616
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Non-cash flows in profit from ordinary activities:

Borrowing Costs	379	389
Amortisation	115,689	139,053
Loyalty	536	-
Interest	3,815	-
Profit on disposal of assets	(21,740)	(15,804)
Loss on disposal of assets	-	40,756
Sale Proceeds	21,930	16,000
Depreciation	163,530	143,385

Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries

(Increase) Decrease in current inventories	(3,132)	(11,498)
(Increase) Decrease in current receivables	(20,074)	52,464
(Increase) Decrease in prepayments	9,312	(19,154)
Increase (Decrease) in trade creditors	(41,160)	46,180
Increase (Decrease) in other creditors	(7,440)	15,525
Increase (Decrease) in current provisions	(5,533)	(18,079)

Cash flows from operations

<u>345,556</u>	<u>511,833</u>
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THE MOONEE PONDS CLUB INCORPORATED
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STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements

In the opinion of the committee the financial report as set out on pages 5 to 17:

- 1 Presents a true and fair view of the financial position of The Moonee Ponds Club Inc as at 30 June 2023 and its performance for the year ended on that date.
- 2 At the date of this statement, there are reasonable grounds to believe that The Moonee Ponds Club 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:

President
Vincent Comito

Treasurer
Adrian Fuller

Dated this 26th day of September 2023

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE MOONEE PONDS CLUB INC

Scope

I have audited the financial report, being a special purpose financial report, of The Moonee Ponds Club Inc. for the year ended 30 June 2023. The Committee is responsible for the financial report and has determined that the accounting policies used and described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the requirements of the Associations Incorporation Reform Act 2012 and are appropriate to meet the needs of the members. I have conducted an independent audit of this financial report in order to express an opinion on it to the members of The Moonee Ponds Club Inc. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members.

The financial report has been prepared for the purpose of fulfilling the requirements of the Associations Incorporations Reform Act 2012. I 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.

My audit has been conducted in accordance with Australian Auditing Standards. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and the evaluation of significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the accounting policies described in Note 1 so as to present a view which is consistent with my understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements in Australia.

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

Audit Opinion

In my opinion, the financial report of The Moonee Ponds Club Inc. presents a true and fair view of the financial position of The Moonee Ponds Club Inc. as at 30 June 2023 and the results of its operations and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the committee members financial reporting responsibilities under the Associations Incorporation Reform Act 2012. As a result, the financial report may not be suitable for another purpose.

Dated this 26th day of September 2023

John G Hughes

John Hughes Advisory