

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

FINANCIAL REPORT

For the year ended 30th June 2023

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MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

DIRECTORS REPORT

Your directors present their report on the company for the financial year ended 30 June 2023 and the auditor's report thereon.

The directors of the company at anytime during or since the end of the financial year are:

<u>Directors</u>	<u>Occupations</u>	<u>Years as Director</u>	<u>Date Appointed</u>
Peter Atkinson	Retired	20	9 March 2003
Maureen Law	Retired	25	1 October 1998
Noel Harrison	Transport Operator	18 (in Total)	5 November 2017
Jim Madden	Retired	13	18 February 2009
Chris Gandy	Businessman	10 (in Total)	15 March 2021
Heulwen Lane	Retired	6	Resigned 21 November 2022
John Collins	Businessman	4	1 December 2019
Ian Kingston	Accountant	3	18 January 2021
Mark Curtis	Vet	2	12 December 2021
David Carlyon	Manager	1	Resigned 21 November 2022
Daphne Cole	Retired	1	4 December 2022
Greg Robson	Sales Executive	1	4 December 2022

During the financial year 12 meetings were held, attendances were:

<u>Meetings of Directors</u>	<u>Number eligible to attend</u>	<u>Apologies Recorded</u>	<u>Number Attended</u>
Peter Atkinson	12	0	12
Maureen Law	12	2	10
Jim Madden	12	2	10
Heulwen Lane	5	4	1
Noel Harrison	12	4	8
John Collins	12	2	10
Chris Gandy	12	0	12
Ian Kingston	12	6	6
Mark Curtis	12	9	3
David Carlyon	5	5	0
Daphne Cole	6	1	5
Greg Robson	6	1	5

Objectives and Principal Activities

The principal activities of the company during the course of the financial year were to promote and carry on the sport of horse racing.

There were no significant changes in the nature of the activities of the company during the year.

Review and Results of Operations

The Board of Directors are satisfied with the results from activities for the year which amounted to a net profit of \$65,049 compared with net profit of \$396,489 for the prior year.

Strategy for achieving the objectives

The Board and management of the Club operate the business with a focus on operating a safe and profitable horse training and racing facility. In addition to operating and maintaining the facility, funds are allocated to the capital improvement of the facility. Non racing activities will only be conducted if they have no adverse consequences for the Clubs primary objective.

Performance measures

The Board and management monitor racing and training figures against budget and past performance to measure performance. Financial results, attendance, bar takings, Scheme of Distribution and training track usage are the prime measures of performance.

Membership

The company is limited by guarantee and without share capital.

The number of members as at 30 June, 2023 and the comparison with last year is as follows:

	<u>2023</u>	<u>2022</u>
Number of Members	532	466

Contributions on winding up

Every member of the company undertakes to contribute to the assets of the company in the event of it being wound up, whilst he or she is a member. And of the costs, charges and expenses of winding up such as may be required not exceeding \$2 per member.

The company has 532 members at year end.

State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Likely Developments

The directors do not anticipate any further development in its operations which will affect the results in subsequent years.

Events Subsequent to Reporting Date

Other than as reported in the notes to the financial statements there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material or unusual nature likely, in the opinion of the directors of the company to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

Indemnification and Insurance of Officers

During the financial year, the company paid premium to insure all directors of the company. The liabilities insured are legal costs that maybe incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity with the Company, and any other payments arising from liabilities incurred by them in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Auditor’s Independence Declaration

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Director -----
Peter Atkinson

Dated this 13th Day of November 2023

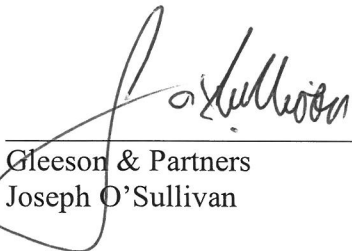
Director -----
Noel Harrison

Dated this 13th Day of November 2023

AUDITOR'S INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there has been:

- i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii) no contraventions of any applicable codes of professional conduct in relation to the audit.



Gleeson & Partners
Joseph O'Sullivan

10th Day of November 2023

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

STATEMENT OF COMPREHENSIVE INCOME
For the Year End 30TH JUNE 2023

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
Revenue	2	3,608,107	3,714,196
<u>Cost of Trading</u>			
Race day		(154,913)	(128,332)
<u>Race Meeting Costs</u>			
Returns to owners		(2,444,416)	(2,185,487)
General		(216,562)	(178,506)
Marketing		(35,824)	(21,691)
<u>General Costs</u>			
Racecourse/Facilities		(460,350)	(602,501)
Administration/Committee		(222,151)	(195,051)
Track Supervisor etc.		0	(530)
Marketing		(8,842)	(5,609)
Surplus before income tax		65,049	396,489
Income tax expense		0	0
Surplus after income tax		65,049	396,489
Other comprehensive income for the year (net of tax)		0	0
Total comprehensive income for the year		65,049	396,489

The above statement of comprehensive income should be read in conjunction with the accompanying notes

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

STATEMENT OF FINANCIAL POSITION
As At 30TH JUNE 2023

	NOTE	2023 \$	2022 \$
Current Assets			
Cash	3	700,755	1,047,157
Receivables	4	303,135	253,365
Inventories	5	<u>34,214</u>	<u>29,109</u>
Total Current Assets		<u>1,038,104</u>	<u>1,329,631</u>
Non-Current Assets			
Property Plant & Equipment	6	1,295,237	1,063,986
Total Non-Current Assets		1,295,237	1,063,986
Total Assets		<u>2,333,341</u>	<u>2,393,617</u>
Current Liabilities			
Trade and Other Payables	7	136,973	262,298
Total Current Liabilities		136,973	262,298
Total Liabilities		<u>136,973</u>	<u>262,298</u>
Net Assets		<u>2,196,368</u>	<u>2,131,319</u>
Members' Equity			
Retained Profits		2,196,368	2,131,319
Total Equity		<u>2,196,368</u>	<u>2,131,319</u>

The above statement of financial position should be read in conjunction with the accompanying notes

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

Statement of Changes in Equity
For the Year Ended 30 June 2023

	2023	2022
	\$	\$
Balance at Start of Year	2,131,319	1,734,830
Comprehensive Income/(Loss) for Year	65,049	396,489
Balance at End of Year	<u>2,196,368</u>	<u>2,131,319</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

Statement of Cash Flows
For the Year Ended 30th June 2023

	2023	2022
	\$	\$
Cash Flows from Operating Activities		
Receipts from meetings and T.A.B. (inc GST)	3,811,852	3,391,159
Payments to Suppliers and Employees (inc GST)	(3,845,586)	(3,566,804)
Interest Received	4,373	178
Track Maintenance, Subsidies and Grants (inc GST)	<u>144,199</u>	<u>697,130</u>
Net cash provided by operating activities 8(b)	114,838	521,663
Cash Flow from Investing Activities		
Payments for Plant and Equipment and Buildings	<u>(461,240)</u>	<u>(305,347)</u>
Net cash used by Investing Activities	<u>(461,240)</u>	<u>(305,347)</u>
Net increase/(decrease) in cash held	(346,402)	216,316
Cash at the beginning of the year	<u>1,047,157</u>	<u>830,841</u>
Cash at the end of the year 8(a)	<u>700,755</u>	<u>1,047,157</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

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

Note 1 Significant Accounting Policies

General Information

The company's registered office and principal place of business are as follows:
Donnelly Drive, Moruya, NSW, 2537

The financial statements cover Moruya Jockey Club Limited as an individual, incorporated and domiciled in Australia. Moruya Jockey Club Limited is a company limited by guarantee.

The financial statements were authorised for issue on 13th November 2023 by the directors of the company.

Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting standards – Simplified Disclosures of the Australian Standards Board (AASB) and the Corporations Act 2001. The company is a not-for-profit entity for the financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

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

A. Revenue

Revenue is gained from race meetings, interest received, grants, trainers' fees which is recognised as received or receivable by the club.

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

B. Income Tax

Under the provisions of the Income Tax Assessment Act, 1997. The Club is considered a non-profit organisation established to promote and carry on the sport of horse racing. Accordingly, the Directors believe it is exempt from income tax.

Tax effect accounting has therefore not been adopted by the Company.

C. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdraft.

Bank overdrafts are shown within short term borrowings in current liabilities on the statement of financial position.

D. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

- (I) Where the amount of GST incurred is not recoverable from the Australian Taxation 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.
- (II) Receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statements of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

MORUYA JOCKEY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

Note 1 Significant Accounting Policies (cont)

E. Plant and Equipment

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

- (I) **Plant and Equipment** - Plant and Equipment are measured on the cost basis and are therefore carried at cost, less where applicable, accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.
- (II) **Depreciation** - The depreciable amount of all fixed assets including capitalised lease assets and is depreciated over the asset's useful lives to the economic entity commencing from the time the asset is held ready for use.

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

Class of Fixed Asset	Depreciation Rate
Plant & Equipment	5 – 100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

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

F. Comparative figures

Comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by Accounting Standards or as a result of changes in accounting policy.

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

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

Note 1 Significant Accounting Policies (cont)

G. Financial Instruments

MJC measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

For trade receivables, MJC applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

H. Impairment of Assets

At each reporting date, the company 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

I. Critical Accounting Estimates and Judgements

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

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

Note 1 Significant Accounting Policies (cont)

Key Estimates – Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgements – Provision for Impairment of Receivables

The directors believe that the full amount of the receivables is recoverable and no provision of impairment of receivables has been made at 30 June 2023.

J. Employee Benefits

Provision is made for the company'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.

Contributions are made by the economic entity to an employee Superannuation fund and are changed to expenses when incurred.

In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements.

K. Key sources of Estimation Uncertainty

The estimated useful lives of plant and equipment are subject to estimation error.

L. Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

M. Trade and other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

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

Note 1 Significant Accounting Policies (cont)

N. Trade and Other Receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

O. Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

MORUYA JOCKEY CLUB LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023**

Note 1 Significant Accounting Policies (cont)

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

P. Ongoing RNSW support

The accounts have been prepared on a going concern basis which assumes continuity of normal business activities and the realisations of assets and settlement of liabilities in the ordinary course of business. In the event that the RNSW (Racing NSW) licence agreement, which is renewed annually, were not to be renewed, then the Company would have to significantly restructure its operations to meet its commitments.

New and Amended Accounting Standards Adopted by the Company

AASB: 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments

The company adopted AASB 2020-3 which makes some small amendments to a number of standards including the following: AASB 1, AASB 3, AASB 9, AASB 116, AASB 117 and AASB 141.

The adoption of the amendment did not have a material impact on the financial statements.

AASB 2021-7a: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections.

AASB 2021-7a makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2022. The adoption of the amendment did not have a material impact on the financial statements.

AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Example for Not-for-Profit Entities accompanying AASB 15.

AASB 2022-3 amends Australian illustrative examples for not-for-profit entities accompanying AASB15: Revenue from Contracts with Customers to illustrate how AASB 15 applies to the recognition and measurement of upfront fees. The amendments do not change the requirements of AASB 15.

The Basis for Conclusion also documents the Board's decision to retain the accounting policy choice of an ongoing basis for NFP private sector lessees to elect to initially measure a class of ROU assets arising under concessionary leases at cost or at fair value.

The adoption of the amendment did not have a material impact on the financial statements.

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

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

	2023	2022
Note 2. Revenue and Other Income		
Race day Sponsorship, Advertising	\$	\$
T.A.B. Distribution	2,723,016	2,328,003
Admissions	46,285	29,018
Bar Sales	262,978	179,111
Race Book Sales	7,123	5,466
Nominations & Acceptances	44,873	48,002
Sponsorships	301,706	360,288
Other Income - Race Meeting	19,643	12,643
- General Racing & Track fees	171,441	134,190
- Subscriptions	23,666	18,677
- Fuel Tax Credits	2,185	3,539
- Other	<u>0</u>	<u>24,936</u>
	3,602,916	3,143,873
Non-Operating Income		
Subsidies	0	22,500
Grants Received	0	547,645
Sundry	818	0
Interest Received	<u>4,373</u>	<u>178</u>
Total Non-Operating Income	<u>5,191</u>	<u>570,323</u>
Total Revenue and other income	3,608,107	3,714,196

Note 3. Cash and Cash Equivalents

CURRENT

Cash at Bank	<u>700,755</u>	<u>1,047,157</u>
	<u>700,755</u>	<u>1,047,157</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>700,755</u>	<u>1,047,157</u>
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Note 4. Trade and Other Receivables

CURRENT

RNSW	283,835	242,134
Other debtors	647	427
Trade Debtors and prepayments	<u>18,653</u>	<u>10,804</u>
	<u>303,135</u>	<u>253,365</u>

MORUYA JOCKEY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

Note 5. Inventories	2023	2022
	\$	\$
CURRENT		
Bar Stocks – at Cost	<u>34,214</u>	<u>29,109</u>
	<u>34,214</u>	<u>29,109</u>

Note 6. Property, Plant and Equipment
NON CURRENT

Property, plant and equipment – At Cost	1,727,840	1,396,190
Less: Accumulated depreciation	<u>(432,603)</u>	<u>(332,204)</u>
	<u>1,295,237</u>	<u>1,063,986</u>
Total property, plant and equipment	<u>1,295,237</u>	<u>1,063,986</u>

(a) Movements in Carrying Amounts

Movements in the carrying amounts (written down values) for each class of property, plant and equipment between the beginning and the end of the current financial year.

Balance – Start of Year	1,063,986	712,735
Additions	331,650	434,937
Depreciation	<u>(100,399)</u>	<u>(83,686)</u>
Carrying Amount – End of Year	<u>1,295,237</u>	<u>1,063,986</u>

(b) Impairment Losses

No impairment losses were incurred during the year.

Note 7. Trade and Other Payables

CURRENT

Unsecured liabilities

Trade Payables	22,625	141,954
Other liabilities	99,031	98,971
Leave provisions	<u>15,317</u>	<u>21,373</u>
	<u>136,973</u>	<u>262,298</u>

MORUYA JOCKEY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

Note 8. Cash Flows Information

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and at call deposits with banks, and investments in money market instruments, net of bank overdrafts. Cash at the end of the financial year as shown in the Statement of Cash flows is reconciled to the related items in the Statements of Financial Position as follows:-

	2023	2022
	\$	\$
Cash at Bank – Investment Account	54,597	900,224
Cheque Account	103,673	115,933
Term deposits	500,000	0
Race day float & funds	<u>42,485</u>	<u>31,000</u>
	<u>700,755</u>	<u>1,047,157</u>

**(b) Reconciliation of Net Cash Provided from Operations
with Surplus after Income Tax**

Surplus after Income Tax	65,049	396,489
Non Cash Flows in Operating Profit	100,399	83,686
Changes in Assets & Liabilities		
Decrease (Increase) in Receivables	(49,770)	(754)
Decrease (Increase) in Inventories	(5,105)	(2,042)
(Decrease) Increase in Creditors & Accruals	4,265	44,284
Net Cash Provided by (Used in) Operating Activities	<u>114,838</u>	<u>521,663</u>

Note 9. Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other persons unless otherwise stated.

During the year a company controlled by director Greg Robson provided advertising services for \$2,567.

Note 10. Events after the Reporting Period

The directors are not aware of any significant events since the end of the reporting period which have affected or may affect the operations of the company.

MORUYA JOCKEY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

Note 11. Contingent Assets and Liabilities

A major upgrade project to the main building is expected to commence sometime within the next 24 months. The final costings related to this project have not been determined and no expenditure has been committed to. It is anticipated that Racing NSW will assist with some level of funding.

Note 12. Financial Risk Management

a) Capital Risk Management

The capital structure of the company includes cash and cash equivalents and retained earnings. The company has no borrowings.

b)	Note	2023 \$	2022 \$
FINANCIAL ASSETS			
Cash at Bank	3	700,755	1,047,157
Trade and receivables	4	<u>303,135</u>	<u>253,365</u>
		<u>1,003,890</u>	<u>1,300,522</u>
FINANCIAL LIABILITIES			
Trade and Other Payables	7	<u>136,973</u>	<u>262,298</u>
		<u>136,973</u>	<u>262,298</u>

The carrying amount reflected above represents the company's maximum exposure to credit risk for such loans and receivables.

c) Financial Risk Management Objectives

The directors manage the financial risks relating to the operations of the company. These risks include credit risk and liquidity risk. The company does not enter into or trade financial instruments.

d) Market Risk

The company's only exposure to market risk is the effect of changes in interest rates which would affect interest received.

There has been no change to the company's exposure to market risks.

e) Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors. Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligation in relation to financial liabilities.

The company manages this risk through the following mechanisms:

- a. Preparing forward cash flow analysis in relation to its operational, investing and financing activities;
- b. Maintaining a reputable credit profile;
- c. Managing credit risk related to financial assets;
- d. Only investing surplus cash with major financial institutions; and
- e. Comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

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

The following table reflects an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

2023	Note	Less than 1 year	Over 1 Year	Total Contractual Cash Flows
Financial Assets - Cash Flows Realisable:				
Cash at Bank	3	700,755		700,755
Trade and Receivables	4	303,135		303,135
Total anticipated inflows		1,003,890		1,003,890
Financial liabilities due for Payment:				
Trade Creditors	7	22,625		22,625
Current Tax Liabilities	7	49,453		49,453
Other Liabilities	7	64,895		64,895
Total expected outflows		136,973		136,973
Net (outflow)/inflow on financial instruments		866,917		866,917

2022	Note	Less than 1 year	Over 1 Year	Total Contractual Cash Flows
Financial Assets - Cash Flows Realisable:				
Cash at Bank	3	1,047,157		1,047,157
Trade and Receivables	4	253,365		253,365
Total anticipated inflows		1,300,522		1,300,522
Financial liabilities due for Payment:				
Trade Creditors	7	141,954		141,954
Current Tax Liabilities	7	73,858		73,858
Other Liabilities	7	46,486		46,486
Total expected outflows		262,298		262,298
Net (outflow)/inflow on financial instruments		1,038,224		1,038,224

MORUYA JOCKEY CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2023

1) Fair Value

The carrying amount of the financial assets and financial liabilities represents a reasonable approximation of fair value.

2) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. To the extent the company has a receivable from another party there is a credit risk in the event of non-performance by that counterparty. Financial instruments, which potentially subject the company to credit risk solely, consist of trade and other receivables. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

The carrying amount of the financial assets recorded in the financial statements net of any allowances for losses, represents the company's maximum exposure to credit risk, without taking account of the value of any collateral obtained. The company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

3) Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 13. Key Management Personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, is considered key management personnel (KMP).

The totals of remuneration paid to KMP of the entity during the year are as follows:

KMP Compensation

	2023	2022
	\$	\$
-Short-term employee benefit	110,500	94,176

Note 14. Auditor Remuneration

	2023	2022
	\$	\$
Auditing Services	4,500	4,500

Note 15. Capital Commitments

Capital Expenditure Commitments

	2023	2022
	\$	\$
Building Works	0	206,596

Note 16. Course Lease

The company as lessee previously held a lease terminating 30/04/2068 with the local shire council for occupation of the racecourse. In September 2020 the shire council sold the racecourse land to Racing NSW a not-for-profit entity established by an Act of NSW State Parliament. At the date of these financial statements no transfer of lease has been executed. Since the end of the financial year the directors have sought to engage with Racing NSW management with a view to certifying the company's occupation of the racecourse. Under the terms of the previous lease with the shire council the annual lease fee was returned to the company by way of payments for various capital improvements required by the company. The nature and timing of these payments were determined by mutual agreement between the company and the shire council. Under this arrangement the effective lease cost to the company was therefore nil.

The directors expect that Racing NSW will provide similar terms to the company which will include comparable net financial benefits.

MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 23, satisfy the requirements of the *Corporations Act 2001* and;
 - a. comply with Australian Accounting Standards – Simplified Disclosures applicable to the company; and
 - b. give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.

Director


.....
Peter Atkinson

Dated this 13th Day of November 2023

Director


.....
Noel Harrison

Dated this 13th Day of November 2023



GLEESON & PARTNERS
Certified Practising Accountants

Opinion

We have audited the financial report of Moruya Jockey Club Limited, which comprises the statement of financial position as at 30 June 2023, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position at 30th June 2023, and of its financial performance for the year then ended;
- (ii) complying with Australian Accounting Standards – AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities and *Corporations Regulations 2001*.

Basis for Opinion

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 the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

J.P. O'Sullivan – CPA



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INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF
MORUYA JOCKEY CLUB LIMITED
ABN 51 003 266 260

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards AASB 1060: General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-For-Profit Tier 2 Entities and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility


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 the 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Gleeson & Partners
Joseph O'Sullivan

13th Day of November 2023