



PONY CLUB
WESTERN AUSTRALIA

Financial Statements

Pony Club Western Australia Incorporated
ABN: 24 154 398 757

For the year ended 31 December 2023

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Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2023

| | NOTES | 2023 \$ | 2022 \$ |
|---|-------|----------------|----------------|
| Other income | | 16,134 | 191 |
| Sporting income | | 196,662 | 104,065 |
| Host fees | | 48,853 | 30,866 |
| Levies | | 24,034 | 31,326 |
| Association Income | | 293,963 | 276,208 |
| Donations received | | 1,341 | 996 |
| Development income | | 42,689 | 40,134 |
| Government grants received including COVID stimulus | | 145,000 | 73,818 |
| Profit/(loss) merchandise sales | | (7,933) | 7,312 |
| Sponsorship & fundraising income | | 105,999 | 91,320 |
| Interest received | | 8,900 | 2,359 |
| Total Income | | 875,643 | 658,595 |
| Accountancy & auditing | | 36,662 | 35,067 |
| Administration fees & charges | | - | - |
| Advertising & promotion | | 9,690 | 1,739 |
| Bad debts | | 219 | 150 |
| Bank fees | | 3,387 | 1,163 |
| Bank merchant fees | | 1,171 | 3,151 |
| Catering expenses | | 39,308 | 9,237 |
| Coaches, Judges & Officials expenses | | 58,822 | 53,247 |
| Computer expenses | | 3,810 | 4,149 |
| Depreciation | | 15,492 | 19,055 |
| Donations | | - | - |
| Employment expenses | | 695 | - |
| Equipment lease – Photocopier | | - | - |
| Event expenses | | 107,176 | 57,020 |
| First aid expenses | | 10,290 | 14,344 |
| Grants given by Pony Club WA sponsorship | | 16,480 | 3,695 |
| Hire/Rent of plant & equipment | | - | - |
| Host fee expense | | 30,523 | 44,236 |
| Insurance | | 88,332 | 75,933 |

| | | |
|--|----------------|------------------|
| Inventory write off | - | - |
| Licences & permits | 698 | 675 |
| Office expenses | 9,609 | 13,750 |
| Postage | 5,795 | 4,164 |
| Printing & stationery | 6,080 | 6,327 |
| Professional development | 618 | 1,349 |
| Repairs & maintenance | 3,478 | 3,573 |
| Rent | 26,594 | 23,096 |
| Sporting awards | 66,550 | 30,574 |
| Subscriptions | 6,976 | (9,471) |
| Superannuation | 29,472 | 30,680 |
| Telephone | 5,333 | 4,740 |
| Travel, accommodation | 2,261 | 19,083 |
| Uniforms | - | - |
| Venue hire expenses | - | - |
| Sundry expenses | - | (150) |
| Wages | 282,724 | 331,091 |
| Total Expenses | 868,242 | 781,668 |
| (Loss) / Profit for the year | 7,400 | (123,073) |
| Net (loss) / profit attributable to the Association | 7,400 | (123,073) |

This statement should be read in conjunction with the notes to the financial statements.

Statement of Financial Position

As at 31 December 2023

| | NOTES | 2023 \$ | 2022 \$ |
|--------------------------------------|-------|----------------|----------------|
| Current assets | | | |
| Cash and cash equivalents | 2 | 432,297 | 396,490 |
| Trade and other receivables | | 13,404 | 4,479 |
| Inventories | | 20,132 | 15,178 |
| Other current assets | | 10,442 | 12,140 |
| Total current assets | | 476,275 | 428,287 |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 6,739 | 10,054 |
| Right of use asset | | 16,313 | 5,471 |
| Total non-current assets | | 23,052 | 15,525 |
| Total assets | | 499,327 | 443,812 |
| Current liabilities | | | |
| Trade and other payables | 4 | 54,737 | 4,022 |
| Lease liability | | 3,390 | 4,796 |
| Provisions | 5 | 17,516 | 31,333 |
| Total current liabilities | | 75,643 | 40,150 |
| Lease liability | | 13,862 | 1,240 |
| Total non-current liabilities | | 13,862 | 1,240 |
| Total liabilities | | 89,505 | 41,390 |
| Net assets | | 409,822 | 402,422 |
| Equity | | | |
| Accumulated surplus/(deficit) | | 409,822 | 402,422 |
| Total equity | | 409,822 | 402,422 |

This statement should be read in conjunction with the notes to the financial statements.

Statement of Changes in Equity

For year ended 31 December 2023

| | NOTES | RETAINED EARNINGS \$ | TOTAL \$ |
|------------------------------------|-------|-------------------------|----------------|
| Balance at 1 January 2022 | | 525,495 | 525,495 |
| Loss for the year | | (123,073) | (123,073) |
| Balance at 31 December 2022 | | 402,422 | 402,422 |
| Profit for the year | | 7,400 | 13,558 |
| Balance at 31 December 2023 | | 409,822 | 415,990 |

This statement should be read in conjunction with the notes to the financial statements.

Statement of Cash Flows

For year ended 31 December 2023

| | NOTES | 2023 | 2022 |
|---|----------|----------------|------------------|
| Cash flows from operating activities | | | |
| Receipts from customers | | 874,325 | 662,563 |
| Payments to suppliers and employees | | (826,725) | (783,796) |
| Net cash provided by/(used in) operating activities | 6 | 47,599 | (121,233) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (7,436) | (18,365) |
| Proceeds from sale of property, plant and equipment | | - | - |
| Net cash (used in) investing activities | | (7,436) | (18,365) |
| Cash flows from financing activities | | | |
| Repayment of lease liability | | (4,356) | (4,543) |
| Net cash (used in) financing activities | | (4,356) | (4,543) |
| Net change in cash and cash equivalents held | | 35,808 | (144,141) |
| Cash and cash equivalents at beginning of financial year | | 396,490 | 540,631 |
| Cash and cash equivalents at end of financial year | 2 | 432,297 | 396,490 |

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Financial Statements

1 Statement of significant accounting policies

The Board have prepared the financial statements on the basis that the Association is a non-reporting entity because there are no users dependent on a general purpose financial report. The financial report is therefore a special purpose financial report that has been prepared in order to meet the requirements of the Association Incorporations Act 2015.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, and AASB 1054 Australian Additional Disclosures.

1.1 Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets and financial instruments for which the fair value basis of accounting has been applied.

1.2 New and amended standards adopted by the Association

The Association has adopted all the amendments to Australian Accounting Standards issued by the Australian Accounting Standards Board, which are relevant to and effective for the Association's financial statements for the annual period beginning 1 January 2023.

None of the amendments have had an impact on the Association.

1.3 Significant accounting policies

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate portion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on the basis of weighted average costs.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

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.

Plant and equipment are measured at cost less depreciation and impairment losses.

Subsequent costs are included in the asset's 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 Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Association commencing from the time the asset is held ready for use. Leased assets and leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the assets.

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

| <i>Class of fixed asset</i> | <i>Depreciation rate</i> |
|-------------------------------|--------------------------|
| Computer software & hardware: | 40% - 100% |
| Plant and equipment: | 10% - 100% |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period 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 or losses are included in the statement of profit or loss and other comprehensive income.

When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Impairment of non-financial assets

At each reporting date, the Association 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. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Employee benefits

Short-term employee benefits

Short-term employee benefits are benefits, other than termination benefits, that are expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries, non-monetary benefits and accumulating sick leave. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Employee benefits (continued)

Other long-term employee benefits

The Association's liabilities for annual leave and long service leave are included in other long-term benefits as they are not expected to be settled wholly within twelve (12) months after the end of the period in which the employees render the related service. They are measured at the present value of the expected future payments to be made to employees. The expected future payments incorporate anticipated future wage and salary levels, experience of employee departures and periods of service, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the timing of the estimated future cash outflows.

Any re-measurements arising from experience adjustments and changes in assumptions are recognised in profit or loss in the periods in which the changes occur.

The Association presents employee benefit obligations as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement for at least twelve (12) months after the reporting period, irrespective of when the actual settlement is expected to take place.

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 using the best estimate of amounts required to settle the obligation at the end of the reporting period.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Revenue

Revenue arises mainly from fees received from members and revenue from sporting events.

To determine whether to recognise revenue, the Association follows a 5-step process:

- 1 Identifying the contract with a customer
- 2 Identifying the performance obligations
- 3 Determining the transaction price
- 4 Allocating the transaction price to the performance obligations
- 5 Recognising revenue when/as performance obligation(s) are satisfied.

The total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue (continued)

Revenue is recognised either at a point in time or over time, when (or as) the Association satisfies performance obligations by transferring the promised goods or services to its members. The Association recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Association satisfies a performance obligation before it receives the consideration, the Association recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

All revenue is stated net of the amount of Goods and Services Tax (GST).

Leases

The Entity considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Entity assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Entity
- the Entity has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- the Entity has the right to direct the use of the identified asset throughout the period of use. The Entity assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Entity recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Entity, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Entity depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Entity also assesses the right-of-use asset for impairment when such indicators exist.

Measurement and recognition of leases as a lessee (continued)

At the commencement date, the Entity measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Entity's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Entity has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

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 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. Receivables and payables in the statement of financial position are shown inclusive of GST.

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

Significant management judgement in applying accounting policies

The following are significant management judgements in applying the accounting policies of the Association that have the most significant effect on the financial statements.

Estimation uncertainty

When preparing the financial statements management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets to the Association. Actual results, however, may vary due to technical obsolescence, particularly relating to software and IT equipment.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, management takes into account the most reliable evidence available at the times the estimates are made.

Provisions – Long service leave

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

2 Cash and cash equivalents

| | 2023 | 2022 |
|--------------------------|----------------|----------------|
| Cash at bank and in hand | 112,594 | 85,833 |
| Short-term bank deposits | 319,703 | 310,657 |
| | 432,297 | 396,490 |

3 Property, plant and equipment

| | 2023 | 2022 |
|--|--------------|---------------|
| Property, plant and equipment | | |
| At cost | 153,609 | 146,162 |
| Accumulated depreciation | (146,869) | (136,108) |
| Total property, plant and equipment | 6,739 | 10,054 |

4 Trade and other payables

| | 2023 | 2022 |
|------------------|---------------|--------------|
| Current | | |
| Trade payables | 34,162 | 2,811 |
| Unearned income | 12,219 | 162 |
| Accrued expenses | 9,148 | - |
| ATO payables | (792) | 1,048 |
| | 54,737 | 4,022 |

5 Provisions

| | 2023 | 2022 |
|--------------------|---------------|---------------|
| Current | | |
| Annual leave | 15,123 | 23,788 |
| Long service leave | 2,392 | 7,544 |
| | 17,515 | 31,332 |
| Non-current | | |
| Long service leave | - | - |
| | - | - |

The current portion of these liabilities represents Pony Club Western Australia's obligations to which the employee has a current legal entitlement. These liabilities arise mainly from accrued annual leave entitlement at reporting date.

6 Cash flow information

| | 2023 | 2022 |
|--|---------------|------------------|
| a Reconciliation of cash flow from operations with profit / (loss) after income tax | | |
| Profit / (Loss) | 7,400 | (123,073) |
| Non-cash flows in profit /(loss): | | |
| • depreciation | 15,492 | 19,055 |
| Changes in assets and liabilities: | | |
| • (Increase)/decrease inventories | (4,954) | (183) |
| • (Increase)/decrease in receivables | (8,926) | 3,727 |
| • (Increase)/decrease in other assets | 1,699 | (4,688) |
| • Increase/(decrease) in trade creditors and other creditors | 50,715 | (35,153) |
| • Increase/(decrease) in provisions for employee entitlements | (13,817) | 19,082 |
| Net cash provided by/(used in) operating activities | 47,599 | (121,233) |

7 Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

8 Association details

The registered office and principal place of business of the Association is:

Pony Club Western Australia Incorporated
303 Cathedral Avenue
Brigadoon WA 6069

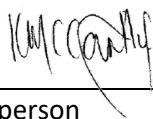
Directors' Declaration

The Directors have 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 described in Note 1 to the financial statements.

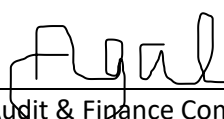
The Directors of the Association declare that:

- 1 The financial statements and notes, as set out on pages 2 to 14, are in accordance with the *Associations Incorporation Act 2015*:
 - a Comply with Accounting Standards as described in Note 1 to the financial statements, the *Associations Incorporation Act 2015* and other mandatory professional reporting requirements; and
 - b Give a true and fair view of the financial position as at 31 December 2023 and of the performance for the year ended on that date of the Association in accordance with the accounting policies described in Note 1 to the financial statements; and
- 2 There are reasonable grounds to believe that the Association 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.



Chairperson



Audit & Finance Committee Member

Dated 17 March 2024

Dated 17 March 2024

Independent Auditor's Report

An independent auditor's report will be prepared by the entity's auditor in accordance with Australian Auditing Standards. This publication does not include an illustrative report as the wording of the report may differ between entities