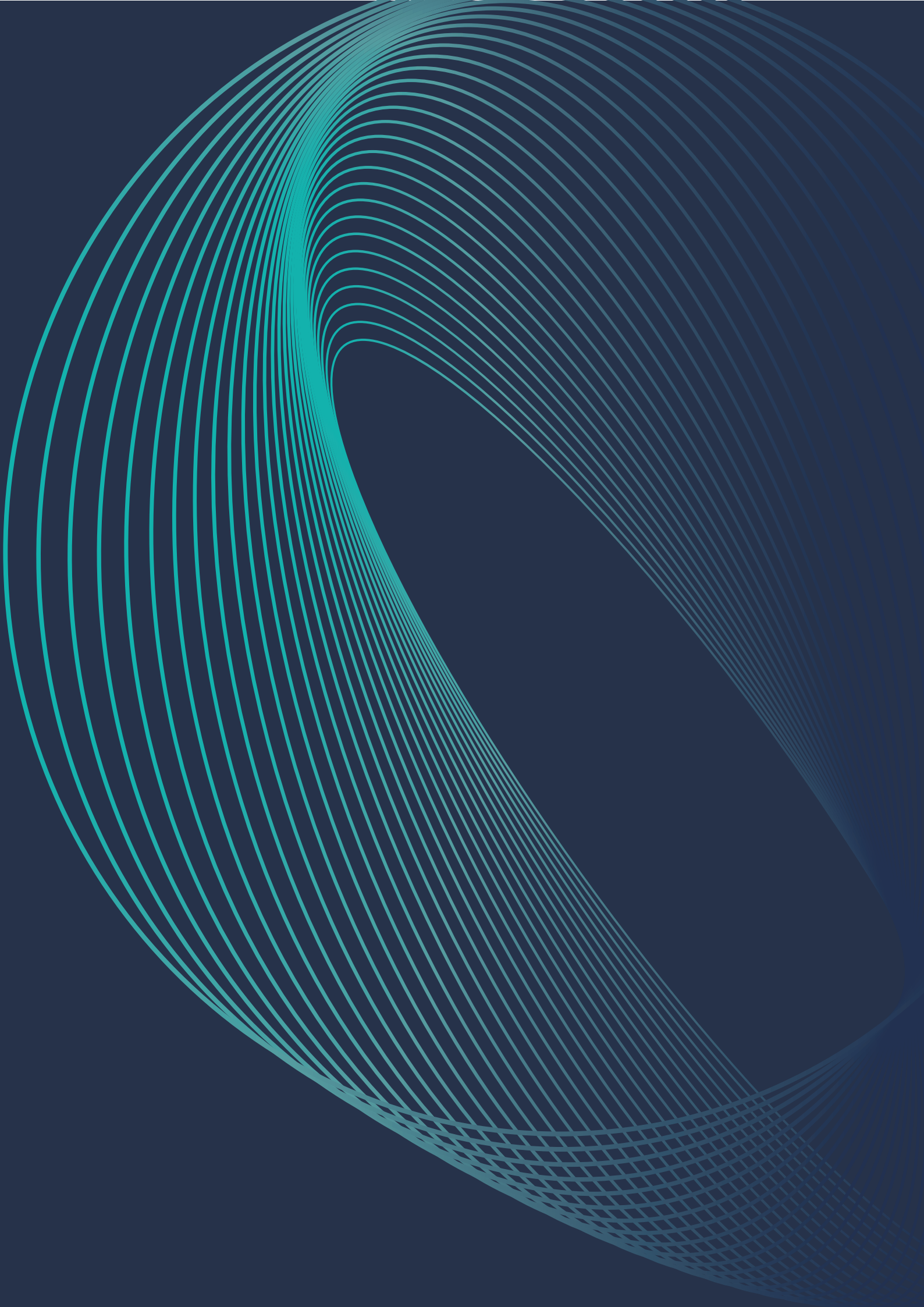




2019

SPORTIES GROUP
ANNUAL REPORT



Our Vision.

Sporties is dedicated to enriching the community.



Our Mission.

Exceeding expectations by creating a destination of good times and great memories through our people, product and presentation

Our Values.

Empathy

We understand the experience of members.
We understand our staff and all our people.

Accountability

We own our actions.
We align our actions to organisational goals.

Above & Beyond

We show initiative.
We create magical moments that exceed expectations.

Teamwork

We are stronger together.
We work towards a common goal.

Integrity

We choose courage over comfort.
Our word is our bond.

Innovation

We embrace change.
We challenge the norm.

Presidents Report



Alby Taylor

It is with great pleasure that I present the Annual Report for Moorebank Sports Club Pty Ltd for the year ending 30 June 2019.

Firstly, let me recognise and thank the outgoing President Robert Fleeton. Bob as he is more affectionately known, stepped down from the Presidency in March of this year after leading the Club as your President for an unbelievable 29 years. For those who don't know, Bob was fundamental in the creation of the Club and until now has been the Club's only ever President. For any person to occupy a role like this over such an extended period, to maintain such exceptional commitment and dedication, and to create and develop the epicentre and social hub of our Community as Bob has, is by any standard an outstanding achievement. As a real 'people person', the community is always at the forefront of Bob's mind and we thank him for his passion, dedication and hard work over the many years.

Of course, it would be remiss of me not to also make a special mention and extend our gratitude and thanks to Bob's Wife, Lynne Fleeton. There is no doubt Bob could not have made the contribution he has without the on-going support and encouragement of Lynne. So to you Lynne, you will be recognised forever as the silent partner of Bob's Presidency, and I thank you for sharing Bob with us. It's been a very exciting year for Sporties with growth in many important areas of the business. Total revenue grew by 16% from \$19.2m in 2018 to \$22.1m in 2019. Our net cash from operations also grew from \$2.7m in 2018 to \$3.6m this year. With this increase we are capable of greater investment across the Sporties Group, with our net assets growing from \$26m to \$27.2m.

At our Hammondville home, we had many exciting developments. We spent over \$2m on refurbishing the Club, with new carpet, painting, furniture, a new big screen television, and a new state-of-the-art bar that offers a new range of products, services and experiences for our Members. In addition to these improvements, your Board remains committed to growing our Club, and over the last few months we have been focussed on plans for exciting new developments at Hammondville.

In February this year, the Club received notification that our proposed new Sporties@Gregory Hills development had been approved by the Independent Liquor and Gaming Authority. Gregory Hills is part of the South West Growth Corridor, the fastest growing sector in the history of Australia, and this represents a significant opportunity for Sporties to capitalise on the incredible development occurring in south west Sydney and satisfy a great number of new Members.

Turning south, we have made great strides with Sporties at Kareela Golf. When we took over Sporties@Kareela in 2017 the EBITDA for that Club was -\$332,613. Whilst Kareela has been hard work, I am pleased to advise that for this financial year, the EBITDA was \$269,165, turning Kareela into a cash positive business, and moving upward. As you may know, despite this success, we have begun the process of amalgamating the Kareela venue with the Cronulla Sharks who were looking for a second venue within the Sutherland Shire. The opportunity to amalgamate with Cronulla Sharks was too attractive a business proposition for your Club to ignore and with the amalgamation, Sporties can focus on Hammondville and Gregory Hills, which will ensure that Sporties becomes one of the most successful clubs in NSW.

Of course, we remain strongly committed to our Community. This year we donated \$206,575 in funds to the local area, including \$137,150 to our own Rugby League, Soccer, Netball, Baseball, Cricket and Golf clubs, who all proudly wear the Moorebank colours. With these funds these sporting clubs have been able to provide essential equipment and support to their players, with some 1,865 players reaping the benefits of this funding which would not be possible without our contribution.

Local charity groups also received the benefits of this funding. These groups include Learning Links, Shepherd Centre, Wheelchair Sports NSW, Autism Advisory and Support NSW, Royal Life Savings NSW, SCRAP, Kookaburra Kids and Autism Community Network. We are proud to be in a position to support these worthwhile organisations.

I'd like to thank my fellow Board of Directors. Without your commitment and dedication to Sporties we would not have the Clubs and the facilities which we enjoy today. Your work and commitment is tireless and often undervalued, but Sporties would not be where it is today without you and your efforts.

2019 saw the appointment of Jeff Gibbs as our new Chief Executive. Jeff of course, has been our long serving Chief Operating Officer, and has served a wonderful apprenticeship at Sporties. Not only is he well qualified and experienced, but Jeff is also well liked by our Members and Staff and proved to be a popular and great decision by your Board. I congratulate Jeff on his appointment and thank him for his support during this year.

My genuine thanks to the Management Team and Staff for the service they provide to our Members. Make no mistake, you make the Club what it is, and our Members attend to enjoy our facilities and relax and your professionalism and hospitality makes Sporties a great place to come.

Finally, I'd like to thank you, the Members. I truly believe we have created a Club that enriches our local community and enhances our lifestyle and culture. I thank every Member for their support of our great Club and together with you I look forward to many more years of success and prosperity.

Yours Sincerely.
Alby Taylor
President
Sporties Group

A handwritten signature in blue ink, appearing to be 'Alby Taylor', written in a cursive style.



CEO's Report



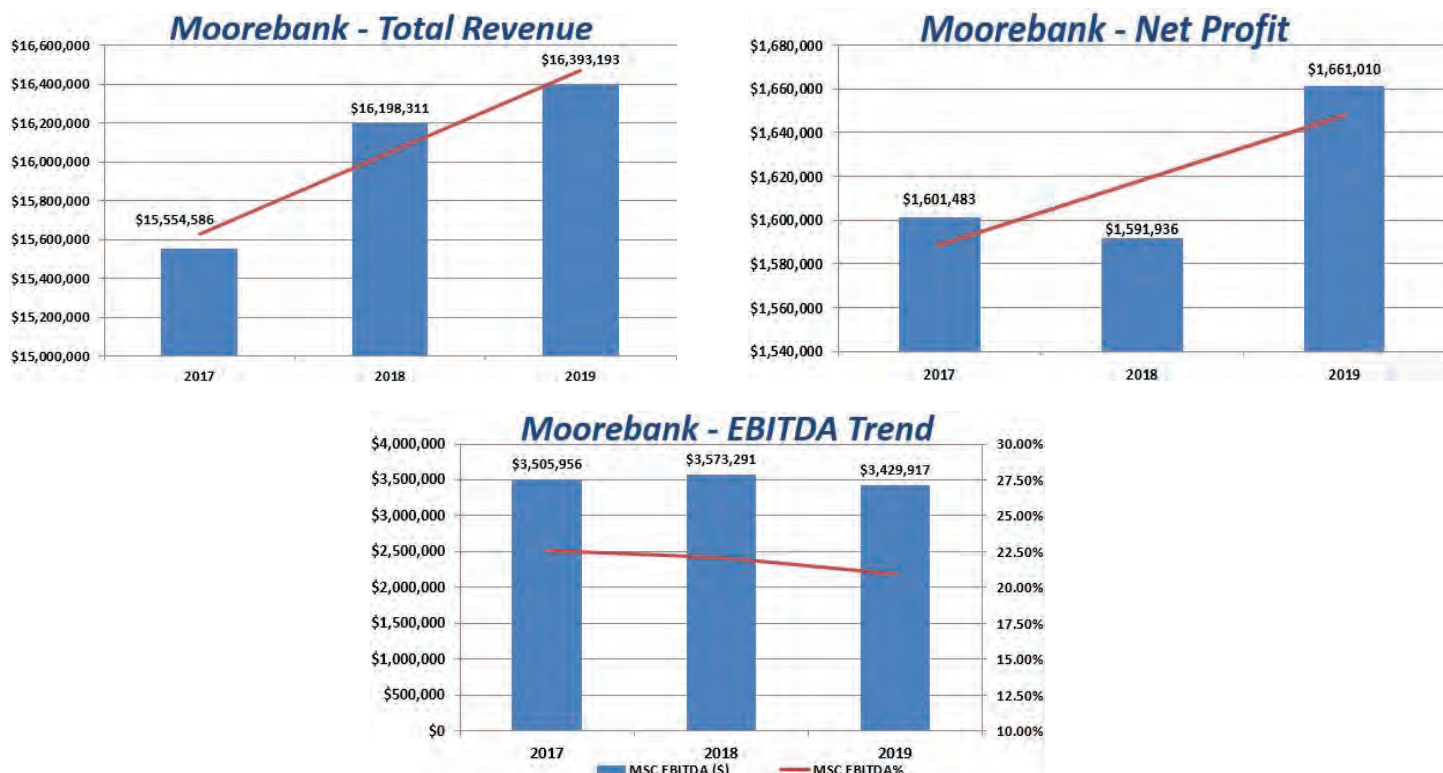
Jeff Gibbs

Dear Members,

It is with great pleasure that I present the Chief Executive Officer's report for the financial year ending 30th June 2019. The following is an overview of the performance of our current clubs and the opportunities that are currently within the Sporties Group.

Moorebank

The key financial metrics from Moorebank are below;



This year Moorebank underwent a major refurbishment, which includes a new design throughout the entire venue with a new bar, café, sports lounge, furniture and fittings. This totalled over \$2 million of construction. We thank the members for their patience through the construction period and we hope you are satisfied with the result.

We are in discussions with many community stakeholders about the future of your club at Hammondville and we hope to have some exciting developments to share with the members throughout this coming year.

Gregory Hills

In February 2019 the club received approval from ILGA for the license at Gregory Hills. Currently the Sporties Board and Management are assessing all of our opportunities and also reviewing the existing plans to ensure the proposed club is the best fit for the Gregory Hills area and the Sporties Group. As we proceed with this development we will ensure to inform members of this exciting development.



Kareela

Lack of historical information makes it difficult to show the growth at Kareela. However, I can confirm that Kareela is in a cash positive position, producing an EBITDA of \$267,165 for this financial year. This is a significant improvement from 2017, when the club amalgamated with a negative EBITDA of -\$332,613. This cash negative position was a precarious situation for Kareela Golf Club.

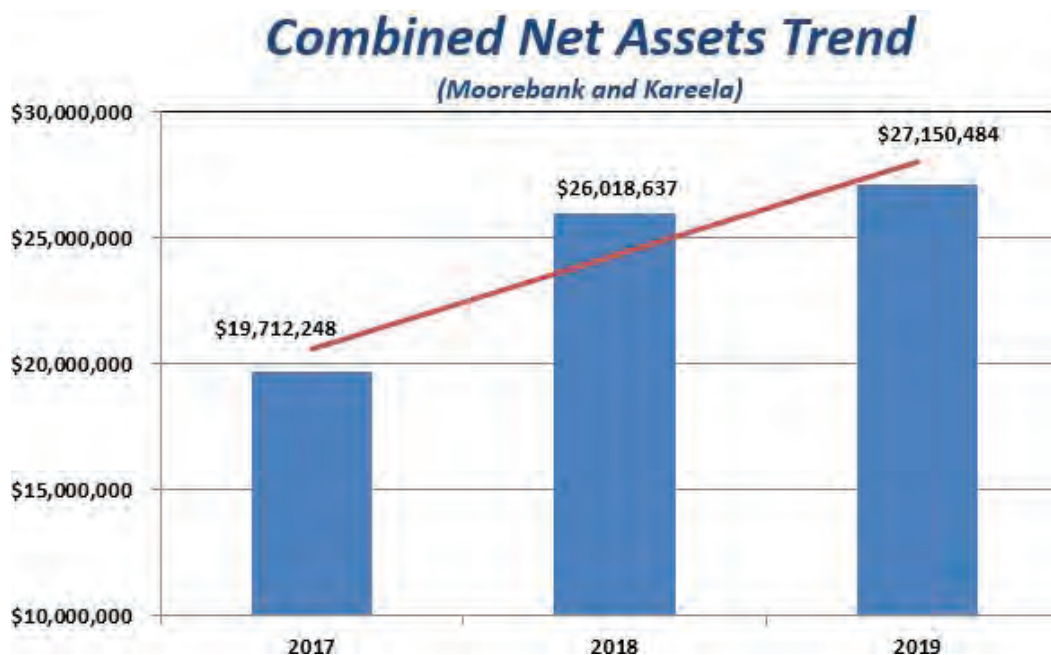
Throughout this year we streamlined many processes at Kareela, outsourcing our golf services, including the pro shop and course maintenance. Feedback about these changes has been very positive with members stating the course is the best it has looked in many years.

Despite this success Sporties has made the decision to enter the process of de-amalgamating the Kareela premises from Sporties and amalgamating the premises with Cronulla Sharks. We believe this will provide natural synergies for the Kareela members, the Sporties Group and Cronulla Sharks.

Sporties Group

Across the group it was a very successful year. Membership grew by 13% with 32,420 members. We are very proud of this achievement and happy to serve a greater number of members with an increased level of service and facilities.

The group remains strong with a significant net assets position of \$27,150,483.



This year Robert Fleeton stepped down as President of Sporties Group after 29 years of service to the Club. It would be fair to say that the club would not be here today without Bob's dedication and hard work. I've known Bob since I first started working at Sporties in 2008. I have always appreciated Bob for his honesty, integrity, his candour and for always having the best interest of members and the Club at the forefront of his mind. I thank Bob for his service as President and I look forward to building on the solid foundation that Bob has created.

I thank the Board for my appointment in June 2019 and congratulate Alby Taylor on his appointment to President of Sporties. I look forward to working with all the Board to the betterment of the Sporties Group and its members.

My first task as CEO was to realign the Sporties Mission, Vision and Values as you will see below.



To the staff of the Sporties Group, across both our sites, I am incredibly proud of the team and what we have achieved. You stand at the forefront of the member experience and display an unwavering commitment to our vision, to enrich the community and our mission, to become a destination venue.

This year I formed a new Management team and I wish to extend to them the incredible faith I have in them as a team. I am confident that we will build a venue and a culture that is the envy of the Club industry and an unparalleled experience for our members.


To the members, thank you for your loyalty and dedication to the great institution of Sporties and its associated codes. We exist for the members and the community and 2020 will be an exciting time to be a part of our club. I firmly believe the best days of Sporties are yet to come and I hope you will come along with us on our journey.

Thank you for your time and I hope to see you at the Club.

Kind Regards

Jeff Gibbs
CEO
Sporties Group.

A handwritten signature in black ink, appearing to read 'Jeff Gibbs'.

The background features a dark blue field with intricate, flowing lines in shades of teal and light blue. These lines form a series of concentric, overlapping arcs that sweep across the frame, creating a sense of dynamic movement. In the upper right quadrant, a faint, wireframe sphere is visible, composed of intersecting circular lines. The overall aesthetic is modern and architectural.

Club Grants



Each year The Sporties Group takes great pride in being able to support its local community through the Club Grants Program.

Club Grants allows us to provide funding for a diverse group of organisations, charities and community based projects, making a difference to those in need.

In 2019 Sporties donated over \$69,000 to many community groups in the local area including Autism Advisory & Support NSW, Wheelchair Sports NSW, Royal Life Saving Society NSW, SCRAP, The Shepherd Centre, Learning Links, Autism Community Network & Kookaburra Kids.

Sporties is proud to donate these essential funds to such worthwhile causes.

Wheelchair Sports NSW

**\$15,000
DONATED**

SUPPORT FOR LOCAL MEMBERS & VOLUNTEERS

The program for which funding is sought is for an education and tryout program for people living with physical disabilities in the Liverpool LGA. This will allow us to ascertain community interest in participating in locally staged wheelchair sports programs. If there is sufficient resident demand in participating in specific wheelchair sports programs in not offered locally in Liverpool on a regular basis, Wheelchair Sports NSW will liaise with Liverpool Council with the view to expanding/establishing local regular wheelchair sports programs. Travelling to training can be a barrier to participation in wheelchair sport so establishing local, accessible sports training programs and competitions is important. If residents with a disability support the establishment of wheelchair sports programs in Liverpool by indicating their need for such programs, future funding will be required. We look to establish a partnership with Liverpool Council and local businesses that will offset program costs through the use of Council facilities etc. Funding for Wheelchair Sports NSW sports programs is also generated through our Fundraising Department in the form of ClubGRANTS, donations, appeals, events and bequests. We are confident that any new programs established in Liverpool will be able to be sustained.

Autism Advisory & Support NSW

**\$15,000
DONATED**

NAVIGATING THE NDIS - FAMILY SUPPORT & GUIDANCE

Offering support and guidance around the NDIS and services for newly diagnosed families of children with Autism Spectrum Disorder so they can understand and accept the diagnosis and the system, providing a solid foundation for early intervention and the future. Every child's needs are different, so we will provide individual support. We will also run a parent information session attracting families seeking more generalised information and guidance.

**“Empowering
children and adults
with Autism & their
families through
knowledge &
support.”**



Royal Life Saving NSW

JUNIOR WATER SAFETY PROGRAM

**\$9,950
DONATED**

New and improved educational experience for 1500 Kindergarten to Year 2 students in Liverpool. Royal Life Saving NSW (RLSNSW) will conduct interactive water safety workshops engaging all of infants at up to 10 primary schools in Liverpool, in an attempt to prevent drowning, save lives and instil positive attitudes towards water safety from a young age. Children will learn about hazards found in a range of familiar aquatic environments (pool, home, beach and river) and will be taught foundation skills in how to avoid danger and keep themselves safe around water.

The Shepherd Centre

TALK TOGETHER - EDUCATION AND SUPPORT PROGRAM FOR PARENTS OF CHILDREN WITH HEARING LOSS IN THE LIVERPOOL AREA

**\$8,150
DONATED**

“Talk Together” is a group program supporting and educating parents of children recently diagnosed with hearing loss living in Liverpool. It is aimed at providing the parents with the fundamental skills and knowledge they need to support their child in developing listening, speech and language skills. Parents are emotionally supported and engaged in group discussions and activities with other parents. The goal is to create a supportive, caring and stable environment for the families.

Our outcomes demonstrate that educating parents about hearing loss and supporting them at the start of their journey is the foundation of the amazing results achieved by children attending The Shepherd Centre. “Talk Together” also includes access to an online platform called Connect which has resources and modules that the family can complete at home. This allows them to further their skills and knowledge to take every day activities and turn them into listening and language learning opportunities with their child.



**“THE ROYAL LIFE SAVING
SOCIETY NSW BELIEVES THAT
EVERY INDIVIDUAL IN
AUSTRALIA SHOULD BE
PROVIDED WITH A BALANCED
WATER SAFETY, PERSONAL
SURVIVAL AND SWIMMING
EDUCATION.”**

SCRAP

GRAZE FOR HEALTH

**\$1,290
DONATED**

SCRAP Ltd has been engaged with Holsworthy HS and their P&C in delivering a course for students on organic living skills and through that course delivering a community garden on spare land at the school, adjacent to the SCRAP Environmental Education Centre. The course has now run for around 15 weeks and in addition some 10 sessions have run on weekends for community gardeners. What is apparent from this and other research is the need for people to take greater care of their own health and a key way to do this is to understand the importance of balancing one's diet. Our idea is to enhance the Holsworthy Community Garden with the construction and planting of a Herb Spiral which provides a micro-climate for a wide range of herbs.

Most of us are aware of the flavour benefits of herbs in our food but few are aware that they can be used supplementally to balance the bodily system. Once established through school and community workshops we will continuously enhance people's understanding of their uses and encourage visitors and participants to graze on those which address particular needs in people's diets which they (and their health practitioners) have identified. We will also outreach to a range of health providers in the community.

Learning Links

COUNTING FOR LIFE

**\$7,895
DONATED**

Counting for Life helps children in Years 3 to 5 who struggle with numeracy at an important stage in their development. The program is aimed at achieving measurable sustainable change and involves providing schools with volunteers to help children weekly for 10 weeks to improve their numeracy skills and enhance their self-esteem and confidence. The goal is to fill existing numeracy gaps of struggling children and encourage them to feel good about themselves as learners.

The project involves the implementation of one program in the Liverpool LGA providing support to 10 children.

The program will be held at Nuwurra Public School. Each child is tested prior to the program to determine their numeracy levels across several areas and their self concept.

They are re-tested again at the end of the program to determine their improvement. This information is compiled into a report that is given to the school and children's parents. Feedback is also requested from the school, volunteer buddies, children and their parents at the conclusion of the program.



**“ADDRESSING LEARNING AND
NUMERACY IS IMPORTANT IF WE
WANT CHILDREN TO HAVE THE
BEST CHANCE OF SUCCESS.”**



Sporting Codes



Moorebank Sports Club is primarily a club whose vision is to foster amateur sport in the local Hammondville area.

Annually the club donates directly to local sporting codes.

Without this support the codes wouldn't be able to provide essential sporting equipment, maintain the grounds and develop the young local residents who play in the teams

Moorebank Soccer Club

This year marked the 50th anniversary of Moorebank Soccer Club. From its humble beginnings as Clark Kiln United comprising nine teams, this year our club registered over 950 players and coaches, forming a total of 65 teams in many age groups and across many divisions.

To commemorate this special year in the club's history we enjoyed a variety of festivities; an anniversary dinner-dance, a kid's outdoor movie night and a under 5, 6 and 7s mini world cup gala day. These were all organised by our hard-working committee and a number of our loyal members.

This year we participated in the district's Alliance League. The team had a successful year and went on to become Minor Premiers and Premiers. Of our other 25 competitive teams, 14 reached the semi-finals, 4 were cup grand finalists and 2 were shield grand finalists. Our Under 12 Division 3 team went on to win their grand final. Once again, Moorebank Soccer Club participated with the Southern Districts knockout competition and a special mention must be made of the performance of the Under 16 ladies team that made it to their grand final.

We had many off field highlights during the 2019 season. Moorebank hosted grass roots training for approximately 20 coaches, continuing our commitment to supporting our volunteers. The club held three school holiday clinics in April, July and October. At least 60 children of all ages eagerly participated and a great time was had by all.

A large number of people and organisations must be thanked for the continuing success of the club. The ongoing support from Sporties ensures that our players and coaches have access to the equipment and training they need to continue to develop their skills and enjoy playing our game. We thank all our long term and new sponsors for their contribution to our soccer community as well as all our volunteer coaches, managers and parents who give up their time for the success of our club.

A special thank you to our wonderful committee members who work tirelessly to ensure the club remains organised and runs successfully. Their time and energy is essential to the running of the club and their efforts are to be commended after such a great year.

Yours in sport
Daniel Flego
President MSSC



Wattle Grove

Holsworthy

Voyager Point

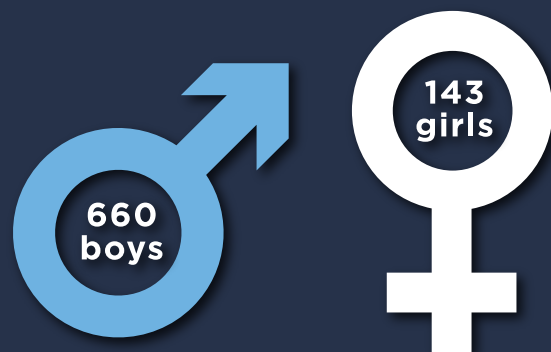
Hammondville

Chipping Norton

**Suburbs from where
your members live**



**Number of children
registered**



3 Premiership Wins

Moorebank Rams Rugby League Club

Moorebank Rams fielded 28 teams this year from u/5's to A/Grade, girls and women's league tag & Sydney Shield. The Rams registrations have grown from 330 players in 2018 to 433 players, plus Sydney Shield players.

The club has had another successful year with teams making semi finals and grand finals and we continue to have kids picked for Canterbury development squads which is a great achievement for all our players who get selected.

Our gala day was another successful day with all our teams playing at home, our Sydney Shield players came down and handed out the player of the match medals to teams and also Melanie Gibbons came down and handed out medals and greeted teams and officials on the day.

The club is very excited to be able to announce that we have been granted funding through Melanie Gibbons to be able to carry out new works at Hammondville Rugby League Club.

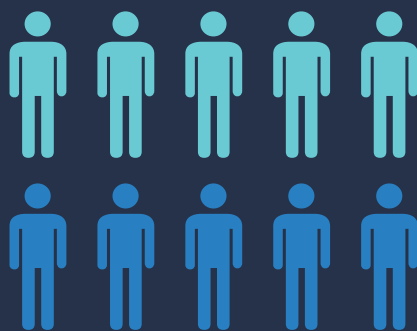
We held our annual sportsman's lunch at Moorebank Sports Club again this year which continues to grow and be very successful every year.

Thanks to the sports club for the ongoing support to the Rams and to our committee members for all the hard work they have done this year.

Mark Weller
President



Number of children
registered



28 teams



1 Premiership win

Moorebank Cricket Club

The 2018-19 was another successful season for Moorebank Cricket Club (MCC). Player numbers for this season were 188 (136 aged 16 years or under) across all three formats. MCC remains one of the largest clubs in the area. We had a total of 4 minis teams, 8 junior teams and 4 senior teams. The largest junior age bracket for players was the Under 11s with 24 players (2 teams).

Our teams again achieved some fantastic results with:

- 7 from 8 junior teams making the semi finals
- Both our Under 9s played semi finals in their first competitive competition with 1 becoming runners up.
- 2 teams were minor premiers
- 3 teams made the Grand Final with all teams winning the premiership
- 2 teams were able to secure back to back premierships

MCC was represented with over 28 players selected for representative duties across all age groups of the Fairfield/Liverpool Cricket Association teams. Three of our players also represented NSW at the National Junior Indoor Cricket Championships.

The seniors also continued the good results with;

- 3 of the 4 teams making semi finals with 1 becoming premiers
- We also had a total of 11 new players make their 1st grade debut and receiving their baggy blue caps

Without the support of our partners and in particular the ongoing support and assistance from Moorebank Sports Club we wouldn't be able to achieve the success and great improvements we have been able to deliver this year.

A community organisation is nothing without its volunteers. MCC would like to thank all the volunteers who have helped throughout the season.

Our committee members, coaches, managers, scorers & parents. Thank you, your support is invaluable.

Yours in the spirit of cricket,
Jason Christie
President
Moorebank Cricket Club Inc.
2018-19



**Number of players
registered**



4 minis teams



8 junior teams



4 senior teams



3 Premiership Wins

Moorebank Netball Club

Netball celebrating 50 years, continuing to grow, achieving success in all aspects of the game of netball. With 34 teams, we remain the biggest Club within the Liverpool Association.

We had 280 players registered. 9 Modified Teams, 5-9 years (non-competition), 20 Junior Teams, 10 -17 years, and 5 Senior Teams (18 & Over). Our largest age group was our 11 and 12 years, (4 teams in each age).

Moorebank caters for all interested players, regardless of ability.

Immediate local suburbs were Chipping Norton, Holsworthy, Wattle Grove, Hammondville, Moorebank, Voyager Point, Pleasure Point, Sandy Point.

Other suburbs: Bankstown, Casula, Glenfield, Ingleburn, Liverpool, Lurnea, Middleton Grange, Milperra, Mt Pritchard, Panania and Prestons.

Due to no canteen facilities, Netball relies on player levy and grants.

This year we are having our 50th year celebration, with all players receiving a momentum and a function to reunite past players and officials.

This year was one of our most successful years. Out of 25 competition teams we had 20 make the semi finals. 5 Premiership winners 10As, 12As, 12Cs, 13As and 15As.

Moorebank players represented Liverpool Association at State Age and State Championships. 3 in the 12 years, 1 in the 14 years, 2 in the 17 years and 3 representing in Metro/League.

Outstanding player Abby Wijsekera took out the Bev Wilson Memorial Trophy for MVP at the Junior State Titles.

4 of our coaches are involved coaching Representative Teams.

Congratulations to Georgia Bywater and Georgia McNamara for achieving their National C Umpires Badge.

Success just does not happen without a lot of time and effort from a lot of volunteers. Our President, Shirly McAlister, continues to be an enthusiastic, diligent leader supported by a great working committee, coaches and umpires.

A sincere thank you to Sporties for their continued support and financial assistance. Netball could not continue to develop and provide opportunity for players in our local area without your support.

Yours in Sport,
Ann Richards
Secretary



Wattle Grove

Holsworthy

Voyager Point

Hammondville

Chipping Norton

Sandy Point

Pleasure Point

Immediate local suburbs
from where your members live



**Number of players
registered**



34 teams



5 Premiership wins

Golf Captain's Report

Welcome to golf at Sporties @ Kareela Golf

First year in the role has been an experience and I have gained a vast appreciation of the work behind the scenes of such a great Club. Under the management of Sporties our golf continues to grow with their Club experience and input. We have certainly seen an influx of new members into the Club. Regardless of where our future takes us, the golfing members appreciate the work of Sporties @ Kareela Golf management team.

Sporties @ Kareela Golf remains a challenging 18-hole layout with greens that are continually praised by visiting golfers who have a broad range of abilities. There are over 30,000 games of golf played on the course each year and about half of them are by the golfing members in competitions.

I must give a special thanks for support provided by Sue Schwarz, Alan Beazley, Tracey Arnold and Adrian O'Connor. With their assistance we have been successfully running Match, Greens and Ladies Committees to ensure the golf runs smoothly, The Ladies competition is on Tuesdays and the men play competition on Wednesdays, while both ladies and men play competition on Saturdays and Sundays. The Lady Golfers at Sporties @ Kareela Golf are very active both at golf and supporting local charities. Each year the ladies choose a charity to support and throughout the year they organise events to raise much needed funds and donations for that charity. This year they have done this to support the Australian Lions' Children's Mobility Foundation which is a registered charity that provides those who have left a place of domestic violence or other hardship situation with an amazing array of essential toiletries and small gift items packed in a useful bag. There are special events each year where members get the opportunity to play alongside experienced professionals who are more than willing to give advice during the game and then socialise with their playing group at the completion of the game.

Sporties @ Kareela Golf has a very active representative program. Each year we enter five Men's Pennant Competitions, four Ladies Pennant Competitions and one Mixed Pennant Competition. This year we had mixed success with our Bronze Medallion team coming in third, Warren and Gibson Shield teams making it through to Regional level final series. All our teams played well for our Club, which is an honour. In previous years we have developed many junior golfers who have progressed in golf including one playing on the USPGA circuit and a number obtaining golf scholarships to universities in the United States. Junior golf at our club is something that has declined over recent years; however with a new professional who has a passion for developing juniors we hope to re-establish Sporties @ Kareela as a force in Junior Golf.

We welcome our new Head Professional to Sporties @ Kareela Scott Lennox, and also our new Course Contractor, Green Options. The Pro Shop is working very efficiently and the members really appreciate the friendly efforts of the staff. Our course is improving in leaps and bounds.

Golf has the second highest participation rate of sports in Australia. With this in mind you can play golf with your family and your social groups at your clubs golf course and enjoy the experience of the game while at the same time having a great deal of fun. Plus, at Sporties @ Kareela you can re-live the highs and lows of your game at the "19th Hole".

Regardless of changing circumstances, the golf and friendly atmosphere will always be at Kareela.

SO, COME AND HAVE A GO AT GOLF AT SPORTIES @ KAREELA, YOUR CLUB

I look forward to meeting, greeting and playing golf with you.

Peter Lennon,
Golf Captain Sporties @ Kareela Golf



Moorebank Sports Club Limited and its Controlled Entity

ABN 21 002 081 905

Annual Financial Report
30 June 2019

Moorebank Sports Club Limited and its Controlled Entity

Directors' Report

The directors present their report together with the financial statements of Moorebank Sports Club Limited (the company) and its controlled entity ('the consolidated entity'), for the year ended 30 June 2019.

Directors

The directors of the company in office at any time during or since the end of the financial year are:

Name	Board Status	Period of directorship	Qualification (s)
Brenton Taylor	President	Appointed 30 October 2016	Consultant MPPA, Dip Law (LPAB), GDLP, GCAM, GAICD
Stephen Keegan	Vice President	Appointed 19 December 1999	Semi-Retired
Philip Sampson	Treasurer	Appointed 30 October 2011	Company Director, General Manager Dip. FMBM.
Dennis Errington	Director	Appointed 30 October 2011	Industrial Sales
Robert Fleeton	Director	Appointed 7 December 1990	Retired
Francis Griffin	Director	Appointed 30 October 2016	Retired
Laurence Willoughby	Director	Appointed 27 February 2017	Semi-Retired

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) and the number of meetings attended by each director were:

Director	Number of Meetings Attended	Number of Meetings Held *
Brenton Taylor	15	15
Stephen Keegan	14	15
Philip Sampson	15	15
Dennis Errington	13	15
Robert Fleeton	14	15
Francis Griffin	14	15
Laurence Willoughby	15	15

* Number of meetings held during the time the director held office during the year.

Membership

The Company is a company limited by guarantee and is without share capital. The number of members as at 30 June 2019 and the comparison with last year is as follows:

	2019	2018
Ordinary	31,844	27,948
Life	18	18
Perpetual	55	53
Golf	503	541
	<hr/>	<hr/>
	32,420	28,560
	<hr/>	<hr/>

Moorebank Sports Club Limited and its Controlled Entity

Directors' Report

Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$20 per member in the event of the winding up of the company during the time that they are a member or within one year thereafter. The total amount that the members of the company are liable to contribute if the company is wound up is \$648,400 (2018: \$571,200).

Operating result

The net profit before tax for the year amounted to \$1,255,214 compared with \$1,474,609 for the prior year. This resulted after charging \$2,439,509 (2018: \$2,304,549) for depreciation/amortisation, and before charging \$3,425 (2018: crediting \$4,520) for income tax.

Objectives

Short term

In the short term the Company's objectives are to grow revenues through existing revenue streams and look at potential diversification of income and continue to promote and develop sporting activities and expand the Club's offerings. We will continue to provide quality entertainment and social activities for members to support our principal activities whilst maintaining state of the art facilities and amenities that serve our many members.

Long term

In the long term the Company's primary objective is to investigate and implement successful alternate revenue streams that complement the Club's core business whilst still maintaining the principal activities.

Strategy for achieving the objectives

The Company will strive to continue to be a market leader in the Licensed Club Industry in the current offerings provided to members while undertaking due diligence, extensive research and looking at market demands to determine the viability of any potential alternate revenue streams.

The primary strategies to achieve the Club's objectives is through sound financial management and the use of financial ratios and key performance indicators (KPIs) to ensure that organisational business plans, budgets and cash flows are current, accurate and relevant.

Principal activities

The principal activities of the company during the year have continued to be that of a sporting and athletic club supported by licensed operations to provide members, their guests and the community with the amenities and facilities usually associated with a sporting and recreational licensed Club. The Club's activities enhance, support and continue to develop and promote a range of sporting and social activities that have assisted the Club and the broader community. These activities have not been limited to the provision of sporting infrastructure but also to the development and promotion of a wide range of activities including all forms of sport for all levels of players. There has been no significant change in the nature of that activity during the year.

Moorebank Sports Club Limited and its Controlled Entity

Directors' Report

How these activities assist in achieving the objectives

The principal activities assist in achieving the objectives as they are our core revenues and foundations to be able to achieve the objectives.

Performance measurement and key performance indicators

The Company measures its success in the following areas:

- Satisfaction of its members and guests
- Success of marketing and promotional events, entertainment and major calendar events
- Financial performance through review of:
 - Earnings before interest, tax, depreciation and amortisation
 - Revenue
 - Wages cost as a percentage of revenues
 - Profitability
 - Targeted budgets being met
 - Business Plan targets achieved
 - Financial ratios and KPIs
 - Patron visitations

Key Performance Indicators

	2019	2018
Bar		
Gross profit percentage	57.72%	58.11%
Wages to sales percentage	22.40%	22.89%
Catering - Cafe		
Gross profit percentage	57.83%	59.65%
Wages to sales percentage	45.91%	38.93%
Wages and salaries - percentage of total revenue	30.17%	28.31%
EBITDA - percentage of revenue	16.86%	19.84%

Moorebank Sports Club Limited and its Controlled Entity

Directors' Report

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 5.

Signed in accordance with a resolution of the directors.

Dated at Moorebank this 23rd day of September 2019.



Brenton Taylor
President

DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF MOOREBANK SPORTS CLUB LIMITED

As lead auditor of Moorebank Sports Club Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect to Moorebank Sports Club Limited and the entity it controlled during the period.



Paul Cheeseman
Partner

BDO East Coast Partnership

Sydney, 23 September 2019

INDEPENDENT AUDITOR'S REPORT

To the members of Moorebank Sports Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Moorebank Sports Club Limited (the Company) and its Subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of members' funds and the consolidated statement of cash flows for the year then ended, and consolidated notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Moorebank Sports Club Limited, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *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 Group in accordance with 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.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 - Reduced Disclosure Requirements 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 Group's ability 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 Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO East Coast Partnership



Paul Cheeseman
Partner

Sydney, 23 September 2019

Moorebank Sports Club Limited and its Controlled Entity

Directors' Declaration

The directors of Moorebank Sports Club Limited declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 9 to 35, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the Company's financial position as at 30 June 2019 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Dated at Moorebank this 23rd day of September 2019.



Brenton Taylor
President

Moorebank Sports Club Limited and its Controlled Entity
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Revenue and other income			
Sale of goods revenue		6,157,634	4,878,433
Rendering of services revenue		15,369,708	13,775,177
Other income		663,968	557,714
		<hr/>	<hr/>
Total revenue and other income	1	22,191,310	19,211,324
		<hr/>	<hr/>
Expenses			
Raw material and consumables used		(2,931,096)	(2,228,597)
Depreciation and amortisation expenses	2	(2,439,509)	(2,304,549)
Employee benefits expense		(6,694,837)	(5,437,815)
Entertainment, marketing and promotional costs		(2,324,520)	(1,973,332)
Poker machine licences and taxes		(3,223,109)	(3,001,121)
Finance costs	2	(47,338)	(32,387)
Occupancy expenses		(1,923,540)	(1,625,390)
Donations and grants paid		(226,732)	(219,633)
Other expenses		(1,125,415)	(913,891)
		<hr/>	<hr/>
Total Expenses		(20,936,096)	(17,736,715)
		<hr/>	<hr/>
Profit before income tax		1,255,214	1,474,609
Income tax (expense)/benefit	3(a)	(3,425)	4,520
		<hr/>	<hr/>
Net profit after income tax expense attributable to members		1,251,789	1,479,129
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		1,251,789	1,479,129
		<hr/>	<hr/>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 13 to 35.

Moorebank Sports Club Limited and its Controlled Entity
Consolidated Statement of Financial Position
As at 30 June 2019

	Note	2019 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,045,824	3,886,243
Trade and other receivables		123,674	125,994
Inventories		204,726	202,522
Prepayments		138,864	214,941
Current tax assets	3(b)	491	2,368
Total Current Assets		2,513,579	4,432,068
Non-Current Assets			
Property, plant and equipment	5	27,557,120	25,999,065
Intangible assets	6	4,588,912	3,305,673
Deferred tax assets	3(c)	28,710	32,135
Total Non-Current Assets		32,174,742	29,336,873
Total Assets		34,688,321	33,768,941
LIABILITIES			
Current liabilities			
Trade and other payables	7	1,822,159	1,817,714
Financial liabilities	8	195,338	221,049
Employee benefits	9	270,689	479,181
Income received in advance		204,690	253,541
Current tax liabilities	3(b)	-	-
Total Current Liabilities		2,492,876	2,771,485
Non-Current Liabilities			
Financial liabilities	8	4,501,802	4,700,623
Employee benefits	9	218,903	128,326
Income received in advance		196,896	142,452
Total Non-Current Liabilities		4,917,601	4,971,401
Total Liabilities		7,410,477	7,742,886
Net Assets		27,277,844	26,026,055
Members' Funds			
Retained profits		22,443,166	21,191,377
Reserve	10	4,834,678	4,834,678
Total Members' Funds		27,277,844	26,026,055

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 35.

Moorebank Sports Club Limited and its Controlled Entity
Consolidated Statement of Changes in Members' Funds
For the Year Ended 30 June 2019

	Reserve \$	Retained Earnings \$	Total Members' Funds \$
Balance at 1 July 2017	-	19,712,248	19,712,248
Net profit for the year	-	1,479,129	1,479,129
Other comprehensive income for the year, net of tax	-	-	-
Net gain on amalgamation	4,834,678	-	4,834,678
Total comprehensive income for the year	4,834,678	1,479,129	6,313,807
Balance at 30 June 2018	4,834,678	21,191,377	26,026,055
Net profit for the year	-	1,251,789	1,251,789
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,251,789	1,251,789
Balance at 30 June 2019	4,834,678	22,443,166	27,277,844

The Consolidated Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 13 to 35.

Moorebank Sports Club Limited and its Controlled Entity
Consolidated Statement of Cash Flows
For the Year Ended 30 June 2019

	Note	2019 \$	2018 \$
Cash Flows From Operating Activities			
Receipts from customers (including GST)		23,687,990	21,047,751
Payments to suppliers and employees (including GST)		(20,703,571)	(18,795,551)
Interest received		11,185	12,216
Rent received		681,892	487,666
Finance costs paid	2	(47,338)	(32,387)
Income tax (paid)/refunded	3(b)	1,877	(10,445)
Net cash inflow from operating activities		3,632,035	2,709,250
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		55,412	104,013
Payment for property, plant and equipment		(4,020,095)	(1,580,295)
Cash proceeds from the amalgamation of Kareela		-	209,864
Payment for intangible assets		(1,283,239)	-
Net cash outflow from investing activities		(5,247,922)	(1,266,418)
Cash Flows From Financing Activities			
Proceeds from hire purchase liabilities		-	421,672
Payments for hire purchase liabilities	8	(224,532)	-
Net cash inflow/(outflow) from financing activities		(224,532)	421,672
Net increase/(decrease) in cash and cash equivalents		(1,840,419)	1,864,504
Cash and cash equivalents at the beginning of the financial year		3,886,243	2,021,739
Cash and cash equivalents at the end of the financial year	4	2,045,824	3,886,243

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 35.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

About this report

Moorebank Sports Club Limited is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements are for Moorebank Sports Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 23rd September 2019.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the Corporations Act 2001 and Australia Accounting Standards - Reduced Disclosure Requirements of the Australia Accounting Standards Board;
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year; and
- Have been prepared on a going concern basis.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the Company:

AASB 9 Financial Instruments:

The Company has adopted AASB 9 from 1 July 2018. The Company has receivables at year end and under the standard there are new impairment requirements which use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial asset has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

The adoption of new Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company as at 30 June 2019 or on opening retained earnings as at 1 July 2018.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

The Notes to the Financial Statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the company;
- It helps to explain the impact of significant changes in the company's business - for example, acquisitions and impairment write downs; and
- It relates to an aspect of the Company's operations that is important to its future performance

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Impairment of non-financial assets	Note 5
Estimation of useful lives of assets	Note 5
Intangible Assets	Note 6
Long Service Leave liability	Note 9

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019 \$	2018 \$
1 Revenue And Other Income		
Sale Of Goods Revenue		
Bar Sales	5,178,309	4,053,841
Catering Sales - Cafe	794,786	724,824
Pro Shop Sales	184,539	99,768
	<hr/>	<hr/>
	6,157,634	4,878,433
	<hr/>	<hr/>
Rendering Of Services Revenue		
Poker Machines - Net Clearances	13,684,620	12,614,413
Members' Subscriptions	336,893	241,723
Commission Received	447,338	367,501
Golf Sales	769,909	458,584
Sundry Income	130,948	92,956
	<hr/>	<hr/>
	15,369,708	13,775,177
	<hr/>	<hr/>
Other Revenue		
Interest Received	11,185	12,216
Rent Received	619,902	453,858
Gain on Disposal - Property, Plant and Equipment	32,881	71,855
Sundry Revenue	-	19,785
	<hr/>	<hr/>
Total Other Revenue	663,968	557,714
	<hr/>	<hr/>
Total Revenue	<hr/> 22,191,310 <hr/>	<hr/> 19,211,324 <hr/>

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2019

1 Revenue and Other Income (continued)

Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Sale of Goods

Revenue from the sale of goods comprises revenue earned from the provision of golf merchandise, food & beverage and is recognised (net of rebates, returns, discounts and other allowances) on the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods.

Rendering of Services

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the clubs and is recognised when the services are provided.

Interest Revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Rent Revenue

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019 \$	2018 \$
2 Expenses		
Profit before income tax includes the following specific expenses:		
Finance costs		
Other borrowing costs	47,338	32,387
Total Finance costs	47,338	32,387
Depreciation		
Buildings	579,466	532,873
Plant and equipment	770,228	806,326
Poker machines	1,089,815	934,121
Amortisation		
Leased Assets	-	31,229
Total Depreciation and Amortisation	2,439,509	2,304,549
Movements in provision for employee benefits	(117,915)	142,142
Defined contribution superannuation expense	502,911	442,716

Recognition and Measurement

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and borrowing costs.

Finance costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets, which take more than 12 months to get ready for their intended use or sale. In these circumstances, finance costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of finance costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings. Where funds are borrowed generally, finance costs are capitalised using a weighted average capitalisation rate.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Income Tax

(a) Income Tax Expense/(Benefit)

The Income Tax Assessment Act, 1997 (amended) provides that under the concept of mutuality clubs are only liable for income tax on income derived from non-members and from outside entities.

	2019 \$	2018 \$
The amount set aside for income tax in the statement of financial performance has been calculated as follows:		
Net income subject to tax	-	-
Current income tax applicable to above at rate of 27.5% (2018: 27.5%)	-	-
Movement in deferred tax asset	3,425	(4,520)
Over provision last year	-	-
Income tax expense/(benefit)	3,425	(4,520)

(b) Current Tax (Asset)/ Liabilities

Movements during the year:		
Balance at beginning of year	(2,368)	8,077
Income tax (paid)/refunded	1,877	(10,445)
	(491)	(2,368)

(c) Deferred Tax Assets

The balance comprises temporary differences attributable to:

<i>Amounts recognised in profit or loss</i>		
Employee benefits	28,710	30,981
Tax losses	-	1,154
Net deferred tax assets	28,710	32,135
Movements:		
Opening balance at 1 July	32,135	27,615
(Debited)/Credited to the Statement of Profit or Loss and Other Comprehensive Income	(3,425)	4,520
Closing balance at 30 June	28,710	32,135

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

3 Income Tax (continued)

Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the association. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the Income Tax Assessment Act 1997 ensure associations continue not to be taxed on receipts from contributions and payments received from members.

Recognition and Measurement

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted, except for:

Deferred tax assets are recognised for deductible temporary differences and tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2019 (continued)

4 Cash and Cash Equivalents

Reconciliation of Cash

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

	2019 \$	2018 \$
Cash and cash equivalents	1,763,103	1,948,741
Short term deposits	282,721	1,937,502
	<hr/> 2,045,824 <hr/>	<hr/> 3,886,243 <hr/>

Recognition and Measurement

Cash and cash equivalents includes cash on hand, deposits held at 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.

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2019

	2019 \$	2018 \$
5 Property, Plant and Equipment		
Freehold Land <i>At Cost</i>	6,860,445	6,860,445
Buildings <i>At Cost</i> <i>Accumulated Depreciation</i>	17,237,259 (4,098,078)	16,798,373 (3,599,173)
	13,139,181	13,199,200
Total Land and Buildings	19,999,626	20,059,645
Plant and equipment <i>At cost</i> <i>Accumulated depreciation</i>	8,209,685 (4,414,374)	6,589,541 (4,331,710)
	3,795,311	2,257,831
Poker Machines <i>At cost</i> <i>Accumulated depreciation</i>	6,372,432 (4,122,791)	6,559,072 (4,042,190)
	2,249,641	2,516,882
Leased Assets <i>At capitalised cost</i> <i>Accumulated amortisation</i>	569,196 (569,196)	684,091 (684,091)
	-	-
Capital Works in Progress <i>At cost</i>	1,512,542	1,164,707
Total property, plant and equipment net book value	27,557,120	25,999,065

Refer to Note 8 for details of security over property, plant and equipment.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Property, Plant and Equipment (continued)

Valuation

Independent valuations have been carried out for all of the company's land and building. All valuations were carried out by Nicholas Brady Valuations (Registered API Member 68548) on the basis of open market value for existing use. The valuation for the Hammondville Land and Buildings was carried out as at 30 June 2017, the valuation for the Kareela Land and Buildings was carried out as at 13 July 2018 and the valuation for the Gregory Hills Land was carried out as at 30 June 2017. The independent valuations resulted in a valuation of Land and Buildings at \$33,600,000.

Additions since this date amount to \$676,847.

	2019 \$	2018 \$
Reconciliations		
Movements in Carrying Amounts		
Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:		
Land		
Carrying amount at beginning of year	6,860,445	5,860,445
Acquired through amalgamation	-	1,000,000
	<hr/>	<hr/>
Carrying amount at end of year	6,860,445	6,860,445
	<hr/>	<hr/>
Buildings		
Carrying amount at beginning of year	13,199,200	10,919,175
Additions	521,664	155,183
Acquired through amalgamation	-	2,657,715
Disposal	(2,217)	-
Depreciation expense	(579,466)	(532,873)
	<hr/>	<hr/>
Carrying amount at end of year	13,139,181	13,199,200
	<hr/>	<hr/>
Plant and Equipment		
Carrying amount at beginning of year	2,257,831	1,846,748
Additions	2,315,566	179,718
Acquired through amalgamation	-	1,041,043
Disposals	(7,858)	(3,352)
Depreciation expense	(770,228)	(806,326)
	<hr/>	<hr/>
Carrying amount at end of year	3,795,311	2,257,831
	<hr/>	<hr/>

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2019

5 Property, Plant and Equipment (continued)

	2019 \$	2018 \$
Poker Machines		
Carrying amount at beginning of year	2,516,882	1,783,756
Additions	835,030	960,179
Acquired through amalgamation	-	735,874
Disposals	(12,456)	(28,806)
Depreciation expense	(1,089,815)	(934,121)
Carrying amount at end of year	2,249,641	2,516,882
Leased Assets		
Carrying amount at beginning of year	-	31,229
Amortisation expense	-	(31,229)
Carrying amount at end of year	-	-
Capital Works in Progress		
Carrying amount at beginning of year	1,164,707	879,492
Additions	347,835	285,215
Carrying amount at end of year	1,512,542	1,164,707

Capitalisation of borrowing costs

The Company's property, plant and equipment include borrowing costs arising from bank loans borrowed specifically for the purpose of the purchase of land. During the financial year, the borrowing costs capitalised as cost of property, plant and equipment amounted to \$162,387 (2018: \$176,950). The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.17%. (2018: 3.82%), which is the effective interest rate of the specific borrowing.

Core Property

Moorebank Sports - club site
230 Heathcote Road
Hammondville NSW 2170

Sporties @ Kareela - club site

1 Bates Drive
Kareela NSW 2232

Non-Core Property

Lot 1000 in Deposited Plan 1214963 at Gregory Hills
1 Bates Drive, Kareela NSW 2232

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Property, Plant and Equipment (continued)

Recognition and Measurement

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Sale of Property, Plant and Equipment

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as revenue at the date control of the asset passes to the buyer.

Property, plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the straight line/ diminishing value methods to allocate their cost amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings	5-40 years
Plant & Equipment	3-30 years
Poker Machines	3-4 years
Leased assets	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position 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.

Capital works in progress are transferred to other categories and depreciated when completed and ready for use.

Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

5 Property, Plant and Equipment (continued)

Key estimate and Judgement: Estimated useful lives of Assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

6 Intangible Assets

	2019 \$	2018 \$
Poker machine entitlements		
<i>At cost</i>	4,588,912	3,305,673
<i>Accumulated amortisation</i>	-	-
	<hr/>	<hr/>
Net carrying value	4,588,912	3,305,673
	<hr/>	<hr/>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Poker machine entitlements		
Opening net book amount	3,305,673	1,868,361
Acquired on amalgamation	-	1,437,312
Additions	<hr/> 1,283,239	<hr/> -
Carrying amount at end of year	<hr/> 4,588,912	<hr/> 3,305,673
	<hr/>	<hr/>

Recognition and Measurement

Poker Machine Entitlements

Poker machine entitlements are considered to be intangible assets with an indefinite life as there is no set term for holding the entitlements. As a result, the entitlements are not subject to amortisation. Instead, poker machine entitlements are tested for impairment annually and are carried at cost less accumulated impairment losses. Poker machine entitlements are not considered to have an active market; hence the fair value is calculated using the value in use method based on management's five year forecasts.

As discussed above, impairment of poker machine entitlements is recognised based on a value in use calculations and is measured at the present value of the estimated future cash inflows available to the company from the use of these licenses. In determining the present value of the cash inflows, growth rates and appropriate discount factors have been considered.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

6 Intangible Assets (continued)

The following key assumptions were used in the discounted cash flow model for the poker machine entitlements:

- 3.17% (2018: 3.82%) pre-tax discount rate
- 3.00% (2018: 5.50%) per annum projected revenue growth rate
- 5.00% (2018: 4.00%) per annum increase in operating costs and overheads

Sensitivity

As disclosed in Note 1, the directors have made judgements and estimates with respect to impairment testing of poker entitlements. Should these judgements and estimates not occur, the resulting poker entitlements may vary in the carrying amount. The sensitivities are as follows:

- Revenue would need to decrease by more than 80% for the gaming division before poker entitlements would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 15 times for the gaming division before poker entitlements would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of gaming division's poker entitlements is based would not cause the cash-generating units' carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of poker entitlements is based, this would result in a further impairment of gaming divisions' poker entitlements.

	2019 \$	2018 \$
7 Trade and Other Payables		
Trade payables	855,850	1,029,930
Goods and Services Tax (GST) payable	206,638	186,135
Other payables and accrued expenses	759,671	601,649
	<hr/>	<hr/>
	1,822,159	1,817,714
	<hr/>	<hr/>

Recognition and Measurement

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2019

	2019 \$	2018 \$
8 Financial Liabilities		
Current Secured		
Hire Purchase Liabilities	195,338	221,049
	<hr/>	<hr/>
Non-Current Secured		
Hire Purchase Liabilities	1,802	200,623
Market Rate Loan	4,500,000	4,500,000
	<hr/>	<hr/>
	4,501,802	4,700,623
	<hr/>	<hr/>
Financing Arrangements		
The company has access to the following lines of credit:		
Total facilities available:		
Market Rate Loan	6,000,000	4,500,000
Credit card facility	30,000	30,000
	<hr/>	<hr/>
	6,030,000	4,530,000
	<hr/>	<hr/>
Facilities utilised at reporting date:		
Market Rate Loan	4,500,000	4,500,000
	<hr/>	<hr/>
	4,500,000	4,500,000
	<hr/>	<hr/>

Financing Arrangements

Market Rate Loan

The non-current commercial bill facility balance represents the portion of the company's market rate loan not due within one year.

Repayable

The facility is based on a variable interest rate which at year end was 3.17%. The facility repayment terms are interest only until repayable in full at maturity date on 26 June 2023.

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2019

8 Financial Liabilities (continued)

Commercial Bill Facility

The commercial bill facility balance in prior year represents the portion of the company's commercial bill facility not due within one year. The facility has been repaid during the financial year.

Security

The market rate loan facility is secured by:

- First registered mortgage over non-residential property located at Lot 1 Heathcote Road, Hammondville NSW 2170.
- First registered company charge over the whole of its assets and undertakings including uncalled capital.

Loan Covenant

There were no breaches of loan covenants at any time during the year.

Recognition and Measurement

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

A lease asset and a lease liability equal to the present value of the minimum lease payments are recorded at the inception of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

Operating Leases

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

	2019 \$	2018 \$
9 Employee Benefits		
Current	270,689	479,181
Non-current	218,903	128,326

The present value of employee benefits not expected to be settled within 12 months of reporting date have been calculated using the following weighted averages:

Inflation rate	1.30%	1.90%
Discount rate	2.68%	3.91%
Settlement term (years)	6.34yrs	6.02yrs

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9.5% of each employee's base salary to a superannuation fund.

Recognition and Measurement

Wages, Salaries and Annual Leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

Superannuation Plan

The company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The company has no legal or constructive obligation to fund any deficit

Key estimate and judgement

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 to all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2019

	2019 \$	2018 \$
10 Reserves		
Equity Reserve	4,834,678	4,834,678
	<hr/>	<hr/>
	4,834,678	4,834,678
	<hr/>	<hr/>

Reserves

The reserve is used to recognised the net gain on amalgamation, arising from the acquisition of Kareela Golf & Social Club Ltd and Kareela Golf Course Operations Pty Ltd on 1 December 2017.

	2019 \$	2018 \$
11 Contingent Liabilities		
Bank Guarantees		
The company has given the following bank guarantees:		
TAB Limited	5,000	5,000
	<hr/>	<hr/>

12 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Brenton Taylor
Stephen Keegan
Philip Sampson
Dennis Errington
Robert Fleeton
Francis Griffin
Laurence Willoughby

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2019

12 Key Management Personnel Details (Continued)

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name	Position
Jeff Gibbs	Acting Chief Executive Officer (appointed 31 January 2019)
Troy Crisp	Chief Financial Officer
Matthew Cavanagh	Chief Operating Officer
John Baresic	Gaming and Facilities Manager
Tracey Lentell	Chief Executive Officer (resigned 31 January 2019)

(c) Key Management Personnel Compensation

	2019	2018
	\$	\$
Benefits and payments made to the Directors and Other Key Management Personnel named in (b) above	657,157	673,895

(d) Directors' Transactions with the Company

From time to time, Directors of the company, or their Director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

No Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

13 Related Parties

(a) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 12.

(b) Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

(c) Director Related Employees

The Company employs a relative of a current Director of the club. The terms of employment for the individual is in accordance with a normal employee relationship with the Company. The individual received no conditions more favourable than those which are reasonable to expect that they would have received if there had been no relationship with a Director.

14 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$20 per member in the event of the winding up of the company during the time that they are a member or within one year thereafter.

At 30 June 2019 there were 31,844 Ordinary Members, 18 Life Members, 55 Perpetual Members and 503 Golf Members (2018: 27,948 Ordinary Members, 18 Life Members, 53 Perpetual Members and 541 Golf Members).

The registered office of the company is:

230 Heathcote Road
HAMMONDVILLE NSW 2170

15 Events Subsequent to Reporting Date

There are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

16 Controlled Entity

The controlled entity of Moorebank Sports Club Limited is:

- Kareela Golf Course Operations Pty Ltd

The controlled entity is incorporated in Australia.

	Consolidated percentage interest	
	2019	2018
	%	%
Kareela Golf Course Operations Pty Ltd	100%	100%

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2019

17 Parent Entity Information

The following information relates to the parent entity, Moorebank Sports Club Limited. The information presented has been prepared using accounting policies that are consistent to the consolidated entity.

	2019 \$	2018 \$
Current assets	2,385,569	4,322,879
Non-current assets	31,933,044	29,141,378
Total assets	34,318,613	33,464,257
Current liabilities	2,321,182	2,480,960
Non-current liabilities	4,850,372	4,964,660
Total liabilities	7,171,554	7,445,620
Net assets	27,147,059	26,018,637
Retained earnings	22,312,381	21,183,959
Reserve	4,834,678	4,834,678
Total members' funds	27,147,059	26,018,637
Profit for the year	1,128,422	1,406,282
Total comprehensive income for the year	1,128,422	1,406,282

Contingent Liabilities

Contingent liabilities are disclosed in Note 11.

Operating Lease Commitments

There are no operating lease commitments (2018: Nil).

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2019

18 Summary of Other Significant Accounting Policies

(a) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

(b) Comparatives

Comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(c) Customer Loyalty Program

The company operates a loyalty program where customers accumulated points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.