

2017

Moorebank Sports Club Annual Report



THE STORY ABOUT SPORTIES

Moorebank Sports Club "Sporties" was formed on the 18th February, 1970 to foster junior sport in the Moorebank/Holsworthy/Hammondville area. Three people, Mr Douglas, Mr Hardaker and Mr Logan saw the need for a sporting organisation in the district, which was becoming rapidly populated, this small group and a team of volunteers were pivotal in making the dream come true.

Today the Clubs' objectives remain to encourage, foster and promote sport with the function of the board management and staff to serve in the best interests of creating a legacy of strong local sport in the area. As the business has evolved the vision statement has expanded beyond the sporting doctrine to encompass all forms of leisure and to create a unique experience of high quality for all members and guests.



During 2010-2011 Sporties underwent a major facelift to create what we see today **a family friendly, inviting environment that is often called the Hub of the community**, offering our members and guests a range of services including 4 Bars, TAB and Keno, bottleshop, 350 seat brasserie, alfresco dining, supervised occasional children's play room, lounge areas, numerous outdoor entertainment decks and children's outdoor play equipment.

On any given day you will see mum's and bubs meeting for coffee, families meeting for meals, locals enjoying our free entertainment on Friday and Saturday nights and children having fun in our Manta Ray kids room or in the award winning backyard.



OUR VISION

Moorebank Sports Club will be known for creating a unique experience.



OUR MISSION

Building a presence through our people, product and presentation.

"TAKING THE TIME TO BUILD COMMUNITY, TO GET TO KNOW YOUR PEOPLE WILL HAVE LONG LASTING BENEFITS."

- CLIFTON TAULBERT

OUR VALUES

WHAT MAKES SPORTIES GREAT

PASSION

Energy | Enthusiasm | Initiative | Embracing Change |
Genuineness | Above & Beyond | 'Be the Brand'



ACHIEVEMENT

Growth | Challenge | Drive | Innovative Learning | Creativity |
Continuous Improvement



CUSTOMER FOCUS

Respect | Consistency | Empathy | Relationships | Engaging |
WOW Factor | 'Smashed it!'



TEAMWORK

Communication | Trust | Honesty | Support | Empowerment |
Respect | Ownership | Productivity



4,770
new members
between
2016-17.
26% growth



WHAT WE STAND FOR

OUR MVPS

ENGAGEMENT

As we can link our people management indicators to profitability, we can see that the achievement of a stable workforce has meant we are a safer workforce, a more profitable workforce, and more importantly for our community, a growing workforce.

Staff turnover of 10%

Just 2.71 hrs per employee per month lost to absenteeism

TRAINING & DEVELOPMENT

Training and development at Sporties is geared toward skill refinement and development, however the central focus is on developing the whole person.

Facilitated by industry experts, development opportunities have included:

- Customer Service
- Diplomas and Cert 4 in Leadership/Management and Business
- Developing emotional intelligence, conflict resolution and risk management
- Interstate study trips for cafes, restaurants and bar trends

100% of our team members participated in Sporties endorsed development sessions

86% of team members live within a 10km radius of the club

“ You don’t build a business, you build people and the people build the business”

OUR KEY ACHIEVEMENTS

WINNER

BUSINESS LEADER OF THE YEAR

Tracey's responsibilities as CEO are to lead and direct the strategic planning, operations and future development of Sporties. This includes the management of the club's assets and resources ensuring the achievement of the strategic objectives and Sporties ongoing growth, viability and presence as a vibrant community hub and contributor.



WINNER

EXCELLENCE IN TRAINING, SKILLING & DEVELOPMENT



FINALIST

EXCELLENCE IN CUSTOMER SERVICE



FINALIST - AHRI AWARD FOR CORPORATE RESPONSIBILITY

FINALIST - LYNDIA GRATTON AHRI FOR CEO OF THE YEAR - TRACEY LENTELL

FINALIST - DISABILITY, WELFARE AND SOCIAL INCLUSION - CLUBS & COMMUNITY AWARDS

FINALIST - HEART OF THE COMMUNITY - TRACEY LENTELL - CLUBS & COMMUNITY AWARDS





Community Grants



SPORTIES COMMUNITY GRANTS

In 2017 Sporties donated over \$90,000 to many community groups in the local area including Outer Liverpool Community Services Inc, The Shepherd Centre, Camp Quality, Learning Links, Youth off the Streets, Kookaburra Kids and Autism Advisory and Support Service, Sporties is proud to donate these essential funds to such worthwhile causes.

**“GIVING IS NOT
JUST ABOUT
MAKING A
DONATION.**

**IT’S ABOUT
MAKING A
DIFFERENCE.”**

- KATHY CALVIN

OUTER LIVERPOOL COMMUNITY SERVICES INC.

THE CHILDREN FIRST

Outer Liverpool Community Services, OLCS is a NFP organisation. The service runs children's programs in partnership with local schools. The programs include: Playgroup, Art Development, Kid's Imaginative and School Holiday Activity Programs. Our services has a limited budget for the resources needed to run these programs and activities, so we need to rely on sponsorship, grants and donations for those invaluable programs to continue. This support will benefit approximately 600 children a month.

The children's activity programs assist children to develop mental and physical skills. The service also supports and connects the families with appropriate services.



AUTISM ADVISORY AND SUPPORT SERVICE

SOCIAL SKILLS THERAPY GROUP - SECRET AGENT SOCIETY



Weekly Social Skills Group for children over 7 years with a diagnosis of Autism. The group is facilitated by Therapists. The Secret Agent Society (SAS) program aims to teach students with social and emotional difficulties how to recognise emotions in themselves and others, express their feelings in appropriate ways (with a focus on managing anxiety and anger), build and maintain friendships with others, solve social problems and prevent and manage teasing and bullying behaviour. Our Social Skills Group will utilise the SAS program.

**\$9,790
DONATED**

CAMP QUALITY

CAMP QUALITY CAMPS AND FUN DAYS IN THE LIVERPOOL REGION

At Camp Quality we believe every Australian child impacted by cancer should have every opportunity to thrive. We are about letting kids be kids regardless of the challenges or hardships they face.

We provide innovative services to develop life skills and strengthen the wellbeing of children aged 0-13 years who have been impacted by cancer.

Camps and Fun Days held throughout the year give children living with cancer an opportunity to build resilience, independence and valuable life skills – providing a vital break from the day to day trauma of cancer and bringing back a sense of normalcy to families.



**\$11,900
DONATED**

LEARNING LINKS

READING FOR LIFE



To provide Reading for Life at a priority school in Liverpool LGA. Reading for Life is an evidence-based program* providing one-on-one support to primary school children with reading disorders. The program is aimed at achieving measurable sustainable change and involves providing schools with volunteers to help children weekly for 15 weeks to improve their literacy skills and enhance their self-esteem and confidence. The goal is to fill existing literacy gaps of struggling children, including refugees, and encourage them to feel good about themselves as learners.

\$7,895
DONATED

THE SHEPHERD CENTRE - FOR DEAF CHILDREN

A SOUND START TO SCHOOL - SCHOOL READINESS PROGRAM FOR CHILDREN WITH HEARING LOSS FROM LIVERPOOL

For over 40 years the Shepherd Centre has worked to help deaf children learn to speak and communicate. The Shepherd Centre's school readiness - program is designed to support children with hearing loss before they start primary school. The program focuses improving their social skills, familiarizing them with school culture in advance and preparing them for listening in a new and noisier environment. The program also supports and educates parents for the challenges ahead.



KOOKABURRA KIDS

RESPIRE AND PSYCHO EDUCATION FOR KIDS FROM LIVERPOOL LIVING IN FAMILIES AFFECTED BY MENTAL ILLNESS



16 vulnerable kids who are living in a family affected by mental illness, will attend a respite and educational weekend camp. Kids will have a great deal of fun through a range of recreational activities (like abseiling, high ropes, canoeing, rock climbing etc) and fun activities (games, craft, movies etc). While they're at camp, they will also attend chat groups, which are the evidence-based psycho-educational component of camp. They will learn about mental illness and learn coping skills and where to turn for help when things get tough. They will also be able to hear each other's stories, and tell their own stories in a safe and supportive environment. Where needed, they will receive counselling and support from a qualified psychologist. The aims are to build their resilience, reduce their feelings of isolation, and to make sure they realise that their own physical and mental well-being is just as important as those of the other members of their family. We just want them to have the opportunity to be kids, with respite from their everyday responsibilities.

**\$10,132
DONATED**

A collage of black and white photographs of a young child in a hammock. The child is smiling and looking towards the camera. The hammock has a plaid pattern. A large yellow circle is overlaid on the center of the image, containing the text "Sporties Supports".

Sporties Supports

SPORTIES SUPPORTS

Whether it be supporting one of our own through fundraising initiatives, participating in community events to raise much needed funds and awareness or volunteering our resources with our community partners, our dedicated team is committed to giving back in as many ways possible.

Sporties is proud to support worthy initiatives such as Youth off the streets Foundation, RSPCA, Red Cross, The Kids Cancer Council, Kookaburra Kids, Help 2 Help Cystic Fibrosis Australia and numerous charities through the generosity of our staff via our workplace giving program.

**“AS YOU GROW
OLDER, YOU WILL
DISCOVER YOU
HAVE TWO
HANDS-ONE FOR
HELPING
YOURSELF, THE
OTHER FOR
HELPING OTHERS.”**

**- AUDREY
HEPBURN**

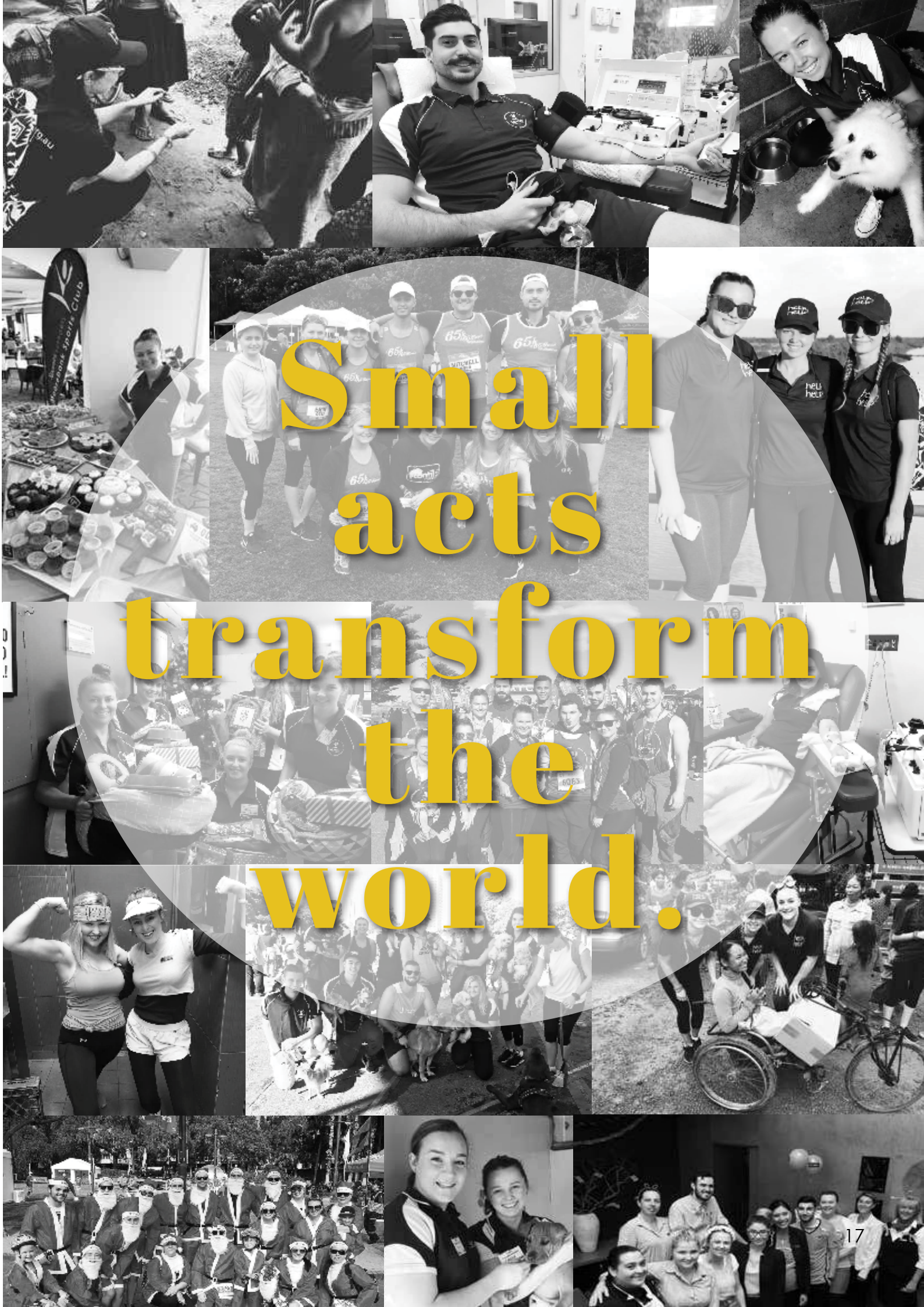
In 2016-17 sporties has proudly supported...

**82% of staff
participated in
Sporties Supports
initiative**

**782 hours
volunteered
Average of 16hrs
per volunteer**

**Average of 9
volunteers per
initiative**

- RSPCA
- Children's Medical Research Institute
- Red Cross Australia
- Chris O'Brien
- The Shepherd Centre
- White Ribbon Foundation
- Youth off the Streets
- Help 2 Help
- Beyond Blue
- Shining Stars
- The Kids Cancer Project
- South West Sydney Give & Take
- Variety, The Children's Charity
- Uniting Care
- Sydney Cats and Dogs Home
- Cancer Council
- Women's Refuge Baptist Care
- Oxfam Australia
- Kookaburra Kids
- R U OK?
- Cystic Fibrosis Australia



Small
acts
transform
the
world.



Sporting Codes



SPORTIES

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 our local community through ClubsNSW Club Grants funding, to our local sporting codes and our local schools.

**“ALL KIDS NEED IS
A LITTLE HELP, A
LITTLE HOPE AND
SOMEONE WHO
BELIEVES IN THEM”**

- MAGIC JOHNSON

MOOREBANK CRICKET CLUB MUSTANGS

The 2016-17 was another successful season for Moorebank Cricket Club (MCC). Our teams again achieved some fantastic results with:

- 10 from 12 junior teams making the semi finals
- 4 teams were minor premiers – 2 undefeated in the regular season
- 7 teams made the Grand Final covering 6 of a possible 7 age groups
- 4 teams were made premiers
- 2 teams were able to secured back to back premierships

MCC was represented by five players selected for the Cricket NSW Academy and many were selected for representative duties across all age groups of the Fairfield/Liverpool Cricket Association teams. Two of our players also represented NSW at the National Junior Indoor Cricket Championships.

The seniors also continued the good results with

- 3 teams reaching the semi finals.
- 2 of which made the grand finals and both were successful in winning.
- we also had a total of 17 juniors play in the senior competition, 5 of them making their first grade debut and receiving their baggy blue caps.

Without the support of partners and in particular the ongoing support and assistance from Moorebank Sports Club we wouldn't be able to achieve this success.

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

Lance Keen

President

Moorebank Cricket Club Inc.

2016-17



largest junior age bracket for players

evenly spread between under 12's 15s

followed by under 10s and under 11s

MOOREBANK SOCCER CLUB

MSC

2017 has been a fantastic and busy year for Moorebank Sports Soccer Club.

Our competitive teams had a great year with many highlights and achievements. Three teams were Minor Premiers (All Age Ladies Div 3, All Age Men Div 7 and Under 15 Div 3). Of our 26 competitive teams, 20 reached the semi-finals and 11 reached their grand finals. Of these 11, 9 teams were successful at winning their grand finals (Under 13 Div 2, 3, 4, Under 15 Div 3, Under 16 Div 1 and 3, All Age Men Div 4 and 7 and Under 16 Ladies Div 2), the most by any club in the Southern District. Our Under 15 Division 1 and All Age Ladies Division 2 were also successful in the knock out competition, each making their grand finals.

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.

A special thank you to our wonderful committee members who work tirelessly to ensure the club remains organised and runs successfully.

Daniel Flego

President Moorebank Sports Soccer Club Inc.



62 teams



13 girls & women's were formed

MOOREBANK SPORTS NETBALL

Once again, Moorebank has fielded the most teams in the Liverpool Association.

A sincere THANKS to Sporties for their continuous support, and financial assistance. This year we have been successful in receiving a Grant from the Community Building Partnership for new fencing around the Clubhouse.

This year we had 18 teams, out of a possible 26, make it to the semis, with 11 teams going through to the finals/ The 14A and 15B were successful winners.

Congratulations to all our teams in 2017.

Once again we had Representative players, play for Liverpool Association at the State Age Championships. 2 in the 12 years, 8 in 14 years and 2 in 15 years. Moorebank continues to have the most qualified Umpires within the Association with several umpiring at State level.

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

Ann Richards

Secretary



36
teams

5 senior teams

5 intermediate teams

16 junior teams

306
players

11 largest age group
year olds

MOOREBANK RAMS FOOTBALL CLUB

Moorebank Rams had 21 teams and approx. 320 players for the 2017 season competing in the Canterbury and Conference Competition ranging from Under 5's to Open's A Grade. Rams also entered a team in the NSW Rugby League Sydney Shield competition with players coming from the Canterbury U/20's squad & Moorebank's A/Grade team.

Come finals time we had 7 teams making Semi Finals & 3 teams making it to the Grand Final. These teams were the u/11div'2 White, u/15 Silver & the u/17 Gold, with the u/17's winning their Grand Final, making it three years in a row.

With introducing our Sydney Shield team our club was fortunate enough to host Harold Matts & SG Ball Semi Finals which was very successful for our club. We also hosted a number of Women's Rugby League games & hopefully we will host more games in the future.

Some of our players were lucky enough to be selected in the SG Ball squad from our u/16's from last year which is a great achievement, well done boys! We also had several players from our u/13 Gold, u/15 Silver & u/17 Gold selected for Canterbury's development squads.

I would like to thank all the coaches, managers and trainers who volunteered their time this year. Coaching and organising a team isn't always the easiest task but it can be very rewarding. Our club continues to have some challenges to help improve the assistance we give in this area but with the positive feedback we have received, we now know the areas to target and hope to continue making improvements that will benefit coaches, managers and players.

I would like to thank all the parents who have supported their teams and the club in a positive manner this year. It is pleasing to hear feedback from parents regarding the club as it shows that our community is strong and willing to support those that support their children's sport. We continue to encourage all parents to get involved with helping out at training, helping on game days and doing ground duty, as this builds our great club into a stronger community.

The club is privileged to have some great support by the wider community through our sponsors. Moorebank Sports Club continues to support us generously and we are thankful for their assistance.

Mark Weller



21
teams



320
players





President's Report

PRESIDENT'S REPORT

It gives me great pleasure to once again present the Annual Report for Moorebank Sports Club for the year ending 30 June 2017.

It has been a successful year with a total revenue of \$15,554,583 and a net profit of \$1,600,463. This is a marginal increase on last year's total revenue and a decrease on last year's net profit. This decline was a result of increased depreciation, increased occupancy costs, such as electricity and increased entertainment costs. There was also an increase in employee expenses due to extended trading hours and increased security to make the venue safer. Despite a decline in some financial measures, membership has grown by 26% with 22,762 members at the end of June 2017 compared to 17,992 members in 2016. We believe this is a very good result. We are very proud of our growth in membership as it shows more members are enjoying the club.

There were some big challenges throughout the year. With the car park construction closing sections of our car park from October 2016 - April 2017. The car park construction was a \$2.4 million capital project, adding 81 car spaces and building a modern car park with improved drainage, lighting, surfacing and line marking.

Throughout the year we made significant steps to secure our future through an amalgamation with Kareela Golf & Social Club. The application for amalgamation is awaiting approval from the Independent Liquor and Gaming Authority. We anticipate the amalgamation to be finalised later in the year. Once that occurs Sporties will own over \$5 million in assets and we will invite the 5,350 members of Kareela Golf Club to join Sporties. We thank all members for their support in the amalgamation process and hope you appreciate the benefits that a second club will bring to the Sporties group and our Hammondville home.

In June 2017 the Development Application for our new club in Gregory Hills was approved by Camden Council. Gregory Hills represents a huge opportunity for the club. Gregory Hills is one of the fastest growing suburbs in Sydney and with many new families entering this area it has the potential to provide many benefits for that community and our club. We aim to build our successful model of club offering in this suburb and further strengthen the Sporties Group. The liquor and gaming licenses for this venue are awaiting approval from Independent Liquor and Gaming Authority.

Although we have grown into new geographical areas I'd like to assure all members our priority will always be our Hammondville home. This coming financial year you will see over \$2 million of improvements with new furniture, fittings and carpet throughout our venue. We are also building a new café that will be situated in our carpark to service the community in the early hours of the morning with potential to offer food later in the evening.

We have continued to support the community with over \$228,000 in funding and support. This includes sponsorship of all our sporting codes, being Rugby League, Soccer, Cricket, Netball and Baseball. In addition to this we also sponsored organisations such as The Shepherd Centre, Camp Quality, Autism Advisory and Support Service, Youth Off the Streets and Kookaburra Kids. Our funding provided essential support to these organisations and helped them provide programs and facilities that make a meaningful difference to individuals and families that are in desperate need for help.

I'd like to thank the Board for their hard work and dedication throughout the year. We are a group that work to the betterment of our club and I thank them for their time and effort in shaping our strategy. I extend our sincere gratitude to Tracey Lentell and her team who provide the essential task of managing our operations and ensuring we deliver on our commitment to provide a memorable experience to everyone who walks through our doors. Mostly a sincere thank you to each member of Sporties. Without your support the club would not have grown into the venue we now enjoy. We are here to serve the community and I hope you have enjoyed the club this year and continue to enjoy Sporties for many years to come.

See you at the club.



Robert Fleeton
President
Moorebank Sports Club



Directors Report

SPORTIES DIRECTORS' REPORT

The directors present their report together with the financial statements of Moorebank Sports Club Limited (the company) for the year ended 30 June 2017.

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

	Board Status	Period of Directorship	Qualifications
Robert Fleeton	President	Appointed 7th December 1990	Retired
Stephen Keegan	Vice President	Appointed 19th December 1999	Semi - Retired
Philip Sampson	Treasurer	Appointed 30th October 2011	Company Director Dip. FMBM, Cert. Elect. Eng
Dennis Errington	Director	Appointed 30th October 2011	Industrial Sales
Francis Griffin	Director	Appointed 30th October 2016	Retired
Brenton Taylor	Director	Appointed 30th October 2016	General Manager MPPA, Dip Law (LPAB), GDLP, GCAM, GAICD
Laurence Willoughby	Director	Not re-elected Oct. 30th 2016 Appointed 27th February 2017	Semi - Retired
Fred Schuyt	Director	Not re-elected 30th October 2016	Business Owner
John Sibbald	Director	Resigned 30th January 2017	Sales Manager

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:

	Number of meetings attended	Number of meetings held
Robert Fleeton	15	17
Stephen Keegan	16	17
Philip Sampson	16	17
Dennis Errington	17	17
Francis Griffin	12	12
Brenton Taylor	12	12
Laurence Willoughby	10	10
Fred Schuyt	5	5
John Sibbald	8	10

* 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 2017 and the comparison with last year is as follows:

	2017	2016
Ordinary	22,698	17,928
Life	18	18
Perpetual	46	46
	22,762	17,992



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 \$455,240 (2016: \$359,840).

OPERATING RESULT

The net profit before tax for the year amounted to \$1,601,466 compared with \$2,289,494 for the prior year. This resulted after charging \$1,886,419 (2016: \$1,732,099) for depreciation/amortisation, and before charging \$1,003 (2016: crediting \$4,131) for income tax.

OBJECTIVES

SHORT TERM

In the short term the Company 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.

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

	2017	2016
Bar		
Gross profit percentage	57.65%	57.47%
Wages to sales percentage	21.87%	20.36%
Catering - Cafe		
Gross profit percentage	62.56%	61.64%
Wages to sales percentage	35.56%	36.04%
Wages & Salaries - percentage of total revenue	27.17%	25.73%
EBITDA - percentage of revenue	22.54%	26.06%

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 32.

Signed in accordance with a resolution of the directors.

Dated at Moorebank this 18th day of September 2017.

A handwritten signature in blue ink, appearing to read 'R. Fleeton', followed by a comma.

Robert Fleeton
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 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.



Paul Cheeseman
Partner

BDO East Coast Partnership
Sydney, 18th September 2017

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), which comprises the statement of financial position as at 30 June 2017, the statement of profit and loss and other comprehensive income, the statement of changes in member's fund and the statement of cash flows for the year then ended, and 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 Company's financial position as at 30 June 2017 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 Company 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 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 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 Company'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 Company 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_files/ar1.pdf.

This description forms part of our auditor's report.

BDO East Coast Partnership



Paul Cheeseman

Partner



Sydney, 18th September 2017

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 # to #, 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 2017 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 18th of September 2017.



Robert Fleeton

President

The background of the page is a collage of grayscale images related to finance, including a pen, a clock, and various charts. A large, semi-transparent yellow circle is centered over the page, containing the title text. A yellow crosshair is also visible, intersecting at the center of the circle.

Financial Report

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

Revenue

	note	2017	2016
sale of goods		\$3,728,447	\$3,770,713
rendering of services		\$11,445,058	\$11,384,528
other revenue		\$381,078	\$371,147
total revenue	1	\$15,554,583	\$15,526,388

other income	1	\$-	\$45,372
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Expenses

raw material and consumables used		(\$1,619,342)	(\$1,644,824)
depreciation and amortisation expenses	2	(\$1,886,419)	(\$1,732,099)
employee benefits expense		(\$4,225,867)	(\$3,994,938)
entertainment, marketing and promotional costs		(\$1,603,075)	(\$1,432,322)
poker machine licences and taxes		(\$2,667,636)	(\$2,648,785)
finance costs	2	(\$18,071)	(\$24,310)
occupancy expenses		(\$990,511)	(\$883,464)
donations and grants paid		(\$182,715)	(\$192,902)
other expenses		(\$759,481)	(\$728,622)

total expenses		(\$13,953,117)	(\$13,282,266)
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Profit before Income Tax

		\$1,601,466	\$2,289,494
income tax (expense)/benefit	3(a)	(\$1,003)	\$4,131

Net Profit after Income Tax Expense Attributable to Members

		\$1,600,463	\$2,293,625
other comprehensive income		\$-	\$-

total comprehensive income for the year

\$1,600,463	\$2,293,625
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The statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with accompanying notes set out on pages 42 - 56

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2017

Assets			
current assets	note	2017	2016
cash and cash equivalents	4	\$2,021,739	\$3,235,185
trade and other receivables		\$83,748	\$78,260
financial asset	5	\$267,945	\$-
inventories		\$133,452	\$151,775
prepayments		\$191,268	\$160,683
total current assets		\$2,698,152	\$3,625,903
non-current assets			
property, plant and equipment	6	\$21,320,845	\$19,637,872
intangible assets	7	\$1,868,361	\$1,868,361
deferred tax assets	3(c)	\$27,615	\$22,182
total non-current assets		\$23,216,821	\$21,528,415
total assets		\$25,914,973	\$25,154,318

Liabilities			
current liabilities	note	2017	2016
trade and other payables	8	\$1,016,014	\$1,354,558
financial liabilities	9	\$-	\$42,229
employee benefits	10	\$340,581	\$327,996
income received in advance		\$79,824	\$77,372
current tax liabilities	3(b)	\$8,077	\$18,051
total current liabilities		\$1,444,496	\$1,820,206
non-current liabilities			
financial liabilities	9	\$4,500,000	\$5,000,000
employee benefits	10	\$124,784	\$99,650
income received in advance		\$133,445	\$122,677
total non-current liabilities		\$4,758,229	\$5,222,327
total liabilities		\$6,202,725	\$7,042,533
net assets		\$19,712,248	\$18,111,785
members' funds			
retained profits		\$19,712,248	\$18,111,785
total members' funds		\$19,712,248	\$18,111,785

The statement of Financial Position should be read in conjunction with accompanying notes set out on pages 42 - 56

Statement of changes in members' funds for the year ended 30 June 2017

Balance at 1 June 2015

	note	retained earnings	total members' funds
balance at 30 June 2015		\$15,818,160	\$15,818,160
net profit for the year		\$2,293,625	\$2,293,625
other comprehensive income for the year, net of tax		\$-	\$-
total comprehensive income for the year		\$2,293,625	\$2,293,625

Balance at 1 June 2016

balance at 30 June 2016		\$18,111,785	\$18,111,785
net profit for the year		\$1,600,463	\$1,600,463
other comprehensive income for the year, net of tax		\$-	\$-
total comprehensive income for the year		\$1,600,463	\$1,600,463

Balance at 1 June 2017

balance at 30 June 2017		\$19,712,248	\$19,712,248
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The statement of Changes in Equity should be read in conjunction with accompanying notes set out on pages 42 - 56

Statement of cash flows for the year ended 30 June 2017

Cash flows from operating activities

	note	2017	2016
receipts from customers (inc GST)		\$16,505,584	\$16,738,043
payments to suppliers and employees (inc GST)		(\$13,978,546)	(\$12,770,737)
interest received		\$26,155	\$32,372
rent received		\$390,415	\$372,653
finance costs paid	2	(\$18,071)	(\$24,310)
income tax paid	3(b)	(\$16,410)	\$-
net cash inflow from operating activities		\$2,909,127	\$4,348,021

Cash flows from investing activities

proceeds from sale of property, plant & equipment		\$40,651	\$130,737
payments for property, plant & equipment		(\$3,620,995)	(\$8,781,242)
net cash outflow from investing activities		(\$3,580,344)	(\$8,650,505)

Cash flows from financing activities

proceeds from borrowings		\$-	\$6,000,000
repayment of borrowings	9	(\$500,000)	(\$1,500,000)
proceeds from hire purchase liabilities		\$-	\$1,600
repayment of hire purchase liabilities	9	(\$42,229)	(\$158,582)
net cash inflow/(outflow) from financing activities		(\$542,229)	\$4,343,018

net increase/(decrease) in cash and cash equivalents		(\$1,213,446)	\$40,534
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cash and cash equivalents at the beginning of the financial year		\$3,235,185	\$3,194,651
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cash and cash equivalents at the end of the financial year	4	\$2,021,739	\$3,235,185
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The statement of Cash Flows should be read in conjunction with accompanying notes set out on pages 42 -56

Notes to the financial statements for the year ended 30 June 2017

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 18th September 2017.

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
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 June 2016.
- Have been prepared on a going concern basis.

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 6
Estimation of useful lives of assets	Note 6
Intangible Assets	Note 7
Long service leave liability	Note 10

Key events for the reporting period

Change in accounting policy –adoption of AASB 2015-2

The Company adopted AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure initiative: Amendments to AASB 101 with a date of initial application of 1 July 2016.

Notes to the financial statements for the year ended 30 June 2017

1. Revenue and Other Income

Sale of Goods Revenue

	2017	2016
bar sales	\$3,184,884	\$3,263,889
catering sales - cafe	\$543,563	\$506,824
	\$3,728,447	\$3,770,713

Rendering of Services Income

poker machines - net clearances	\$10,995,221	\$10,939,090
members' subscriptions	\$79,024	\$68,757
commission received	\$291,997	\$301,102
sundry income	\$78,816	\$75,579
	\$11,445,058	\$11,384,528

Other Revenue

interest received	\$26,155	\$32,372
rent received	\$354,923	\$338,775
total other revenue	\$381,078	\$371,147

total revenue	\$15,554,583	\$15,526,388
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Other Income

net gain on disposal of plant & equipment	\$-	\$45,372
total other income	\$-	\$45,372

total revenue and other income	\$15,554,583	\$15,571,760
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Notes to the financial statements for the year ended 30 June 2017

Revenue and other income cont.

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 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 club 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.

Notes to the financial statements for the year ended 30 June 2017

2. Expenses

profit before income tax includes the following specific expenses:

finance costs	2017	2016
bank loans	\$-	\$7,552
other borrowing costs	\$18,071	\$16,758
total finance costs	\$18,071	\$24,310

depreciation		
buildings	\$356,658	\$301,469
plant & equipment	\$676,637	\$649,544
poker machines	\$752,799	\$607,463

amortisation		
leased assets	\$100,325	\$173,623

total depreciation & amortisation	\$1,886,419	\$1,732,099
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movements in provision for employee benefits

movements in provision for employee benefits	\$37,719	\$39,865
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defined contribution superannuation expense	\$337,570	\$320,497
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loss on disposal of plant & equipment	\$10,952	\$-
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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.

Notes to the financial statements for the year ended 30 June 2017

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.

The amount set aside for income tax in the statement of financial performance has been calculated as follows:

	2017	2016
net income subject to tax	\$26,922	\$60,171
current income tax applicable to above at rate of 30%	\$8,077	\$18,051
movement of deferred tax	(\$5,433)	(\$22,182)
over provision last year	(\$1,641)	\$-
income tax expense/(benefit)	\$1,003	(\$4,131)

(b) Current Tax Liabilities

Movements during the year:	2017	2016
balance at beginning of the year	\$18,051	\$-
income tax paid	(\$16,410)	\$-
current year's income tax expense on profit	\$8,077	\$18,051
over provision last year	(\$1,641)	\$-
	\$8,077	\$18,051

(c) Deferred Tax Assets

The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss	2017	2016
employee benefits	\$27,615	\$22,182
net deferred tax assets	\$27,615	\$22,182
Movements	2017	2016
opening balance at 1 july	\$22,182	\$-
credited to the statement of profit or loss and other comprehensive income	\$5,433	\$22,182
closing balance at 30 june	\$27,615	\$22,182

Notes to the financial statements for the year ended 30 June 2017

3. Income Tax cont.

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 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.

Notes to the financial statements for the year ended 30 June 2017

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:

	2017	2016
cash & cash equivalents	\$1,402,087	\$1,216,268
short term deposits	\$619,652	\$2,018,917
	\$2,021,739	\$3,235,185

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.

5. Financial Assets

	2017	2016
loan to Kareela Golf & Social Club	\$267,945	\$-

The loan is repayable 12 months from the date of the loan deed and interest is payable at 5 percent per annum. The facility limit is \$951,897.

Recognition and Measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets.

6. Property, Plant and Equipment

	2017	2016
freehold land		
at cost	\$5,860,445	\$5,860,445
buildings		
at cost	\$13,985,475	\$10,761,669
accumulated depreciation	(\$3,066,300)	(\$2,709,642)
	\$10,919,175	\$8,052,027
total land & buildings	\$16,779,620	\$13,912,472
plant and equipment		
at cost	\$5,372,132	\$4,845,798
accumulated depreciation	(\$3,525,384)	(\$2,869,469)
	\$1,846,748	\$1,976,329
poker machines		
at cost	\$4,891,826	\$4,622,288
accumulated depreciation	(\$3,108,070)	(\$2,773,450)
	\$1,783,756	\$1,848,838
leased assets		
at cost	\$684,021	\$720,157
accumulated amortisation	(\$652,792)	(\$588,603)
	\$31,229	\$131,554
capital works in progress		
at cost	\$879,492	\$1,768,679
total property, plant & equipment net book value	\$21,320,845	\$19,637,872

Refer to Note 9 for details of security over property, plant & equipment.



Notes to the financial statements for the year ended 30 June 2017

Valuation

The independent valuation of the company's land and buildings was carried out as at 30 June 2017 by Nicholas Brady Valuations (Registered API Member 68548) on the basis of open market value for existing use resulted in a valuation of land at \$9,000,000 and buildings at \$12,600,000.

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:

	2017	2016
land		
carrying amount at beginning of year	\$5,860,445	\$11,204
additions	\$-	\$5,849,241
carrying amount at end of year	\$5,860,445	\$5,860,445
buildings		
carrying amount at beginning of year	\$8,052,027	\$8,334,017
additions	\$8,641	\$19,479
depreciation expense	(\$356,658)	(\$301,469)
transfers from WIP	\$3,215,165	\$-
carrying amount at end of year	\$10,919,175	\$8,052,027
plant and equipment		
carrying amount at beginning of year	\$1,976,329	\$2,150,674
additions	\$170,643	\$489,481
disposals	(\$2,021)	(\$14,282)
depreciation expense	(\$676,637)	(\$649,544)
transfers from WIP	\$378,434	\$-
carrying amount at end of year	\$1,846,748	\$1,976,329
poker machines		
carrying amount at beginning of year	\$1,848,838	\$1,634,281
additions	\$737,299	\$891,258
disposals	(\$49,582)	(\$69,238)
depreciation expense	(\$752,799)	(\$607,463)
carrying amount at end of year	\$1,783,756	\$1,848,838
leased assets		
carrying amount at beginning of year	\$131,554	\$308,619
disposals	\$-	(\$3,442)
amortisation expense	(\$100,325)	(\$173,623)
carrying amount at end of year	\$31,229	\$131,554
capital works in progress		
carrying amount at beginning of year	\$1,768,679	\$236,896
additions	\$2,704,412	\$1,531,783
transfer to buildings	\$3,215,165	\$-
transfer to plant and equipment	(\$378,434)	\$-
carrying amount at end of year	\$879,492	\$1,768,679

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 \$164,080 (2016: \$114,253). The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.75% (2016: 3.71%), which is the effective interest rate of the specific borrowing.

Core Property

Moorebank Sports - club site

230 Heathcote Road
Hammondville NSW 2170

Non-Core Property

Lot 1000 in Deposited Plan 1214963 at Gregory Hills

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.

6. Property, Plant and Equipment cont.

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.

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.

7. Intangible Assets

poker machine entitlement	2017	2016
at cost	\$1,868,361	\$1,868,361
accumulated amortisation	\$-	\$-
net carrying value	\$1,868,361	\$1,868,361

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.

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

- 3.75% (2016: 3.71%) pre-tax discount rate
- 4.10% (2016: 3.00%) per annum projected revenue growth rate
- 4.00% (2016: 5.00%) per annum increase in operating costs and overheads

7. Intangible Assets cont.

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:

- a. Revenue would need to decrease by more than 43% for the gaming division before poker entitlements would need to be impaired, with all other assumptions remaining constant.
- b. The discount rate would be required to increase by 207% 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.

8. Trade and Other Payables

	2017	2016
trade payables	\$465,946	\$879,429
goods and services tax (GST) payable	\$129,219	\$64,034
other payables and accrued expenses	\$420,849	\$411,095
	\$1,016,014	\$1,354,558

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.

9. Financial Liabilities

current secured	2017	2016
hire purchase liabilities	\$-	\$42,229
non-current secured	2017	2016
market rate loan	\$4,500,000	\$5,000,000

Financing Arrangements

The company has access to the following lines of credit:

total facilities available	2017	2016
market rate loan	\$4,500,000	\$5,000,000
credit card facility	\$30,000	\$45,000
	\$4,530,000	\$5,045,000
facilities utilised at reporting date	2017	2016
market rate loan	\$4,500,000	\$5,000,000
credit card facility	\$-	\$270
	\$4,500,000	\$5,000,270

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.

The facility is based on a variable interest rate which at year end was 3.71%. The facility repayment terms are interest only until 21 December 2018.

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.

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.

10. Employee Benefits

	2017	2016
current	\$340,581	\$327,996
non-current	\$124,784	\$99,650

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	2.10%	1.30%
Discount rate	4.03%	3.91%
Settlement term (years)	6.99yrs	7.29yrs

Superannuation Plans

Contributions

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

10. Employee Benefits cont.

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.

11. Commitments

Capital Expenditure Commitments

	2017	2016
buildings, plant and equipment	\$-	\$91,078

Hire Purchase Commitments

hire purchase instalment commitments are payable:	2017	2016
within 1 year	\$-	\$42,229
minimum hire purchase payments	\$-	\$42,229

The company leases poker machines under hire purchase agreements expiring in 3 years. The hire purchase facility is secured against the assets purchased under this facility as disclosed in Note 9.

12. Contingent Liabilities

Bank Guarantees

The company has given the following bank guarantees:

	2017	2016
TAB Limited	\$5,000	\$5,000

13. Key Management Personnel Details

(a) Directors

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

Robert Fleeton

Stephen Keegan

Philip Sampson

Dennis Errington

Francis Griffin (Appointed 30 October 2016)

Brenton Taylor (Appointed 30 October 2016)

Laurence Willoughby (Not re-elected 30 October 2016. Appointed 27 February 2017)

Fred Schuyt (Not re-elected 30 October 2016)

John Sibbald (Resigned 30 January 2017)

(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
Tracey Lentell	Chief Executive Officer
Jeff Gibbs	Chief Operating Officer
Troy Crisp	Chief Financial Officer

(c) Key Management Personnel Compensation

Benefits and payments made to the Directors and Other Key Management Personnel named in (b) above

2017	2016
\$576,116	\$513,668

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.

14. Related Parties

(a) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 13.

(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 Brenton Taylor who is 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.

15. 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 2017 there were 22,698 Ordinary Members, 18 Life Members and 46 Perpetual Members (2016: 17,928 Ordinary Members, 18 Life Members and 46 Perpetual Members).

The registered office of the company is:

230 Heathcote Road
HAMMONDVILLE NSW 2170

16. Events Subsequent to Reporting Date

On the 10th of July 2017, the Board of Moorebank Sports Club Limited signed a Memorandum of Understanding for Amalgamation with the Kareela Golf and Social Club Limited. Both Companies have completed their due diligence and held their General Meetings for members to vote. At both meetings the members successfully voted for the amalgamation of the two Clubs with Moorebank Sports being the parent Club. The transfer paperwork has now been lodged with ILGR for approval.

Apart from the above, 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.

17. Summary of Other Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(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.

