



2021

ANNUAL REPORT

President's Report

Dear Members,

It gives me great pleasure to present the Annual Report for Moorebank Sports Club for the year ending 30 June 2021. To say it was a challenging year would be an understatement but as I write this report Sporties is back up and running.

Even with the challenges on COVID-19 the club finished with a total revenue of \$17,796,437 and a net profit of \$2,550,963. The EBITDA result for the year was \$4,855,125 which is very positive considering the restrictions imposed on the club during this time.

This year the club was closed for a period of 106 days, however the Management continued to work on very restricted hours and they managed to get a great deal of maintenance completed and also introduced the Me@U ordering system. It is a great system, if you have not tried it as yet give it a go, you will be impressed.

As we have just come out of lockdown again, I would like to acknowledge our Management and Staff for their dedication and loyalty to your Club. Unfortunately, most staff were stood down, but when we received notice that the Club could re-open it was amazing how it was prepared for the big day. Thank you to the staff for hanging in there during lockdown and eagerly looking forward to opening day.

Whilst we have experienced trading restrictions our support for the community has continued with over \$250,590 in funding. This includes \$145,000 to our local sporting codes, such as soccer, rugby league, cricket, netball and baseball. The club is proud to continue the funding tradition.

In addition to the code funding your club also supports community organisations such as Miracle Babies, Shepherd Centre, Stand Tall Australia, Holsworthy Girl Guides, Learning Links, Rosebank Child Services.

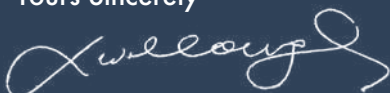
In total we sponsored \$105,590 to these programs. It is most important that we continue these sponsorships as they provide services to the community, on behalf of your Club it is an honor to support them.

Now that we are operating again, we look forward to exciting times ahead at your club. There are plans for Hammondville Park and changes to the Club, but due to the lockdown these plans have been delayed for a short time. Stay tuned for any developments.

I would like to thank the Management and Staff for their support and efforts over the past year. I also want to thank my fellow Directors for your support, the commitment and passion you have shown for the club has been outstanding, thank you.

To you our very valuable members, thank you for your ongoing support, we know it has been a frustrating year, but hopefully we are back open permanently, so we look forward to seeing you in the club and enjoying the great facilities.

Yours Sincerely



Laurie Willoughby
President
Moorebank Sports Club (Sporties)



Chief Executive Officer's Report

Dear Members,

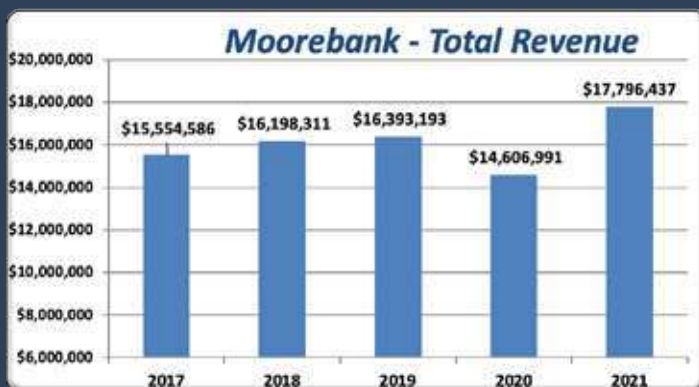
It is with great pleasure that I present the Chief Executive Officer's report for the financial year ending 30th June 2021.

This year we achieved unprecedented results with records in net profit, revenue and EBITDA. We ended the year in a strong position and your club is in healthy shape to continue this growth into the future. The financial results from the year are shown below.



Record for total revenue at Moorebank of \$17,796,438.

Record Net Profit of \$2,550,961

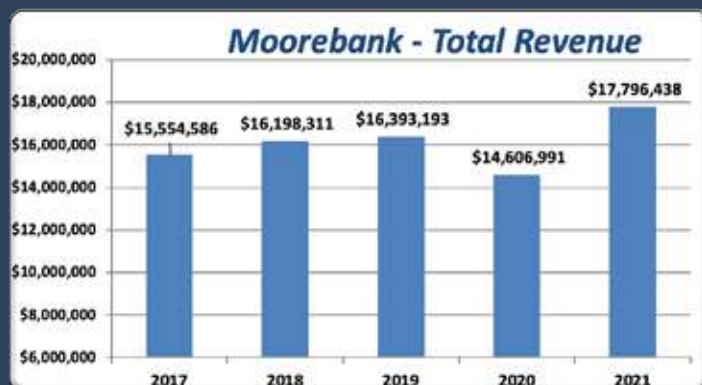


Record EBITDA of \$4,855,125.



The success story of this year in the strength of our cash position. In July 2020 we started the year with \$4.5M of debt and \$3.6M Cash at Bank. By July 2021 we wiped out all debt and have \$6.5M Cash at Bank. This is due to the strong performance of Moorebank throughout the year and also largely assisted by the sale of Kareela Golf Club to Cronulla Sharks.

Despite the sale of Kareela we still have a record net asset position with \$29,029,419.



While we are proud of these accomplishments I should note that this is simply the first stage of building better facilities for all members. With this strong base, the Club will be able to expand and grow. We are in the process of developing significant plans for the future.

This current year started with a closure of the Club for 16 weeks. Our strong asset position has enabled the Club to weather this period and remain in strong shape after lockdown which will ensure the continued growth of your club into the future.

One item to consider for our future is the potential site at Gregory Hills. The lockdowns over the last two years have complicated the construction of this project. We are continuing to analyse this opportunity in the context of all the opportunities before us and will keep members informed as we progress.

To the Staff and Management of Sporties I thank you for your dedication and hard work. The recent shutdown was a challenging time and your commitment after we opened is a testimony to the strength of your character. I would like to thank the Board of Directors for their support throughout this difficult time and for their guidance and direction in the management of the club throughout the year.

To the Members, thank you for loyalty, patronage and dedication to the Club. We look forward to serving you for many years to come and without you we would not be in the position that the Club currently enjoys.

See you at the Club

Kind Regards
Jeff Gibbs

CEO
Sporties Group

Club Grants

2021

Over the past 50 years, Sporties has become a hub for the community.

Welcoming over 28,000 members through its front doors since 1970. It has become a place for members to enjoy each other's company over a good meal and few drinks, for sporting teams to celebrate a win and for our elderly to relax amongst friends with a game of bingo.

Sporties is its community and without it Sporties wouldn't be the venue that it is today. We are always looking for ways to give back to that community, to make a real and lasting difference to the people who need it the most.

We have proudly supported a range of community groups and charities over the years through the ClubGRANTS scheme, including organisations such as, Miracle Babies, The Shepherd Centre, Learning Links and much more.



Supporting our local Community

CLUB GRANTS 2021

Miracle Babies

Miracle Babies Foundation is Australia's leading organisation supporting premature and sick newborns, their families and the hospitals that care for them.

Since 2005, Miracle Babies Foundation has been passionate in developing and providing vital programs and resources to support and enhance a family's experience from a threatened pregnancy, hospital journey with a premature or sick newborn, the transition to home and beyond.

PROJECTS

Educating families with babies born premature or sick

This project will educate parents with babies born premature and sick in the Neonatal Intensive Care Unit (NICU) about the value and importance of their babies participating in medical research.

Nurture Time at Liverpool Hospital for families of babies in the NICU

NurtureTime in-hospital support is facilitated by caring parents who themselves have experienced the birth of premature or sick newborn.

FUNDING GRANTED \$32,519



CLUB GRANTS 2021

The Shepherd Centre

The Shepherd Centre is a not-for-profit providing specialised programs for children with hearing loss and their families. Our programs meet the needs of children of all ages; from our world-leading early intervention system for babies and toddlers, through to our mentoring program, Hear for You, which supports school-aged children and teenagers.

PROJECTS

Talk Together

'Talk Together' is a group program designed to educate and support parents of children who have recently been diagnosed with hearing loss living in Liverpool area.

FUNDING GRANTED: \$9,295



CLUB GRANTS 2021

Learning Links

Learning Links works in collaboration with schools, early childhood settings and parents to help children with learning disabilities and difficulties.

Learning Links is recognised as a pioneer in the area of inclusive early childhood education.

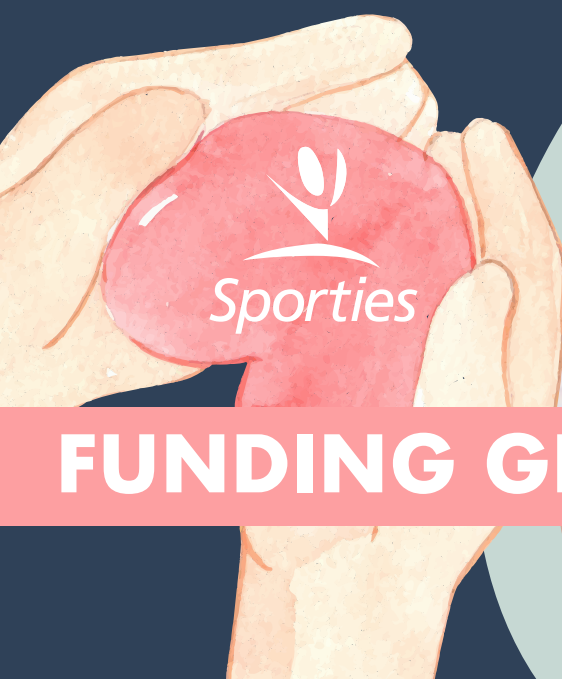
PROJECTS

Resources to Support Children with Learning Disabilities

This project will enable Learning Links to purchase essential resources for our expert team of psychologists, educators and practitioners to use when providing targeted interventions for children with learning difficulties and disabilities in Liverpool.

Empowering Children to Learn Unlimited by Circumstance

This grant will enable socio-economically disadvantaged children with difficulties learning in Liverpool subsidised or free access to critical intervention services they need to develop and learn.



FUNDING GRANTED: \$18,270

CLUB GRANTS 2021

Holsworthy Girl Guides

There are many activities outside of school available for girls—Girl Guides offers girls aged five to 17 something unique: access to a great variety of activities throughout the year. We help girls develop their skills in a safe environment while having fun and finding friends!

PROJECTS

Girl Guide Hall Repairs

The current Holsworthy Girl Guide Hall requires the roof to be replaced. This project is needed to keep the Holsworthy Girl Guide hall open and safe for our girls to use. This unit provides our local young girls a place to make friendships while learning lots of life skills along the way.

FUNDING GRANTED: \$16,500





CLUB GRANTS 2021

Rosebank Child Services

Rosebank is a free and confidential counselling service for children and young people in Liverpool, Fairfield and Campbelltown who have experienced sexual abuse.

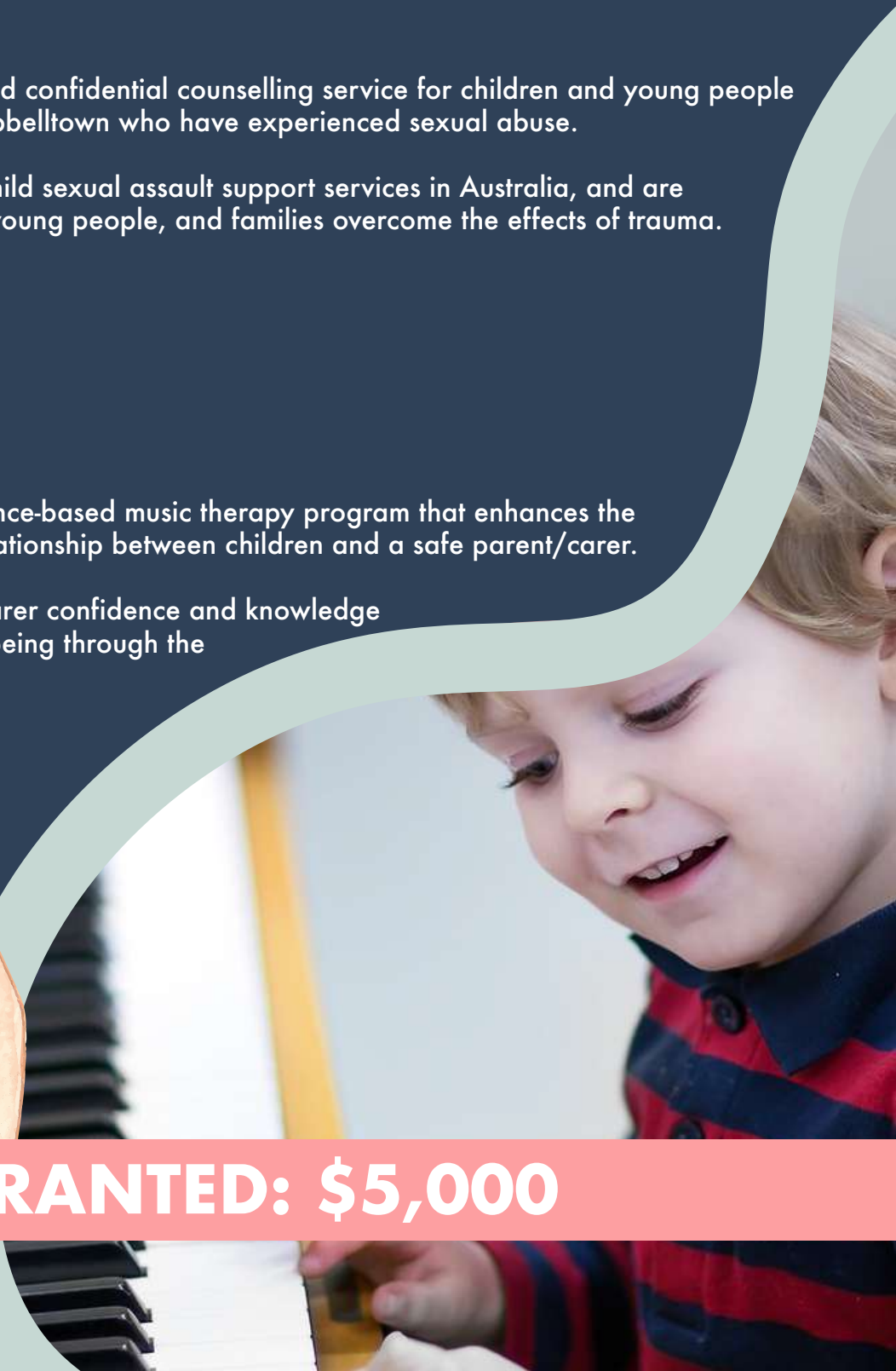
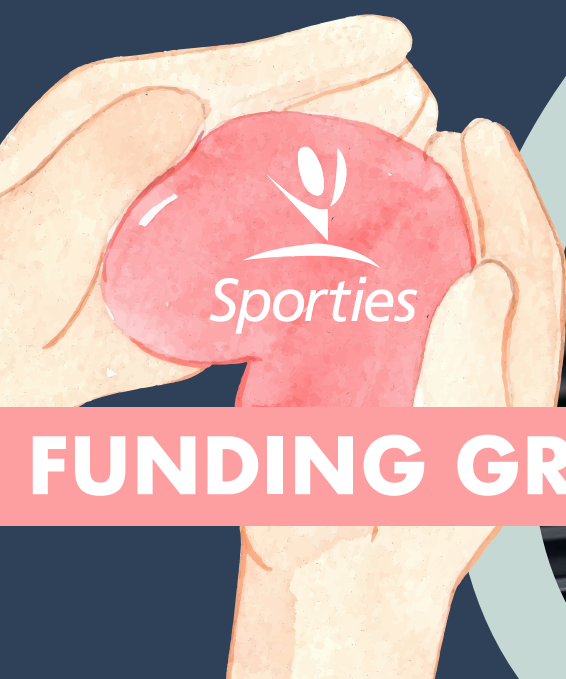
Rosebank is one of the oldest child sexual assault support services in Australia, and are committed to helping children, young people, and families overcome the effects of trauma.

PROJECTS

Sing&Grow

Sing&Grow is a national, evidence-based music therapy program that enhances the protective factor of a secure relationship between children and a safe parent/carer.

Sing&Grow increases parent/carer confidence and knowledge to support their children's well-being through the medium of music.



FUNDING GRANTED: \$5,000

CLUB GRANTS 2021

Stand Tall

Stand Tall Australia, founded in 2012 by Jeanine Treharne, Angela Farr-Jones and Roslyn Hills in response to the tragic level of drug-use, depression, bullying, hopelessness and self-harm among High School students. Jeanine and Angela set about creating a unique one-day TEDx style event which has the ability to get cut-through with teenagers and change their mind sets – and ultimately the course of their lives.

PROJECTS

Stand Tall Event

Stand Tall events support youth to identify and respond to issues impacting their wellbeing, such as bullying; addictions; violence; abuse; body image concerns; financial hardship; and mental ill health, motivating positive actions to improve their situation, potential and life trajectory.

FUNDING GRANTED: \$20,000



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.

"The power of a sports team in a community, it's almost indescribable."
- Wendell Pierce



RUGBY LEAGUE

Rams

Moorebank Rams fielded 32 teams in 2021 which unfortunately all competitions were shut down in June once again due to COVID.

2021 Moorebank Rams had over 450 players registered from U/5's to men's and women's open plus Women's open league tag and Sydney Shield. Moorebank Rugby League fielded our very first Women's open rugby league team in the combined Women's open competition. Most of our players come from Moorebank, Hammondville, Holsworthy, Wattle Grove, Georges Fair and other local areas.

Our largest participation numbers were the U/5's with 4 teams, U/9's & U/10's with 3 teams, this year our pathways grew with our Sydney Shield team having portability with Mounties Ron Massey and also still with the Bulldogs Jersey Flegg. We also have a pathways for our Women's open team with Mounties Harvey Norman Women's competition.

Funding was used for field maintenance, Junior presentation day rides, food & trophies, year books & training equipment.

Moorebank Rams are pleased to see one of our Sydney Shield players from last year Laitia Moceidreke firstly being signed through our pathway's to the Bulldogs Jersey Flegg & then signing with the North Queensland Cowboys & making his NRL debut in 2021. Also local Moorebank Junior Kurtis Morrin being named Bulldogs Jersey Flegg player of the year.

Lastly thanks to the Moorebank Sports Club for their ongoing support to the Moorebank Rams Rugby League Club.

PLAYERS FROM:

MOOREBANK | HAMMONDVILLE
HOLSWORTHY | WATTLE GROVE
GEORGES FAIR

LARGEST
AGE GROUPS

U/5'S | U/9'S
U/10'S



OVER
450
PLAYERS

32 TEAMS

MOOREBANK

Soccer Club

This year, the 2021 season started with such great enthusiasm and promised to be a fun filled successful year for Moorebank Soccer Club. When the season kicked off, it was fantastic to see so many players, coaches and managers enjoying their soccer again. The grounds were busy with supportive spectators and we were all super excited to be back together again.

Moorebank Soccer Club participated in most of the age groups and in many divisions – from our youngest in the mini's competition right up to the Premier League. A number of our teams were well placed in their respective competitions until the season was suspended due to the COVID-19 situation in NSW.

Our non-competitive minis enjoyed three months of fun, playing games, training and learning new skills. Our juniors and seniors all progressed through their competitions, doing our club proud. A number of our teams were well on their way to finals positions, and it is such a shame that the season could not be completed. A special mention to our Under 12 Division 3 boys who were playing a year up and were sitting in top spot. Other mentionable performances include our Under 12 Division 1 girls, Under 14 Division 1 boys and the All-Age men Division 5 team all sitting in first place at the cancellation of the season. In total 23 of our MSC teams out of 26 divisions were in the top four of their respective competition tables. What an awesome achievement.

Prior to the cessation of the soccer season the club was able to hold one holiday clinic in the April school holidays and I'd like to thank the team at TD Football Academy for their support. Unfortunately, the July and October clinics were not able to run, however we look forward to a full year of activities in 2022.

Our sponsorship drive continues to grow and this year we welcomed back our much-valued long-term sponsors and were thrilled to have several new businesses sign up to support our club. They all provide an important contribution to our club which allows us to ensure the best experience for our members. I'd like to thank all our sponsors for sticking by us during these difficult times, acknowledging that many of these businesses were also affected by restrictions. Sporties Group continue to be a strong supporter of our club and we look forward to working with them again next year.

Finally, I'd like to acknowledge and thank the hardworking committee of Moorebank Soccer Club. Everyone has continued to support the activities of the club while working within the restrictions placed upon us and I now look forward to returning to our regular activities.

I sincerely hope that the 2022 season will kick off with the same enthusiastic participation as this year, however with a full season played and with many great results from all our teams.

Yours in sport,

Daniel Flego
President MSSC

**LARGEST
AGE GROUP
U/7'S
85 PLAYERS**

**852
PLAYERS**



**PLAYERS FROM
91 SUBURBS**

MOOREBANK

Netball Club

Due to COVID, the 2021 Netball season was cancelled, our numbers this year were down, as was, most clubs within Liverpool Association. With 26 teams, we still remained the largest Club at Liverpool Association.

Unfortunately, we only played 8 rounds, until COVID hit again. We had 205 children registered. Our 5 modified teams [noncompetition] ranging from ages 5 to 9 years, were enjoying learning the game, and having fun.

We had 18 Junior Teams [10-17yrs] and 3 Senior Teams. The 11years, were our largest age group.

Immediate local suburbs: Chipping Norton, Hammondville, Holsworthy, Moorebank, Pleasure Point, Sandy Point, Wattle Grove, and Voyager Point. Other suburbs: Casula, Glenfield, Ingleburn, Lurnea, Liverpool, Milperra, Prestons, Mt Pritchard, and Panania.

A sincere THANK YOU to 'Sporties' for their continuous support, and financial assistance.

This year, the Grant was mainly utilised in funding items of Club uniform. Our Club members are proud to wear the "Sporties" Logo.

When the season was cancelled we had 4 teams undefeated 12A, 13B, 14A & 15A.

Once again Moorebank players represented Liverpool Association 1 in the 12Years, 5 in the 13 Years, and 1 in the 1-4 Years. Unfortunately State Age was cancelled with 2 days to go. So many disappointed girls, after all their efforts. We also had 8 Coaches/Assistants/& Managers involved with representative teams, from the 11year Development Squad to the 15Years.

Against the odds, this year, we still had some personal achievements. Luke, helped with coaching our Umpires, this year, with success.

Congratulations to Abbey Wijesekera and Tamia Mangalino for achieving their National C badge. Sarah McNamara our National A Umpire was selected to umpire at the 2021 National Netball Championships, in Hobart, Tasmania. What a great achievement.

Outstanding player, Abbey Wijesekera, this year, has continued to develop, with great achievements. Selected in the 2021 17u NSW Team Squad, and was also selected as a round 11 Debutant in the NNSW Premier Under 23s, at only 15 yrs.

Abby, your hard work, commitment, and fantastic attitude is truly inspiring. Success, just does not happen, without a lot of time and effort, from a lot of volunteers.

Shirley McAlister, President, continues to be an enthusiastic, diligent leader, supported by a great working committee and coaches.

Once again, a sincere thank you to Moorebank Sports Club for their continued support and financial assistance.

Yours In Sport
Ann Richards [Secretary]

LARGEST AGE GROUP 11YRS

205 PLAYERS



26 TEAMS

Moorebank Sports Club Limited and its Controlled Entity

ABN 21 002 081 905

Annual Financial Report
30 June 2021

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 2021.

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)
Laurence Willoughby	President	Appointed 27 February 2017	Semi-Retired
Dennis Errington	Vice President	Appointed 30 October 2011	Industrial Sales
Francis Griffin	Treasurer	Appointed 30 October 2016	Retired
Robert Fleeton	Director	Appointed 7 December 1990	Retired
Craig McNally	Director	Elected 25 October 2020	Business Owner, Tradesman
Brenton Taylor	Director	Appointed 30 October 2016	Management Consultant
			MPPA, Dip Law (LPAB), GDLP, GCAM, GAICD, Legal Practitioner
Nal Wijesekera	Director	Elected 25 October 2020	Teacher
			MEd (RE), BEd
Philip Sampson	-	Not Re-Elected 25 October 2020	Company Director, General Manager
			Dip. FMBM.
Monica Stephens-Saliba	-	Not Re-Elected 25 October 2020	Banking Professional

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 *
Laurence Willoughby	17	17
Dennis Errington	17	17
Francis Griffin	17	17
Robert Fleeton	15	17
Craig McNally	13	13
Brenton Taylor	17	17
Nal Wijesekera	13	13
Philip Sampson	4	4
Monica Stephens-Saliba	3	4

* 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 2021 and the comparison with last year is as follows:

	2021	2020
Ordinary	30,956	33,953
Life	18	19
Perpetual	57	57
Golf	-	528
	<hr/>	<hr/>
	31,031	34,557
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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 \$620,620 (2020: \$691,140).

Operating result

The net profit before tax from continuing operations for the year amounted to \$2,532,103 compared with profit of \$1,297,325 for the prior year. This resulted after receiving \$443,000 in government grants (2020: \$644,000) and charging \$2,321,325 (2020: \$2,273,078) for depreciation/amortisation. The net profit for the year was \$2,550,963 (2020: loss of \$799,387) after charging \$nil for the loss on discontinued operations (2020: loss of \$2,091,427) and a benefit of \$18,860 (2020: charging \$5,286) 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 (from continuing operations)

	2021	2020
Bar		
Gross profit percentage	56.09%	56.32%
Wages to sales percentage	34.66%	21.09%
Wages and salaries - percentage of total revenue	20.44%	22.26%
EBITDA - percentage of revenue	27.43%	24.69%

Auditor's independence declaration

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

Signed in accordance with a resolution of the directors.

Dated at Moorebank this 25th day of October 2021.



Laurence Willoughby
President

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF MOOREBANK SPORTS CLUB LIMITED

As lead auditor of Moorebank Sports Club Limited for the year ended 30 June 2021, 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.



Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 25 October 2021

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 2021, 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 2021 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 Audit Pty Ltd



Clayton Eveleigh
Director

Sydney, 25 October 2021

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 8 to 30, 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 2021 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 25th day of October 2021.



Laurence Willoughby
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 2021

	Note	2021 \$	2020 \$
Continuing operations			
Revenue and other income			
Sale of goods revenue		3,174,585	2,975,536
Rendering of services revenue		14,382,392	11,287,942
Other income		239,460	291,743
		<hr/>	<hr/>
Total revenue and other income	1	17,796,437	14,555,221
		<hr/>	<hr/>
Expenses			
Raw material and consumables used		(1,393,978)	(1,342,304)
Depreciation and amortisation expenses	2	(2,321,325)	(2,273,078)
Employee benefits expense		(3,637,201)	(3,240,152)
Entertainment, marketing and promotional costs		(2,019,092)	(1,821,587)
Poker machine licences and taxes		(3,447,110)	(2,691,528)
Finance costs	2	(27,266)	(23,220)
Occupancy expenses		(1,292,754)	(1,013,647)
Donations and grants paid		(265,630)	(133,756)
Other expenses		(859,978)	(718,624)
		<hr/>	<hr/>
Total expenses		(15,264,334)	(13,257,896)
		<hr/>	<hr/>
Profit before income tax expense		2,532,103	1,297,325
Income tax benefit / (expense)	3(a)	18,860	(5,285)
		<hr/>	<hr/>
Net profit after income tax expense from continuing operations attributable to members		2,550,963	1,292,040
		<hr/>	<hr/>
Discontinued operations			
Loss after tax from discontinued operations	4	-	(2,091,427)
		<hr/>	<hr/>
Profit/(loss) for the year		2,550,963	(799,387)
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		2,550,963	(799,387)
		<hr/> <hr/>	<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 12 to 30.

Moorebank Sports Club Limited and its Controlled Entity
Consolidated Statement of Financial Position
As at 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	6,508,318	3,645,336
Trade and other receivables	6	38,906	5,062,775
Inventories		126,948	133,546
Prepayments		324,537	216,988
Current tax assets	3(b)	-	-
Assets held for sale	4	-	126,891
Total Current Assets		6,998,709	9,185,536
Non-Current Assets			
Property, plant and equipment	7	20,788,399	22,232,034
Intangible assets	8	3,932,921	3,632,105
Deferred tax assets	3(c)	42,285	23,425
Total Non-Current Assets		24,763,605	25,887,564
Total Assets		31,762,314	35,073,100
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,384,078	2,501,379
Employee benefits	11	235,260	227,598
Lease liabilities	12	360,861	319,368
Income received in advance		199,690	129,602
Liabilities held for sale	4	-	126,890
Total Current Liabilities		2,179,889	3,304,837
Non-Current Liabilities			
Financial liabilities	10	-	4,500,000
Employee benefits	11	121,738	152,005
Lease liabilities	12	266,564	430,335
Income received in advance		164,704	207,467
Total Non-Current Liabilities		553,006	5,289,807
Total Liabilities		2,732,895	8,594,644
Net Assets		29,029,419	26,478,456
Members' Funds			
Retained profits		24,194,741	21,643,778
Reserves	13	4,834,678	4,834,678
Total Members' Funds		29,029,419	26,478,456

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 12 to 30.

Moorebank Sports Club Limited and its Controlled Entity
Consolidated Statement of Changes in Members' Funds
For the Year Ended 30 June 2021

	Reserves \$	Retained Profits \$	Total Members' Funds \$
Balance at 1 July 2019	4,834,678	22,443,165	27,277,843
Net loss for the year	-	(799,387)	(799,387)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(799,387)	(799,387)
Balance at 30 June 2020	4,834,678	21,643,778	26,478,456
Net profit for the year	-	2,550,963	2,550,963
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	2,550,963	2,550,963
Balance at 30 June 2021	4,834,678	24,194,741	29,029,419

The Consolidated Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 12 to 30.

Moorebank Sports Club Limited and its Controlled Entity
Consolidated Statement of Cash Flows
For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Cash Flows From Operating Activities			
Receipts from customers (including GST)		24,868,988	14,866,452
Payments to suppliers and employees (including GST)		(16,847,113)	(11,109,052)
Interest received	1	7,197	4,788
Rent received	1	232,263	286,955
Finance costs paid	2	(27,266)	(23,220)
Government grants		443,000	644,000
Net cash inflow from operating activities		8,677,069	4,669,923
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		4,000	114,954
Payment for property, plant and equipment		(642,789)	(1,841,667)
Increase in cash and cash equivalents - held for sale		-	53,786
Payment for intangible assets		(300,816)	(1,122,227)
Proceeds from sale of subsidiary		1	-
Net cash outflow from investing activities		(939,604)	(2,795,154)
Cash Flows From Financing Activities			
Repayment of borrowings		(4,500,000)	-
Repayment of lease liabilities		(374,483)	(275,257)
Net cash outflow from financing activities		(4,874,483)	(275,257)
Net increase in cash and cash equivalents		2,862,982	1,599,512
Cash and cash equivalents at the beginning of the financial year		3,645,336	2,045,824
Cash and cash equivalents at the end of the financial year	5	6,508,318	3,645,336

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 12 to 30.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 25 October 2021. 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; and
- Where necessary comparative information has been restated to conform with changes in presentation in the current year.

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:

Estimation of useful lives of assets	Note 7
Intangible Assets	Note 8
Long service leave liability	Note 11

Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business for a period of at least twelve months from the date of these financial statements were approved.

The Company notes the unpredictability of the COVID-19 situation, and the potential impact on the going concern basis of preparation. The ongoing forced closure of registered and licensed clubs, licensed premises in hotels and pubs, entertainment venues and casinos has had a direct and significant impact on the Company's operations and cash flows during the period, subsequent to year end and up to the date of this report.

The directors believe there are reasonable grounds to conclude the Company will continue as a going concern based on the Company's strong cash position at year and the cash flow budgets which indicate the Company has sufficient cash flow for the period of 12 months from the date of signing of the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2021

	2021 \$	2020 \$
1 Revenue and Other Income		
Sale of Goods Revenue		
Bar Sales	3,174,585	2,975,536
Rendering of Services Revenue		
Poker Machines - Net Clearances	13,989,883	10,918,938
Members' Subscriptions	138,343	99,616
Commission Received	218,776	205,045
Sundry Income	35,390	64,343
	14,382,392	11,287,942
Other Income		
Interest received	7,197	4,788
Rent received	232,263	286,955
Total Other Income	239,460	291,743
Total Revenue	17,796,437	14,555,221

Recognition and Measurement

Sale of Goods

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

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 at a point in time 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.

Rental Revenue

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

Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. Where the grant relates to an expense item, it will be recognised over the periods that the related costs are expensed. The company has chosen to present cash grants relating to JobKeeper net against payroll costs.

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2021

	2021 \$	2020 \$
2 Expenses		
Profit before income tax includes the following specific expenses:		
Finance costs		
Other borrowing costs	27,266	23,220
Total Finance costs	27,266	23,220
Depreciation		
Buildings	537,192	537,839
Plant and equipment	738,473	716,253
Poker machines	788,796	872,839
Amortisation		
Leased assets	256,864	146,147
Total Depreciation and Amortisation	2,321,325	2,273,078
Movements in provision for employee benefits	(22,605)	277,374
Defined contribution superannuation expense	314,190	366,886
Loss on Disposal - Property, Plant and Equipment	13,304	24,191

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 2021

3 Income Tax

(a) Income Tax Expense

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.

	2021 \$	2020 \$
The amount set aside for income tax in the statement of financial performance has been calculated as follows:		
Net income subject to tax	25,533	-
Utilisation of unrecognised tax losses	(25,533)	-
	<hr/>	<hr/>
Current income tax applicable at rate of 26% (2020: 27.5%)	-	-
Movement in deferred tax asset	(18,860)	5,285
	<hr/>	<hr/>
Income tax (benefit) / expense	(18,860)	5,285
	<hr/>	<hr/>

(b) Current Tax Asset

Movements during the year:		
Balance at beginning of year	-	(491)
Income tax paid	-	-
Current year's income tax expense on profit	-	-
Over provision last year	-	491
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

(c) Deferred Tax Assets

The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss

Employee benefits	21,851	23,425
Fixed assets	(23,528)	-
Tax losses	43,962	-
	<hr/>	<hr/>
Net deferred tax assets	42,285	23,425
	<hr/>	<hr/>
Movements:		
Opening balance at 1 July	23,425	28,710
Credited to the Statement of Profit or Loss and Other Comprehensive Income	18,860	(5,285)
	<hr/>	<hr/>
Closing balance at 30 June	42,285	23,425
	<hr/>	<hr/>

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 2021 (continued)

4 Non-current assets held for sale and discontinued operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, arising from employee benefits and financial assets.

On 19 November 2020, Kareela Golf Course Operations Pty Ltd was disposed, which is reported in the current period as a discontinued operation. The financial results of this business unit will also be classified as Discontinued Operations in the Statement of Profit or Loss and Other Comprehensive Income.

The Group has reclassified both current and prior year financial performance of the business units for disposal as discontinued operation. This comprises the following amounts:

	2021 \$	2020 \$
Sale of goods revenue	351,916	2,723,013
Rendering of services revenue	8	1,459,011
Other Income	-	186,724
Raw material and consumables used	(19,679)	(682,686)
Depreciation and amortisation expenses	(14,030)	(549,007)
Employee benefits expense	160	(1,227,287)
Entertainment, marketing and promotional costs	(1,316)	(578,634)
Poker machine licences and taxes	-	(319,627)
Finance costs	(413)	(11,553)
Occupancy expenses	(60,822)	(805,489)
Donations and grants paid	-	(66,345)
Other expenses	(221,390)	(971,363)
Loss on disposal of discontinued operations	(34,434)	(1,248,184)
Loss for the year from discontinued operations	-	(2,091,427)

The Group has reclassified all assets and related liabilities intended to be disposed as follows:

	2021 \$	2020 \$
Assets held for sale	-	126,891
Liabilities held for sale	-	126,890
Net assets directly associated with disposal group	-	1

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2021 (continued)

5 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:

	2021 \$	2020 \$
Cash and cash equivalents	1,325,614	1,433,496
Short term deposits	5,182,704	2,211,840
	<hr/>	<hr/>
	6,508,318	3,645,336
	<hr/>	<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.

6 Trade and Other Receivables

	2021 \$	2020 \$
Accrued income	17,750	306,000
Sundry debtors	21,156	4,756,775
	<hr/>	<hr/>
	38,906	5,062,775
	<hr/>	<hr/>

Recognition and Measurement

Trade and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and impairment allowance.

Under AASB 9 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. The expected credit loss estimated by the management using simplified approach is Nil (2020: Nil).

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2021

	2021 \$	2020 \$
7 Property, Plant and Equipment		
Freehold Land <i>At Cost</i>	5,860,445	5,860,445
Buildings <i>At Cost</i> <i>Accumulated Depreciation</i>	14,524,997 (5,015,051)	14,534,802 (4,491,114)
	9,509,946	10,043,688
Total Land and Buildings	15,370,391	15,904,133
Plant and equipment <i>At cost</i> <i>Accumulated depreciation</i>	6,581,259 (4,624,558)	6,927,016 (4,368,662)
	1,956,701	2,558,354
Poker Machines <i>At cost</i> <i>Accumulated depreciation</i>	5,000,966 (4,342,104)	5,192,566 (3,858,076)
	658,862	1,334,490
Leased Assets <i>At capitalised cost</i> <i>Accumulated depreciation</i>	1,249,729 (572,716)	1,154,244 (472,572)
	677,013	681,672
Capital Works in Progress <i>At cost</i>	2,125,432	1,753,385
Total property, plant and equipment net book value	20,788,399	22,232,034

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2021

7 Property, Plant and Equipment (continued)

Valuation

The independent valuation of the company's land and buildings was carried out as at 30 June 2020 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 \$10,550,000 and buildings at \$13,450,000.

	2021 \$	2020 \$
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	5,860,445	6,860,445
Disposal - discontinued operations	-	(1,000,000)
	<hr/>	<hr/>
Carrying amount at end of year	5,860,445	5,860,445
	<hr/>	<hr/>
Buildings		
Carrying amount at beginning of year	10,043,688	13,139,181
Additions	3,450	28,852
Disposal	(13,255)	-
Disposal - discontinued operations	-	(2,731,309)
Depreciation expense	(537,192)	(537,839)
Disposal depreciation	13,255	144,803
	<hr/>	<hr/>
Carrying amount at end of year	9,509,946	10,043,688
	<hr/>	<hr/>
Plant and Equipment		
Carrying amount at beginning of year	2,558,354	3,795,311
Additions	147,652	498,944
Disposals	(493,410)	(175,304)
Disposal - discontinued operations	-	(1,282,552)
Depreciation expense	(738,473)	(716,253)
Disposal depreciation	482,578	438,208
	<hr/>	<hr/>
Carrying amount at end of year	1,956,701	2,558,354
	<hr/>	<hr/>

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2021

7 Property, Plant and Equipment (continued)

	2021 \$	2020 \$
Poker Machines		
Carrying amount at beginning of year	1,334,490	2,249,641
Additions	119,640	245,208
Disposals	(311,240)	(971,244)
Disposals - discontinued operations	-	(72,989)
Depreciation expense	(788,796)	(872,839)
Disposal depreciation	304,768	756,713
Carrying amount at end of year	658,862	1,334,490
Leased Assets		
Carrying amount at beginning of year	681,672	-
Additions	252,205	827,820
Disposals	(156,720)	(242,773)
Amortisation expense	(256,864)	(146,147)
Amortisation on disposal	156,720	242,772
Carrying amount at end of year	677,013	681,672
Capital Works in Progress		
Carrying amount at beginning of year	1,753,385	1,512,542
Additions	372,047	240,843
Carrying amount at end of year	2,125,432	1,753,385

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 \$114,221 (2020: \$167,335). The rate used to determine the amount of borrowing costs eligible for capitalisation was nil%. (2020: 2.32%), 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

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2021

7 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.

Right-of-use asset

The Company leases plant and equipment under agreements between 2 to 5 years. There are no options to extend under these lease agreements.

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2021

7 Property, Plant and Equipment (continued)

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

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.

8 Intangible Assets

	2021 \$	2020 \$
Poker machine entitlements		
<i>At cost</i>	3,932,921	3,632,105
<i>Accumulated amortisation</i>	-	-
	<hr/>	<hr/>
Net carrying value	3,932,921	3,632,105
	<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	3,632,105	4,588,912
Disposals - discontinued operations	-	(2,079,034)
Additions	300,816	1,122,227
	<hr/>	<hr/>
Carrying amount at end of year	3,932,921	3,632,105
	<hr/>	<hr/>

Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2021

8 Intangible Assets (continued)

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.

Key estimates and judgements: Impairment of poker machine entitlements

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:

- a. 3.50% (2020: 2.05%) pre-tax discount rate
- b. 3.00% (2020: 3.00%) per annum projected revenue growth rate
- c. 5.00% (2020: 5.00%) 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:

- a. 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.
- b. 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.

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2021

	2021 \$	2020 \$
9 Trade and Other Payables		
Trade payables	550,502	386,265
Goods and Services Tax (GST) payable	88,959	616,974
Other payables and accrued expenses	744,617	1,498,140
	<hr/>	<hr/>
	1,384,078	2,501,379
	<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.

	2021 \$	2020 \$
10 Financial Liabilities		
Non-Current		
Secured - Market Rate Loan	-	4,500,000
	<hr/>	<hr/>
	-	4,500,000
	<hr/>	<hr/>

Financing Arrangements

The company has access to the following lines of credit:

Market Rate Loan	-	6,000,000
Credit card facility	30,000	30,000
	<hr/>	<hr/>
	30,000	6,030,000
	<hr/>	<hr/>
Facilities utilised at reporting date:		
Market Rate Loan	-	4,500,000
	<hr/>	<hr/>
	-	4,500,000
	<hr/>	<hr/>

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.

Moorebank Sports Club Limited and its Controlled Entity
Notes to the Financial Statements
For the Year Ended 30 June 2021

	2021 \$	2020 \$
11 Employee Benefits		
Current	235,260	227,598
	<hr/>	<hr/>
Non-current	121,738	152,005
	<hr/>	<hr/>

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	1.10%	1.19%
Discount rate	2.39%	2.35%
Settlement term (years)	6.50yrs	6.50yrs

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 9.5% of each employee's base salary to a superannuation fund. This is increasing to 10% as of 1 July 2021.

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: Long service leave liability

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 2021

	2021 \$	2020 \$
12 Lease Liabilities		
Current Lease liabilities	360,861	319,368
Non-current Lease liabilities	266,564	430,335

Recognition and measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate (2.05%). Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are secured over the rights to the hire purchase assets recognised in the statement of financial position which will revert to the lessor if the company defaults.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

	2021 \$	2020 \$
13 Reserves		
Amalgamation reserve	4,834,678	4,834,678
	4,834,678	4,834,678

Reserves

The reserve is used to recognised the net gain on amalgamation, arising from the acquisition of Sporties @ Kareela and Kareela Golf Course Operations Pty Ltd in 2018.

14 Contingent Liabilities

Bank Guarantees

The company has given the following bank guarantees:

TAB Limited	5,000	5,000
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Moorebank Sports Club Limited and its Controlled Entity

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Key Management Personnel Details

(a) Directors

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

Laurence Willoughby
Dennis Errington
Francis Griffin
Robert Fleeton
Craig McNally (appointed 25 October 2020)
Brenton Taylor
Nal Wijesekera (appointed 25 October 2020)
Philip Sampson (not re-elected 25 October 2020)
Monica Stephens- Saliba (not re-elected 25 October 2020)

(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	Chief Executive Officer
Troy Crisp	Chief Financial Officer
Matthew Cavanagh	Chief Operating Officer
Alison Hester	People & Culture Manager
Melinda McIlwaine	Marketing Manager

(c) Key Management Personnel Compensation

	2021	2020
	\$	\$
Benefits and payments made to the Directors and Other Key Management Personnel named in (b) above	896,221	913,562

(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 2021

16 Related Parties

(a) Key Management Personnel

Disclosures relating to key management personnel are set out in Note 15.

(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.

17 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 2021 there were 30,956 Ordinary Members, 18 Life Members, 57 Perpetual Members and nil Golf Members (2020: 33,953 Ordinary Members, 19 Life Members, 57 Perpetual Members and 528 Golf Members).

The registered office of the company is:

230 Heathcote Road
HAMMONDVILLE NSW 2170

18 Events Subsequent to Reporting Date

There are no 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 2021

19 Controlled Entity

The controlled entity of Moorebank Sports Club Limited is:

- Kareela Golf Course Operations Pty Ltd

The controlled entity is incorporated in Australia.

	Ownership interest	
	2021	2020
	%	%
Kareela Golf Course Operations Pty Ltd *	-	100

*Disposed in November 2020

20 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.