



Sporties

ANNUAL REPORT

2022



**EXCEEDING EXPECTATIONS BY CREATING A
DESTINATION OF GOOD TIMES AND
GREAT MEMORIES THROUGH OUR PEOPLE,
PRODUCT AND PRESENTATION**



ABOUT US

Today the Club's 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.

On any given day you will see mums 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 on our outdoor play equipment.

We hope you can come down to Sporties and experience our award winning hospitality.

OUR VISION

Sporties is dedicated to enriching the community.

OUR MISSION

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



OUR *Values*

ACCOUNTABILITY

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

EMPATHY

We understand the experience of members.
We understand our staff and our stakeholders.

INTEGRITY

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

INNOVATION

We embrace change.
We challenge the norm.

TEAMWORK

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

ABOVE & BEYOND

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





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 2022.

Even with the challenges on Covid-19 the Club finished with a total revenue of \$13,337,567 and a net profit of \$1,650,036. The EBITDA result for the year was \$3,529,120 which is very positive considering our period of lockdown.

This year the Club was closed for a period of 14 weeks, re-opening on 11th October. Management continued to work on very restricted hours but they managed to get a great deal completed during this time.

I would like to acknowledge our Management and Staff for their dedication and loyalty to your Club. 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 \$199,525 in funding. This includes \$107,700 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 programs such as Dress for Success, Miracle Babies, Georges River Life Care, Learning Links and Royal Life Saving Society. In total we sponsored \$91,825 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 honour to support them.

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 look forward to a full year of trading, hope to see you in the club, enjoying the great facilities.

Yours sincerely



Laurie Willoughby
President
Moorebank Sports Club (Sporties)

CEO'S Report



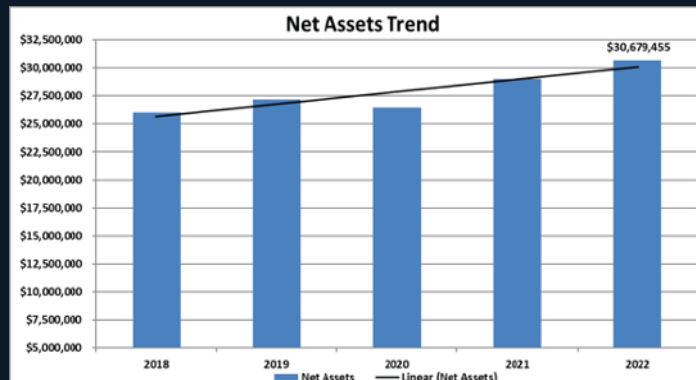
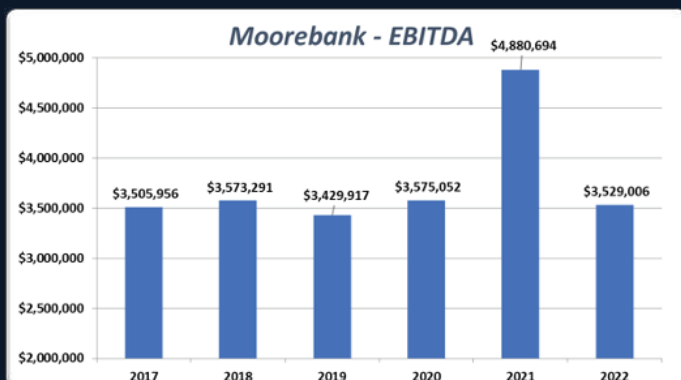
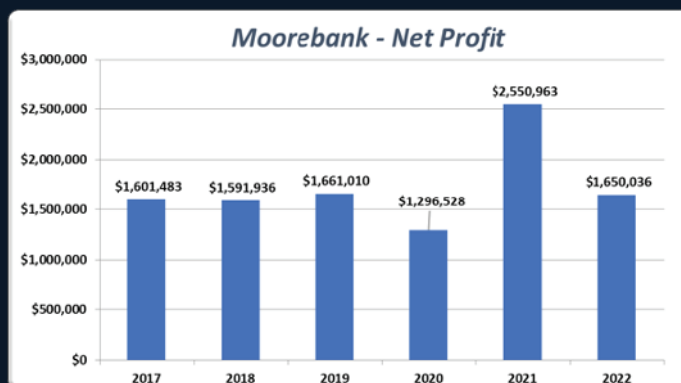
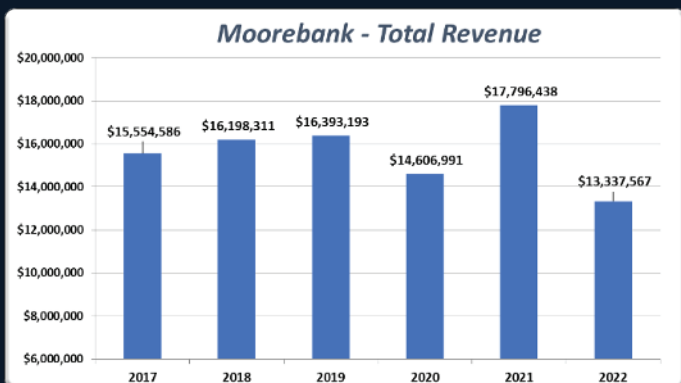
Dear Members,

It is with great pleasure that I present the Chief Executive Officer's report for the financial year ending 30th June 2022.

It has been a challenging year, that began with the Club shut for the first fourteen weeks of the financial year. Despite this we navigated through the lockdown and thanks to the dedication determination of the Sporties team were able to reopen and welcome the members back in the venue. Due to this overwhelming support we finished the year with a total revenue of \$13,337,567 and a net profit of \$1,650,036.

Financially, Sporties is very strong with an EBITDA result of \$3,529,120 for this financial year. We have a cash at bank of \$9,676,833 and net assets of \$30,679,455. The Club is in the strongest financial position in the history of the Club and we would not be able to achieve this without the support of the Members.

The graphs below will show the trend over time and results we have achieved.



This year we made some significant changes with the appointment of OnPoint Catering Solutions as the caterers in the Club. We hope members have enjoyed the new dining experience.

Our commitment to the Community is still strong. This year, despite being shut for 14 weeks we donated \$199,525 to the local community. Sporties is also the first Club to launch OK2Play. OK2Play is a player protection tool that removes the barriers to enable our players to get the help they need, whenever they need it. OK2Play is part of our strategy to make the Sporties gaming experience more enjoyable and sustainable for our Members. For anyone who is struggling please use the OK2Play QR codes throughout the venue

We have significant projects on the horizon. At our Moorebank home we are developing plans to improve the member experience. This includes a significant roof and ceiling repair, sewer repair and soon the club will complete a refurbishment. At Gregory Hills we have commenced a redesign of the venue. We anticipate this redesign being completed in early 2023 and will lodge those plans with Camden council.

To the staff and management of Sporties, my sincere gratitude and thank you for a challenging and rewarding year. We could not have had the successful year we have enjoyed without your commitment dedication and hard work. To the Board of Directors, thank you for your faith, guidance and support as we navigated the challenges of lockdown.

Finally I sincerely thank all the members of this great Club. We exist for the members of Sporties and to enrich the community. I hope you continue to enjoy the benefits of being a member of Sporties and I look forward to seeing you at the Club.

Yours sincerely



Jeff Gibbs
CEO
Moorebank Sports Club (Sporties)



PEOPLE AND *Culture*

Unfortunately our year did not have the best start due to the COVID-19 forced shutdown of our Club until mid-October. We knew this shutdown period was not going to be easy and would create some very difficult times for our employees. As a result, we had to be creative, invest some time and money and ensure our employees felt safe and supported. Some of the initiatives we provided our employees during this time included:-

- Providing all employees rolling fortnightly gift cards to help them with necessities until the government funding was rolled out and available
- Bought forward the launch of a 24/7, free and confidential Medical, Health and Wellbeing Program facilitated by an external provider Sonder
- Online zoom catch ups and team meetings
- Daily posts on our staff facebook page which included, competitions, challenges, health tips, messages from our leaders, positive quotes, online treasure hunts, sharing of favourite recipes, holiday destinations and many other fun activities
- Fortnightly over the phone check ins on each staff member to check on their welfare and provide any updates
- An incentive scheme to promote and encourage staff to take up the COVID-19 vaccinations, which provided great results with 100% of workforce choosing to be vaccinated
- Online Yoga Sessions
- Online Trivia Challenge shared with another local community club
- A welcome back information pack which included an update on the restrictions, a small gift and treats for staff to prepare to return to the workplace

Throughout this difficult time, we focussed our efforts on keeping our people safe and well supported and encouraged them to maintain positive mind sets. We know our staff felt supported and appreciated our efforts during this time. This strong focus and commitment to our employees ensured we had an engaged and motivated team available to successfully re-open and operate.

Re-opening had its challenges and again we needed to do things differently, be agile and responsive to the operating environment. Our workforce has grown, we attracted and successfully onboarded 43 new employees throughout the year together with fast tracking our upskilling of our existing employees. This also included identifying and growing our operational leadership and management team. Internally developed and promoted one employee to a permanent Customer Service Manager and four employees from Team Leaders to Relief Customer Service Managers.



STAFF OPINION SURVEY

We undertook our annual employee survey and achieved great results and feedback from our employees. We implemented an action plan to bring about changes based on the results and direct comments from our employees. We are pleased to share our employee's opinion.



We truly value and appreciate our people and know the positive contributions they each made in their positions ensures we maintain our dedication to our vision of “enriching our community”.

If you have great customer service and want to be part of our team, check out our website or email us info@sportiesgroup.com.au

COMMUNITY

Grants

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

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, Georges River Life Care, Dress for Success and much more.

“COMMUNITY IS MUCH MORE
THAN BELONGING TO SOMETHING;
IT'S ABOUT DOING SOMETHING
TOGETHER THAT MAKES
BELONGING MATTER.”



MIRACLE *Babies*

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

Every year in Australia around 48,000 newborn babies require the help of a Neonatal Intensive Care Unit (NICU) or Special Care Nursery (SCN). 27,000 of these babies are born premature and up to 1,000 babies lose their fight for life.

For families, the experience of having a baby come into the world not as expected or planned is life changing. Without support, this overwhelming and traumatic experience can have lifelong effects on the emotional wellbeing of these miracle families. It affects the entire family unit.

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.


PROJECT

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.

Our qualified NurtureTime volunteers visit the hospital to offer support, guidance and hope.

Parents, family and friends can ask questions, share their thoughts and feelings knowing the volunteer has a shared experience.



**FUNDING
GRANTED
\$25,175**

GEORGES RIVER

Life Care

In 2020, Life Care began operations in Liverpool LGA. Life Care developed relationships with Liverpool Neighbourhood Connections (LNC), who expressed the need for Food Aid in their local area. In June 2020, GRLC launched our COMMUNITY CONNECT program; supplying food hampers to some of the most vulnerable individuals & families.

In 2021 many of the local schools including Moorebank High School, Newbridge Heights Ps, Chipping Norton PS and Hammondville PS identified families that were really struggling and asked us to help. What Life Care discovered was, even though these areas were among the more affluent of the Liverpool LGA, there were many households experiencing a range of issues including family violence and breakdown as well as financial hardship, and no organisations like Life Care operating in these areas. Life Care propose to host a fortnightly Sunday COMMUNITY CONNECT event at Moorebank HS.

Families or individuals are welcomed and encouraged to meet others and build relationships in a safe and positive environment. At the same time, households will be able to take home a quality pantry hamper containing quality items that will help ease some of the burden.

PROJECT

COMMUNITY CONNECT

COMMUNITY CONNECT is a fortnightly social event that includes lunch and children's activities, particularly aimed at individuals and families at risk and experiencing a range of issues including family violence and breakdown, financial hardship and isolation.

**FUNDING
GRANTED
\$15,000**



DRESS FOR *Success*

As the leading global nonprofit employment resource for women, Dress for Success empowers women to transform their lives and re-envision their futures.

Dress for Success provides women with the services, tools and professional attire to secure employment and advance their careers. Most importantly, their programs equip women with confidence and community which that helps build self-defined success and both personal and professional renewal. The women they help often pay it forward, supporting the next woman who needs a hand.

Every woman has the right to realize her full potential and achieve financial independence in a more egalitarian world. Dress for Success believe that with the proper education, tools, and support, women have the capacity to lead more balanced, safer, and enriched lives.

PROJECT

Surviving to Thriving – Supporting 30 women into employment

Powered by volunteers, every year Dress for Success Australian Affiliates support more than 5,000 women into employment across the country.

The signature styling service and suite of Career Support offerings aim to help women overcome bias and discrimination when entering or re-entering the workforce – at no cost to the women needing the services.

The funds from the Moorebank Sports Club will help support 30 women experiencing hardship transition from welfare dependence to the workforce.



**FUNDING
GRANTED
\$10,000**

LEARNING

Links

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

These include conditions such as ADHD, high functioning Autism, Dyslexia, Dyscalculia, fine and gross motor delays and speech and language delays. The children are often anxious, have trouble communicating and interacting with others, and many have behavioural issues. In the later years they are often challenged in literacy, numeracy and impacting on their ability to complete education and participate in the community.

Early intervention for young children who experience developmental delays is critical to mitigate the risk of poor educational outcomes later in life. Learning Links is recognised as a pioneer in the area of inclusive early childhood education. At our inclusive preschool, children of all abilities learn side by side, maximising their learning abilities and wellbeing as they progress to primary school.

PROJECT

**Speech Therapy at Nuwarra Public School –
Empowering Children to Learn, Communicate and Thrive**

Learning Links Speech Pathologists will work at Nuwarra Public School to support children who have speech, language and communication challenges that are affecting their ability to learn, make friends and reach their full potential.

Learning Links Speech Pathologists will support up to 32 students with weekly evidence-based therapies to help combat their challenges at a vital stage of their development. They will also support teachers to best address speech challenges in their classrooms.



**FUNDING
GRANTED
\$33,950**

ROYAL LIFE

Saving Society

Drowning continues to be the leading cause of accidental death in children under the age of 5 in Australia. Sadly, 965 children aged under 5 have died due to drowning over the last 25 years, with a further 7,361 children admitted to the hospital for a non-fatal drowning incident.

More than half of all incidents occurred in backyard swimming pools. Royal Life Saving NSW (RLSNW) have identified that further education is needed to ensure parents and carers understand the importance of supervision, including the dangers of everyday distractions and complacency.

In addition to this, it is imperative to educate young children about the dangers of entering a water environment without adult supervision, in order to help minimise the drowning rate within this age group.

Our Preschool Water Safety Project aims to address this alarming issue by directly engaging preschool-aged children, parents and early childhood educators, in an age-specific water safety educational program, to help instil positive attitudes towards water safety from a young age.

PROJECT

Preschool Water Safety Project

In an attempt to prevent drowning and save lives, this fun and educational Preschool Water Safety Project will see 500 Liverpool children learn about water safety!

Royal Life Saving NSW will conduct 15 face to face, interactive water safety presentations at local preschools, teaching children important rules to help them stay safe around water. Parents and Educators will receive resources to help support our key water safety messages.

**FUNDING
GRANTED
\$7,700**



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**



MOOREBANK SOCCER

Club Report

The 2022 season promised to be a return to the normal season, however mother nature had other ideas.

With the relentless rain in February, we managed to complete grading and teams were finalised. The fields became soaked, training was interrupted, and the start of the season delayed. When the season finally 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 nearly all divisions – from our youngest in the mini's competition right up to the Premier League.

Our non-competitive minis enjoyed their season of fun, playing games, training and learning new skills. Our juniors and seniors all progressed through their competitions, doing our club proud.

This year were finished with three minor premier teams – Under 12 Division 1 girls, Under 15 Division 1 boys, and the All Age Ladies Division 3. Many of our teams made the semi finals and grand finals, with the All Age Ladies and Premier League First Grade winning their competitions.

This year the club was able to hold holiday clinics in the April and July school holidays and I'd like to thank the team at TD Football Academy for their support. The October school holiday clinic will be held in the coming weeks.

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. 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. I sincerely hope that the 2023 season will kick off without any hitches, and with many great results from all our teams.

Yours in sport,
Daniel Flego
MSC President.



MOOREBANK NETBALL

Club Report

What a year, numbers down due to after effects from COVID, then the rains came. Despite this Netball had a great year with the Club achieving success in all aspects of the game of Netball. Once again Moorebank had the largest representation of teams in the Liverpool Association, with 22 teams, involving over 200 players, coaching officials, and umpires ranging from 6 years to seniors.

Moorebank Netball caters for all children, regardless of ability or experience, within our local and nearby communities—Casula, Chipping Norton, Hammondville, Holsworthy, Lurnea, Moorebank, Milperra, Panania, Pleasure Point, Prestons, Sandy Point, Wattle Grove, and Voyager Point.

Our 5 modified teams [non competition] ranging from ages 5 to 9 years, enjoyed their season learning the game, and having fun.

The remaining 17 teams, consisted of 16 junior/intermediate age groups, plus 1 senior team. Of these 17 teams, 16 reached the semi-finals, with 7 teams winning through to the Grand Finals. 3 of these teams were victorious: 12A's, 14B's, and SCA's.

Once again we had talented players represent Liverpool Association at the State Age Championships: 4 in the 12 years, 2 in the 13 years, and 5 in the 14 years.

Unfortunately, due to the floods, the Championships were cancelled after only one day's play. Disappointment again for the players after the 2 previous years were also cancelled due to COVID.

Congratulations to Jasmine Bolger and Melissa Arena on obtaining their National C Umpiring Badge. A job well done. Thank you to Luke McGrath, for giving our young umpires, encouragement and support.

A sincere THANK YOU to "Sporties" for their continuous support and financial assistance. Their continuous support and Grants, are valuable assets to our continuous success. With outstanding efforts from Jo Wijesekera and "Sporties", Netball have received Grants from Government and Liverpool Council, for the resurfacing of our 5 netball courts. This is scheduled for completion during this October.

Success, just does not happen. With an enthusiastic, hard working committee, and coaching staff, led by our President, Shirley McAlister, we have been able to maintain, a progressive and successful Netball Club.

Yours in Sport,
Ann Richards - Secretary



Moorebank Sports Club Limited

ABN 21 002 081 905

Annual Financial Report 30 June 2022

Moorebank Sports Club Limited

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 2022.

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
Nal Wijesekera	Vice President	Appointed 25 October 2020	Teacher MEd (RE), BEd
Francis Griffin	Treasurer	Appointed 30 October 2016	Retired
Dennis Errington	Director	Appointed 30 October 2011	Industrial Sales
Robert Fleeton	Director	Appointed 7 December 1990	Retired
Craig McNally	Director	Appointed 25 October 2020	Business Owner, Tradesman
Brenton Taylor	Director	Appointed 30 October 2016	Management Consultant MPPA, Dip Law (LPAB), GDLP, GCAM, GAICD, Legal Practitioner

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	16	16
Nal Wijesekera	16	16
Francis Griffin	16	16
Dennis Errington	16	16
Robert Fleeton	15	16
Craig McNally	16	16
Brenton Taylor	14	16

* 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 2022 and the comparison with last year is as follows:

	2022	2021
Ordinary	29,112	30,956
Life	18	18
Perpetual	63	57
	<hr/>	<hr/>
	29,193	31,031
	<hr/>	<hr/>

Moorebank Sports Club Limited

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 \$583,860 (2021: \$620,620).

Operating result

The net profit before tax from continuing operations for the year amounted to \$1,522,057 compared with profit of \$2,532,103 for the prior year. This resulted after receiving \$331,248 in government grants (2021: \$443,000) and charging \$1,981,592 (2021: \$2,321,325) for depreciation/amortisation. The net profit for the year was \$1,650,036 (2021: profit of \$2,550,963) including a benefit of \$127,979 (2021: benefit of \$18,860) 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

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)

	2022	2021
Bar		
Gross profit percentage	59.41%	57.01%
Wages to sales percentage	33.51%	34.66%
Wages and salaries - percentage of total revenue	21.56%	20.44%
EBITDA - percentage of revenue	26.46%	27.43%

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 26th of September 2022.



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 2022, 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.



Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 26 September 2022

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), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds 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 2022 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures 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 (including Independence Standards)* (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 - Simplified Disclosures 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_responsibilities/ar4.pdf. This description forms part of our auditor's report.

BDO Audit Pty Ltd



Clayton Eveleigh
Director

Moorebank, 26 September 2022

Moorebank Sports Club Limited

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 29, 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 2022 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Simplified Disclosures 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 26th day of September 2022.



Laurence Willoughby
President

Moorebank Sports Club Limited

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue and other income			
Sale of goods revenue		2,559,146	3,174,585
Rendering of services revenue		10,474,660	14,382,392
Other income		303,761	239,460
<hr/>			
Total revenue and other income	1	13,337,567	17,796,437
<hr/>			
Expenses			
Raw material and consumables used		(1,081,906)	(1,393,978)
Depreciation and amortisation expenses	2	(1,981,592)	(2,321,325)
Employee benefits expense		(2,875,723)	(3,637,201)
Entertainment, marketing and promotional costs		(1,332,190)	(2,019,092)
Poker machine licences and taxes		(2,483,427)	(3,447,110)
Finance costs	2	(25,357)	(27,266)
Occupancy expenses		(1,025,319)	(1,292,754)
Donations and grants paid		(202,801)	(265,630)
Other expenses		(807,195)	(859,978)
<hr/>			
Total expenses		(11,815,510)	(15,264,334)
<hr/>			
Profit before income tax expense		1,522,057	2,532,103
Income tax benefit	3(a)	127,979	18,860
<hr/>			
Net profit after income tax attributable to members		1,650,036	2,550,963
Other comprehensive income		-	-
<hr/>			
Total comprehensive income for the year attributable to members		1,650,036	2,550,963
<hr/>			

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 12 to 29.

Moorebank Sports Club Limited
Statement of Financial Position
As at 30 June 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	9,676,833	6,508,318
Trade and other receivables	5	33,750	38,906
Inventories		119,007	126,948
Prepayments		360,787	324,537
Total Current Assets		10,190,377	6,998,709
Non-Current Assets			
Property, plant and equipment	6	19,844,752	20,788,399
Intangible assets	7	3,977,921	3,932,921
Deferred tax assets	3(b)	170,264	42,285
Total Non-Current Assets		23,992,937	24,763,605
Total Assets		34,183,314	31,762,314
LIABILITIES			
Current liabilities			
Trade and other payables	8	1,961,055	1,384,078
Employee benefits	9	221,905	235,260
Lease liabilities	10	513,043	360,861
Income received in advance		203,693	199,690
Total Current Liabilities		2,899,696	2,179,889
Non-Current Liabilities			
Employee benefits	9	140,103	121,738
Lease liabilities	10	345,788	266,564
Income received in advance		118,272	164,704
Total Non-Current Liabilities		604,163	553,006
Total Liabilities		3,503,859	2,732,895
Net Assets		30,679,455	29,029,419
Members' Funds			
Retained profits		30,679,455	24,194,741
Reserves	11	-	4,834,678
Total Members' Funds		30,679,455	29,029,419

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 12 to 29.

Moorebank Sports Club Limited

Statement of Changes in Members' Funds

For the Year Ended 30 June 2022

	Reserves	Retained Profits	Total Members' Funds
	\$	\$	\$
Balance at 1 July 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
Net profit for the year	-	1,650,036	1,650,036
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	1,650,036	1,650,036
Transfer of amalgamation reserve to retained profits	(4,834,678)	4,834,678	-
Balance at 30 June 2022	-	30,679,455	30,679,455

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 12 to 29.

Moorebank Sports Club Limited
Statement of Cash Flows
For the Year Ended 30 June 2022

	Note	2022 \$	2021 \$
Cash Flows from Operating Activities			
Receipts from customers (including GST)		14,296,187	24,868,988
Payments to suppliers and employees (including GST)		(10,858,440)	(16,847,113)
Interest received	1	1,873	7,197
Rent received	1	301,888	232,263
Finance costs paid	2	(25,357)	(27,266)
Government grants		331,248	443,000
Net cash inflow from operating activities		4,047,399	8,677,069
Cash Flows from Investing Activities			
Proceeds from sale of property, plant and equipment		35,972	4,000
Payment for property, plant and equipment		(574,541)	(642,789)
Payment for intangible assets		(45,000)	(300,816)
Proceeds from sale of subsidiary		-	1
Net cash outflow from investing activities		(583,569)	(939,604)
Cash Flows from Financing Activities			
Repayment of borrowings		-	(4,500,000)
Repayment of lease liabilities		(295,315)	(374,483)
Net cash outflow from financing activities		(295,315)	(4,874,483)
Net increase in cash and cash equivalents		3,168,515	2,862,982
Cash and cash equivalents at the beginning of the financial year		6,508,318	3,645,336
Cash and cash equivalents at the end of the financial year	4	9,676,833	6,508,318

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 12 to 29.

Moorebank Sports Club Limited

Notes to the Financial Statements

For the Year Ended 30 June 2022

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 26 September 2022.

The financial statements are general purposes financial statements which:

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

New or amended Accounting Standards and Interpretations adopted

The company has adopted all new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of AASB. The adoption of this standard has not had a significant impact on the Company's 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:

Estimation of useful lives of assets	Note 6
Intangible assets	Note 7
Long service leave liability	Note 9

Moorebank Sports Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2022

	2022 \$	2021 \$
1 Revenue and Other Income		
Sale of Goods Revenue		
Bar sales	2,510,026	3,174,585
Catering sales - Café	49,120	-
	<hr/>	<hr/>
	2,559,146	3,174,585
	<hr/>	<hr/>
Rendering of Services Revenue		
Poker machines - net clearances	10,164,083	13,989,883
Members' subscriptions	122,504	138,343
Commission received	176,003	218,776
Sundry Income	12,070	35,390
	<hr/>	<hr/>
	10,474,660	14,382,392
	<hr/>	<hr/>
Other Income		
Interest received	1,873	7,197
Rent received	301,888	232,263
	<hr/>	<hr/>
	303,761	239,460
	<hr/>	<hr/>
Total Revenue and Other Income	<hr/> 13,337,567	<hr/> 17,796,437

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
Notes to the Financial Statements
For the Year Ended 30 June 2022

	2022 \$	2021 \$
2 Expenses		
Profit before income tax includes the following specific expenses:		
Finance costs		
Other borrowing costs	25,357	27,266
Total Finance costs	25,357	27,266
Depreciation		
Buildings	537,063	537,192
Plant and equipment	680,941	738,473
Poker machines	452,906	788,796
Amortisation		
Leased assets	310,682	256,864
Total Depreciation and Amortisation	1,981,592	2,321,325
Movements in provision for employee benefits	5,010	(22,605)
Defined contribution superannuation expense	265,867	314,190
(Profit)/Loss on Disposal - Property, Plant and Equipment	(10,615)	13,304

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
Notes to the Financial Statements
For the Year Ended 30 June 2022

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.

	2022 \$	2021 \$
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)
Current income tax applicable at rate of 25% (2021: 26%)	-	-
Movement in deferred tax asset	(127,979)	(18,860)
Income tax benefit	(127,979)	(18,860)

(b) Deferred Tax Assets

The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss

Employee benefits	19,299	21,851
Fixed assets	(20,177)	(23,528)
Tax losses	171,142	43,962
Net deferred tax assets	170,264	42,285
Movements:		
Opening balance at 1 July	42,285	23,425
Credited to the Statement of Profit or Loss and Other Comprehensive Income	127,979	18,860
Closing balance at 30 June	170,264	42,285

Moorebank Sports Club Limited

Notes to the Financial Statements

For the Year Ended 30 June 2022

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
Notes to the Financial Statements
For the Year Ended 30 June 2022

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:

	2022 \$	2021 \$
Cash and cash equivalents	1,696,733	1,325,614
Short term deposits	7,980,100	5,182,704
	<hr/>	<hr/>
	9,676,833	6,508,318
	<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.

5 Trade and Other Receivables

	2022 \$	2021 \$
Accrued income	33,750	17,750
Sundry debtors	-	21,156
	<hr/>	<hr/>
	33,750	38,906
	<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 (2021: \$Nil).

Moorebank Sports Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2022

	2022 \$	2021 \$
6 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 (5,552,114)	14,524,997 (5,015,051)
	8,972,883	9,509,946
Total Land and Buildings	14,833,328	15,370,391
Plant and equipment <i>At cost</i> <i>Accumulated depreciation</i>	6,711,773 (5,221,012)	6,581,259 (4,624,558)
	1,490,761	1,956,701
Poker Machines <i>At cost</i> <i>Accumulated depreciation</i>	4,777,589 (4,402,512)	5,000,966 (4,342,104)
	375,077	658,862
Leased Assets <i>At capitalised cost</i> <i>Accumulated depreciation</i>	1,738,489 (883,397)	1,249,729 (572,716)
	855,092	677,013
Capital Works in Progress <i>At cost</i>	2,290,494	2,125,432
Total property, plant and equipment net book value	19,844,752	20,788,399

Moorebank Sports Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2022

6 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.

	2022 \$	2021 \$
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:		
Buildings		
Carrying amount at beginning of year	9,509,946	10,043,688
Additions	-	3,450
Depreciation expense	(537,063)	(537,192)
	<hr/>	<hr/>
Carrying amount at end of year	8,972,883	9,509,946
	<hr/>	<hr/>
Plant and Equipment		
Carrying amount at beginning of year	1,956,701	2,558,354
Additions	215,252	147,652
Disposals	(84,737)	(493,410)
Depreciation expense	(680,941)	(738,473)
Disposal depreciation	84,486	482,578
	<hr/>	<hr/>
Carrying amount at end of year	1,490,761	1,956,701
	<hr/>	<hr/>

Moorebank Sports Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2022

6 Property, Plant and Equipment (continued)

	2022 \$	2021 \$
Poker Machines		
Carrying amount at beginning of year	658,862	1,334,490
Additions	194,227	119,640
Disposals	(417,605)	(311,240)
Depreciation expense	(452,906)	(788,796)
Disposal depreciation	392,499	304,768
Carrying amount at end of year	375,077	658,862
Leased Assets		
Carrying amount at beginning of year	677,013	681,672
Additions	488,761	252,205
Disposals	-	(156,720)
Amortisation expense	(310,682)	(256,864)
Amortisation on disposal	-	156,720
Carrying amount at end of year	855,092	677,013
Capital Works in Progress		
Carrying amount at beginning of year	2,125,432	1,753,385
Additions	165,062	372,047
Carrying amount at end of year	2,290,494	2,125,432

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 \$nil (2021: \$114,221). The rate used to determine the amount of borrowing costs eligible for capitalisation was nil%. (2021: 1.65%), 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
Notes to the Financial Statements
For the Year Ended 30 June 2022

6 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.

Leased Assets

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

A leased asset is recognised at the commencement date of a lease. The leased 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
Notes to the Financial Statements
For the Year Ended 30 June 2022

6 Property, Plant and Equipment (continued)

Leased 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. Leased Assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Company has elected not to recognise a leased 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.

7 Intangible Assets

	2022 \$	2021 \$
Poker machine entitlements		
<i>At cost</i>	3,977,921	3,932,921
<i>Accumulated amortisation</i>	-	-
	<hr/>	<hr/>
Net carrying value	3,977,921	3,932,921
	<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	3,932,921	3,632,105
Additions	45,000	300,816
	<hr/>	<hr/>
Carrying amount at end of year	3,977,921	3,932,921
	<hr/>	<hr/>

Moorebank Sports Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2022

7 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. 5.00% (2021: 3.50%) pre-tax discount rate
- b. 3.00% (2021: 3.00%) per annum projected revenue growth rate
- c. 5.00% (2021: 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.

Management believes that 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.

Moorebank Sports Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2022

	2022 \$	2021 \$
8 Trade and Other Payables		
Trade payables	776,539	550,502
Goods and Services Tax (GST) payable	123,126	88,959
Other payables and accrued expenses	1,061,390	744,617
	<hr/>	<hr/>
	1,961,055	1,384,078
	<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.

	2022 \$	2021 \$
9 Employee Benefits		
Current	221,905	235,260
	<hr/>	<hr/>
Non-current	140,103	121,738
	<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	5.10%	1.10%
Discount rate	5.46%	2.39%
Settlement term (years)	6.50yrs	6.50yrs

Superannuation Plans

Contributions

The company is under a legal obligation to contribute 10% of each employee's base salary to a superannuation fund. This increased to 10.5% as of 1 July 2022.

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.

Moorebank Sports Club Limited

Notes to the Financial Statements

For the Year Ended 30 June 2022

9 Employee Benefits (continued)

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.

	2022 \$	2021 \$
Current Lease liabilities	513,043	360,861
Non-current Lease liabilities	345,788	266,564

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. 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 leased asset, or to profit or loss if the carrying amount of the leased asset is fully written down.

Moorebank Sports Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2022

	2022 \$	2021 \$
11 Reserves		
Amalgamation reserve	-	4,834,678
	<hr/>	<hr/>
	-	4,834,678
	<hr/>	<hr/>

Reserves

The reserve was used to recognised the net gain on amalgamation, arising from the acquisition of Sporties @ Kareela and Kareela Golf Course Operations Pty Ltd in 2018. The amalgamation reserve has been transferred to retained profits following the disposal of the assets in 2021.

12 Contingent Liabilities

Bank Guarantees

The company has given the following bank guarantees:

TAB Limited	5,000	5,000
	<hr/>	<hr/>

13 Key Management Personnel Details

(a) Directors

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

Laurence Willoughby
Nal Wijesekera
Francis Griffin
Dennis Errington
Robert Fleeton
Craig McNally
Brenton Taylor

(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 (Resigned 3 February 2022)

Moorebank Sports Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2022

13 Key Management Personnel Details (continued)

(c) Key Management Personnel Compensation

	2022 \$	2021 \$
Benefits and payments made to the Directors and Other Key Management Personnel named in (b) above	793,153	896,221

(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.

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 relatives of current directors of the club. The terms of employment for the individuals are in accordance with a normal employee relationship with the Company. The individuals 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 2022 there were 29,112 Ordinary Members, 18 Life Members and 63 Perpetual Members (2021: 30,956 Ordinary Members, 18 Life Members and 57 Perpetual Members).

The registered office of the company is:

230 Heathcote Road
HAMMONDVILLE NSW 2170

Moorebank Sports Club Limited

Notes to the Financial Statements

For the Year Ended 30 June 2022

16 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.

17 Auditors' Remuneration

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the company:

	2022 \$	2021 \$
Audit services		
Audit of the financial statements	35,000	32,500
Other services		
Taxation compliance services	4,000	4,000
	<hr/>	<hr/>
	39,000	36,500
	<hr/>	<hr/>

18 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.

Moorebank Sports Club Limited
Notes to the Financial Statements
For the Year Ended 30 June 2022

18 Summary of Other Significant Accounting Policies (continued)

(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.