

ANNUAL REPORT



2021 - 2022

Bendigo Stadium Limited





Red Energy Arena acknowledges the Dja Dja Wurrung and Taungurung Peoples as the traditional custodians of the lands across Greater Bendigo.

We acknowledge and pay respect to their Elders past, present and emerging.

OUR WHY

VISION

Delivering World-Class Experiences

PURPOSE

Unrivalled opportunities and enhanced liveability through exceptional experiences for the benefit of all

VALUES

Unity, accountability, and strategic thinking



CHAIR REPORT

Stacie Wright



Welcome to the Chair's report for our 2021/22 Bendigo Stadium Limited (BSL) Annual Report.

It's been a year of challenges, changes and new opportunities as we look forward to 2023 and beyond. The key challenges of course, came from COVID-19 impacts on our business. However, we see our venue as a significant community asset that we will continue to develop as we work toward setting the business up to take advantage of new opportunities.

Our strategy to increase and diversify usage of the venue is well underway. Community and domestic sport is a cornerstone of what we deliver. Our elite sports program and pathways continue to be critical across our community and we've recently hosted Guy Sebastian with more than 4000 people in attendance, the inaugural McKean McGregor gala ball, NBL and WNBL basketball games, an international Australian Boomers match and a packed house for the world-famous Harlem Globetrotters. Plus a growing number of smaller and important community and business events.

As mentioned, COVID-19 impacted our business and in turn our financial performance. Whilst venues mostly remained open, government restrictions and high case numbers provided a "stop start" year which not only made planning difficult, it restricted our trading numbers and income.

Yet throughout these challenges we have seen many positive outcomes.

Welcome to Red Energy Arena! The announcement of our new partnership with Red Energy is significant in many ways. To have a new and very well regarded naming rights partner provides certainty moving forward and we believe the opportunities will only grow as the partnership develops. Your Board and members are excited by the potential.

This year saw new ownership for the Bendigo Spirit, which is important for that brand to continue and flourish and still retain their Bendigo connection and their home base - Red Energy Arena.

Our men and women's Braves teams both completed a near normal NBL1 season with both teams competing in the finals and Braves Women being runners up. An impressive effort from both flagship teams and we look forward to taking an extra step next season.

With all these opportunities and challenges, your Board has been cognisant of and focused on the need to provide high quality governance to guide the strategic direction of the business. The Board has focused on modernising our governance throughout 2021/22.

After a review of the existing structure, we have welcomed two new directors to broaden the diversity and skill set of the Board.

CHAIR REPORT CONTINUED

Stacie Wright

We welcome Kevin Dole and Nick McClure to the Board and will continue to ensure your Board has the required skills, passion and diversity.

As well as developing the Board, our management structure has undergone further changes and development. We welcomed our new CEO Dennis Bice. Dennis brings a wealth of leadership experience and has created and recruited a new staff structure to equip us for the future. I would like to thank Dennis and his team for the great work that they do in the oversight and management of BSL.

A huge thank you to the BSL staff and volunteers. In these ever-changing times you rose to the occasion, kept focused on your roles and took each challenge as it came. Your resilience is admired and your Board's gratitude is very sincere. Thank you. I also wish to acknowledge our directors Eain McRae, John Gallagher, Amelia Fisher, Nick McClure and Kevin Dole for their continued commitment and contribution to the organisation.

They give their time voluntarily, adding their skills and experience to make the arena what it is.

Our close working relationship with the City of Greater Bendigo (COGB) has continued in 2022. The COGB have assisted us in luring world class events to Red Energy Arena,

financial support, as well as providing ongoing mentoring and support to our management team. I wish to thank all of the city's councillors and in particular Mayor Andrea Metcalf and CEO Craig Niemann.

I would like to acknowledge the CoGB's finance committee delegates Andrew Cooney and Nathan Morsillo. Your contribution and guidance to our organisation is greatly appreciated.

The cornerstones of BSL is sport participation. I wish to thank Bendigo Basketball Association, Bendigo Volleyball Association, and Golden City Netball Association, for the work that they do every year to enhance community sport in Bendigo. I mentioned the arena as a great community asset – and it is the high level of sporting participants that is the best evidence to support that statement.

While FY22 has presented considerable challenges to the organisation, I am confident we have the right strategy and leadership team in place to overcome the challenges of tomorrow. With this in mind, we look forward to the opportunities that are coming our way, including the opportunity to host a number of sports at the 2026 Greater Victoria Commonwealth Games.

Stacie Wright
Chair

CEO REPORT

Dennis Bice



It has almost been 12 months since I have taken up the role of CEO at BSL and I am very grateful for the opportunity to lead such an organisation through the next phase beyond the impacts of COVID-19 and the chance to enhance our newly named Red Energy Arena as a true community asset within the Greater Bendigo region.

No doubt everyone would be aware of the impacts of COVID-19, both from a financial and community confidence perspective, but with each challenge comes great opportunity to reshape the future and further enhance our fantastic facility's value to our broader community.

Part of the reshaping was to provide our teams and community with clarity around the role we play as a community asset along with the ability to promote all aspects of Red Energy Arena and its businesses. To do that we have recruited key people within our organisation with a focus of telling our story and ensuring we deliver the best possible experience for all who attend the venue. From our hospitality businesses, events, elite sport, community sport or business and community functions, all provide great opportunity for the status of Red Energy Arena.

This year we have showcased our ability to deliver key events - Guy Sebastian concert, Harlem Globetrotters,

WNBL and NBL games along with the Australian Boomers qualifying game against Iran. Add to this the community sports programs, national championships in Basketball, Volleyball and Dance, Gala Balls and many school events held successfully at Red Energy Arena.

Throughout the year the focus has been on developing not only the current opportunities but looking forward to what might lay ahead. None more so than the 2026 Commonwealth Games which will undoubtedly bring a massive opportunity to showcase Red Energy Arena on the international stage. The announcement of netball to be held at Red Energy Arena will bring further development to the complex along with the many lead up sporting events and other function opportunities. All of which will enhance the value of our contribution to the broader community.

I would like to acknowledge and thank all our key stakeholders, partners and community groups who have supported Red Energy Arena throughout the year. I would also like to thank the City of Greater Bendigo and the BSL Board for their support, but most importantly to the staff and broader team who have been fantastic in their efforts.

While we still have many challenges ahead, I look forward to the next 12 months and beyond with a great deal of confidence.

Dennis Bice
CEO



OUR BOARD OF DIRECTORS



Stacie Wright - Chair

Stacie joined the Board in 2015 and has served as the Chair since 2019.

A highly experienced marketer and brand manager, Stacie understands how to develop a brand, focusing on imparting its values and its commitment to meeting the needs of its customers and she brings this insight into her role with BSL. She has held senior roles with the Bendigo and Adelaide Bank, Rural Finance and Wesfarmers.

Stacie has a Master of Business Administration, a Bachelor of Business with Majors in Marketing and Human Resource Management and is a Graduate of the Australian Institute of Company Directors.

Committed to serving her local community, Stacie has been a Director of the Bendigo Basketball Association and Treasurer of the Rural Press Club of Victoria.



Amelia Fisher - Treasurer

Amelia joined the Board in 2020.

A high performing finance specialist and CPA, Amelia brings a wealth of expertise not only to the Board but also to the BSL Finance Committee.

She has a deep understanding of the regulatory framework and statutory requirements of the finance sector. Her career has included several high-level financial roles with Bendigo and Adelaide Bank. A skilled communicator, Amelia understands how to leverage technology for the best financial success.

Passionate about local community, Amelia has served on the Mitiamo Football Committee, the Bendigo CPA Branch Committee and was a CFA volunteer.

OUR BOARD OF DIRECTORS



Eain McRae joined the Board in 2015.

He has spent his career in community serving roles within the public service. With roles in the CFA, the Department of Environment and Primary Industry, Natural Resources and Environment and the Ministry of Conservation, Eain has demonstrated a passion for hands-on, out and about roles.

A certified trainer, he has expertise in the forensic analysis of situations and events.

Eain has been a volunteer firefighter in the Maiden Gully CFA for over seven years as well as serving as a Director of the Bendigo Basketball Association for the past 16 years.



John Gallagher - Director

John has been on the Board for over ten years.

He is Managing Director of Wild Company, an enterprise he started with his partner in 1984 and built up to be northwest Victoria's largest specialised contracting business of its type.

He brings years of hands-on management experience to the Board as well as a deep understanding of quality assurance and accreditation processes. He has expertise in workplace safety, dispute resolution and emergency responses.

Also a serving member on the Boards of other BSL entities, he is passionate about ensuring that the infrastructure and assets of the Bendigo community are well managed.

OUR BOARD OF DIRECTORS



Kevin Dole - Director

Kevin joined the Board in January 2022.

He is currently the Managing Director of Bendigo Telco, a public listed company which delivers technology-based solutions.

Throughout his career Kevin has focused on ensuring technology is a key enabler to support customers achieving success. Prior to BSL he held a number of technical and senior leadership roles within Bendigo and Adelaide Bank.

Kevin is also a Board Member and Director of Bendigo Telco and other Boards of the BSL entities.



Nick McClure - Director

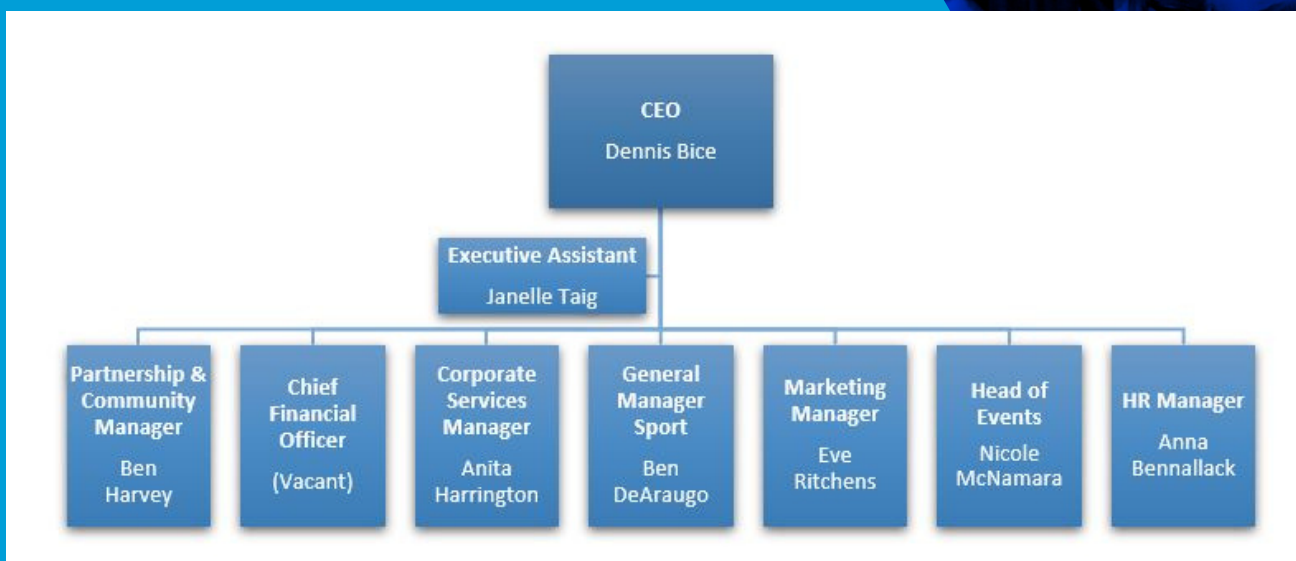
Nick joined the Board in 2022.

A tertiary qualified Civil Engineer by profession, who is accredited on Engineers Australia's National Engineering Register and the Victorian Business Licencing Authority, he is also the director of two Victorian engineering companies who specialise in Project Management, Civil, Structural and Geotechnical Engineering.

Nick has extensive contractual management experience, specialising in project planning/staging, risk management.

Having worked nationally across a broad range of infrastructure projects in both the private and public sectors, Nick's drive is to provide sound governance and operational practices to regional Victoria.

ORGANISATIONAL STRUCTURE



NETWORK

*13
Community
Partners*

*50
Business
Partners*

*10,000+
Club & Sport
Members*

OUR HISTORY

The original Bendigo Stadium was built in 1976 featuring two basketball courts. Since then, there has been three major developments to meet the growing demands for indoor sporting and entertainment facilities.

Fast forward almost 50 years and the complex now boasts 10 indoor multipurpose courts, 12 outdoor netball courts and an impressive 4,000-seat main arena after a significant redevelopment in 2018.

It is the largest indoor stadium outside metropolitan Melbourne, and is also the largest netball facility in regional Victoria, making it an appealing venue for large-scale sporting events.

In 2022 new naming rights partner Red Energy came on board, rebranding Bendigo Stadium to Red Energy Arena.

It is now of national prominence, showcasing some of the best international sport and entertainment events available. On a regular year we host over 90 events ranging from sports, music, industry conferences, community events and gala balls.

The arena has the capability to drive visitation and tourism to the Bendigo region through hosting these major events, which delivers a flow-on effect to the local economy, particularly accommodation, hospitality and retail businesses.



OUR VENUES

BSL manages and operates three venues across Victoria. Red Energy Arena, Borough Club, and St Arnaud Sporting Club.

We pride ourselves on being a meeting place, delivering a community-focused hub through various sports codes, entertainment events, business functions and family moments.



St Arnaud Sporting Club

Located in the Wimmera region of Victoria and 1 hour 15 from Bendigo is the St Arnaud Sporting Club.

Situated at Lord Nelson Park, St Arnaud Sporting Club has a long and rich history. The sporting precinct is home to football, netball, harness racing and hockey. It is the ideal location to get together with friends and family, whether it be within the warm and inviting bistro for a delicious meal, or the bar for a cold beer.

In 2022 we saw a change in Bistro lessee, with Don's Kitchen finishing up and Deyun Pty Ltd now serving fresh Chinese and Malaysian cuisine, as well as pub classics.



The Borough Club

Located in the heart of Eaglehawk, the Borough Club is situated opposite the beautiful Canterbury Park Gardens.

The historic building dates back to 1859 and has seen many forms since then. It now resides as a historic club with quality meals, secluded dining spaces and entertainment.

Borough Club is a proud member of the Eaglehawk community, sponsoring the cricket, girls and boys football, netball, hockey, and bowls clubs from Eaglehawk.

It is also a partner of local community group Empowering Eaglehawk.

Red Energy Arena

OUR EVENTS

Red Energy Arena is Central Victoria's major sporting and entertainment complex, hosting a plethora of major national and international events.

In the 2021/22 financial year we successfully delivered over 53 events in our venue amid pandemic lockdown orders and capacity restrictions. Of these 53, 40 of these have been delivered between January to June 2022.

Events included national sporting and entertainment events as well as tournaments, expos, gala dinners, community events and private functions.

Notably, we were one of the few Victorian venues who were successful in being granted State Significant Venue approval in line with the Victorian COVID-safe event framework. This highlights the level of COVID-safe measures that BSL were entrusted to provide to the community.

We delivered multiple national events that have typically been held in capital cities, of which were successfully held regionally, in our venue. We look forward to bringing more events to our region in the future.

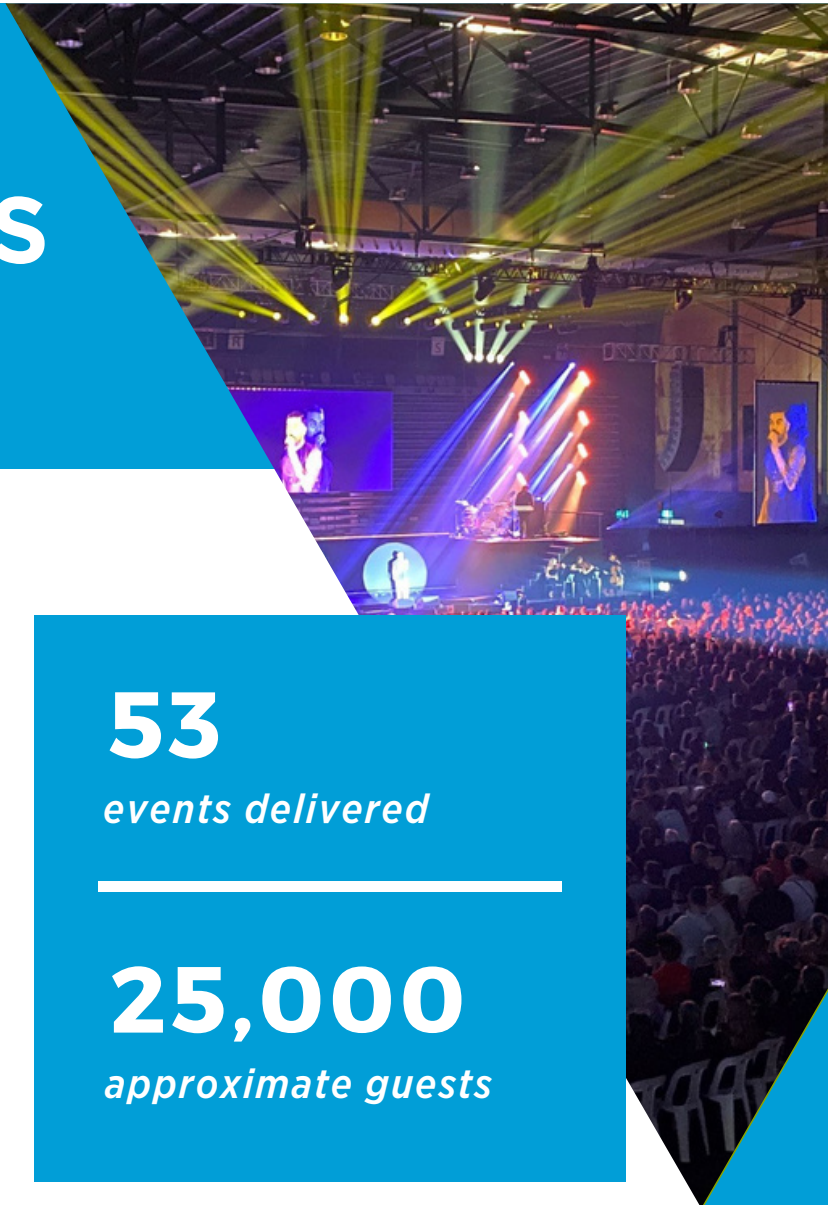
53

events delivered

25,000

approximate guests

Red Energy Arena has recently been announced as a significant venue for the 2026 Commonwealth Games hosting netball. We are looking forward to the opportunities this will bring to our venue and Bendigo.



OUR SPORT

Red Energy Arena is a community sports hub for local basketball, netball and volleyball.

Red Energy Arena is a community sports hub for local basketball, netball and volleyball.

Bendigo has the reputation of being a powerhouse in Australian basketball and has one of the best pathway programs in the country.

Bendigo Spirit ***WNBL***

The Bendigo Spirit became the ninth Women's National Basketball League club following its approval for entry into the 2007/08 season.

As the third Victorian-based team, the Spirit is based in Bendigo, and host their home games at Red Energy Arena.

In 2022 the club was acquired by SEN. This will see the club be financially supported by a national sporting company and ensures viability into the future.

This year also saw a successful partnership formed with Tasmania Government and Southside Flyers, where two WNBL games were played in the state, along with a variety of community programs with aspiring young girls in basketball.

Bendigo Braves ***NBL1 South Conference***

The Bendigo Braves have a men's and women's team competing in the NBL1 state competition within the South conference.

The 2022 season was a success for both teams with men making it to finals and women coming runners up in the grand final.

Volleyball

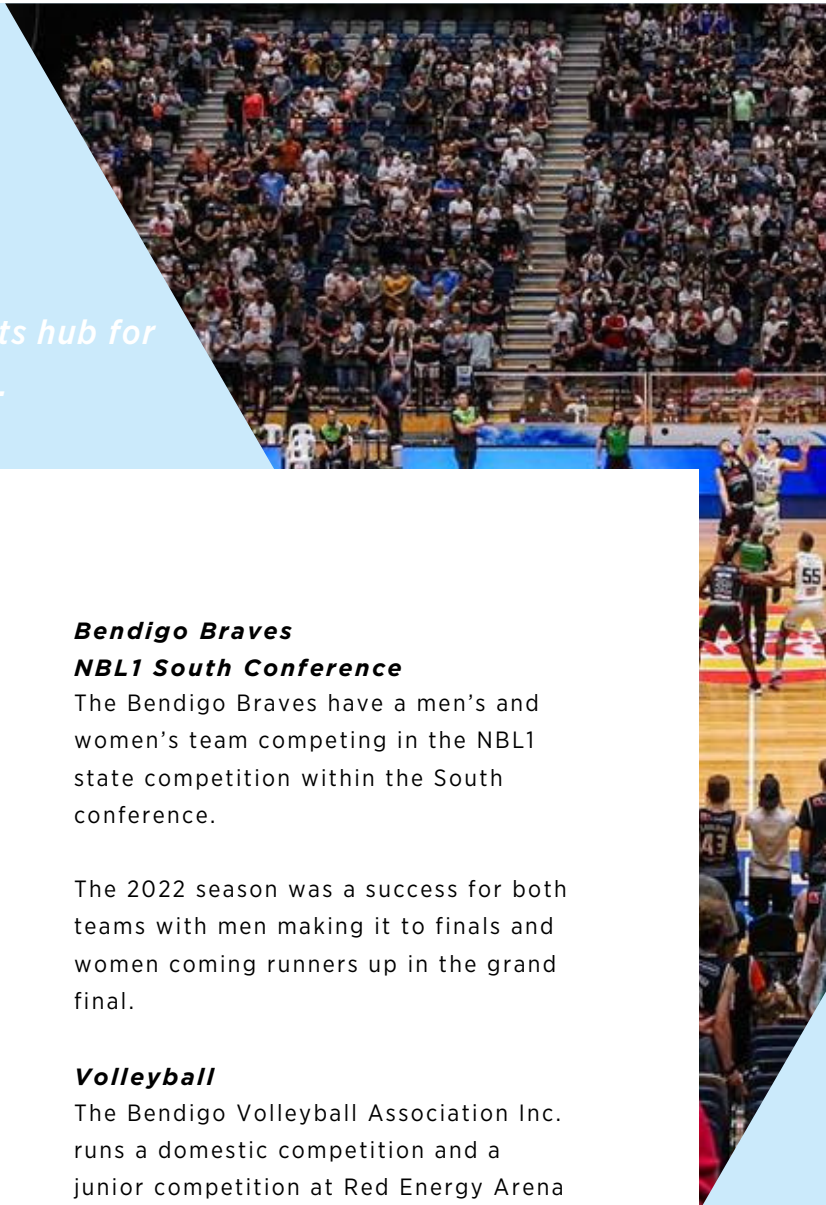
The Bendigo Volleyball Association Inc. runs a domestic competition and a junior competition at Red Energy Arena

Red Energy Arena is home to the Phantoms Volleyball Club who compete in the state league.

Netball

With 10 indoor multi-purpose courts and 12 outdoor netball courts, Red Energy Arena is the largest netball facility in regional Victoria.

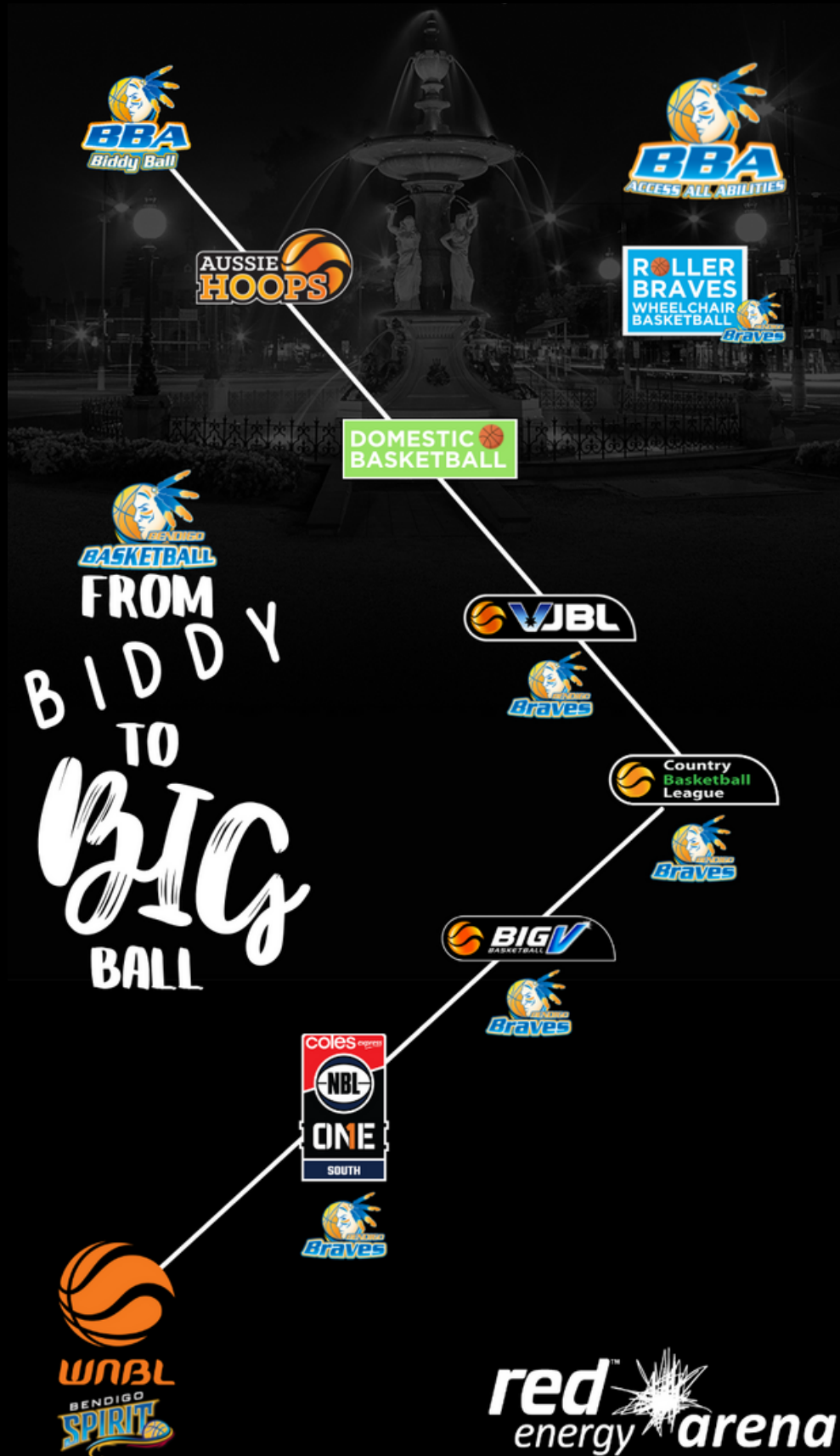
Locally, the Golden City Netball Association run indoor and outdoor competitions throughout the year. Our venue is also often selected as a venue for Suncorp Super Netball pre-season and round games.



OUR PATHWAYS

The Bendigo Basketball Association (BBA) has a long and proud history within the region, with successful programs dating back to 1947.

BSL works alongside BBA to deliver the basketball programs to all ages and abilities. The pathways available in Bendigo are recognised as some of the best in Australia.



OUR COMMUNITY

BSL has provided more than \$500,000 to local sporting organisations, charities and not-for-profits over the last five years.

Supporting community groups is at the core of our values and we are delighted to partner with many meaningful organisations across the Bendigo region.

Red Energy Arena is a safe place that enriches the lives of people in our community, of all ages. We are an important community asset and provide avenues and opportunities for different community members whether it be for sport, charities or not-for-profits.

Our community partners include:

- OTIS Foundation
- Lifeline Central Victoria & Mallee
- Mirabel Foundation
- Empowering Eaglehawk
- Be.Bendigo
- Phantoms Volleyball
- Maiden Gully Marist Cricket Club
- Golden Square Bowling & Croquet Club
- St. Arnaud Sporting Club
- Harness Racing Club
- St. Arnaud Hockey Club
- St. Arnaud Netball Club
- St. Arnaud Football Club
- Eaglehawk Bowls Club



Bendigo Stadium Limited

ABN 33 007 335 257

Consolidated Financial Report - 30 June 2022

Bendigo Stadium Limited
Directors' report
30 June 2022

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Bendigo Stadium Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2022.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

John Gallagher

Eain McRae

Kevin Dole (*appointed 20 January 2022*)

Nick McClure (*appointed 20 January 2022*)

Stacie Wright

Amelia Fisher

Andrea Metcalf (*resigned 23 September 2021*)

Anita Harrington (*resigned 31 March 2022*)

Operating results

The net result of the consolidated entity for the financial year was a deficit of \$1,130,174 (\$1,416,864 deficit in 2021).

The operating result was significantly impacted by the COVID 19 pandemic. All consolidated entity venues were forced to cease operating and close at different stages throughout the financial year due to government coronavirus restrictions.

Significant changes in state of affairs

Significant changes in the state of affairs of the company attributable to the financial year ended 30 June 2022 include the following:

COVID-19 impact on operations

The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have differed significant disruptions to businesses worldwide, resulting in economic slowdown. Global stock markets have also experienced great volatility and significant weakening. Governments and central banks have responded with monetary interventions to stabilise economic conditions. The consolidated entity continues to comply with government directions re social distancing and the implementations of measures to ensure the safety of the staff and members of the public during the COVID-19 pandemic.

Principal activities

The principal activities of the consolidated entity during the financial year was the operation of a sports and recreation complex. The consolidated entity also holds three gaming licenses and operates three gaming venues.

There were no significant changes in the nature of these principal activities during the year.

Likely developments and results

The consolidated entity has determined that these events have not required any specific adjustments with the financial reports. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank response, remain unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as any impact on the financial position and results of the company for future periods.

Events subsequent to the end of the reporting period

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

Environmental regulation

The consolidated entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends

No dividends have been paid or declared since the start of the financial year.

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Bendigo Stadium Limited
Directors' report
30 June 2022

Indemnification of officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibilities on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Director's and Auditor's indemnification

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Directors benefits

Since the end of the previous financial year, no director of the company has received or become entitled to receive a benefit other than:

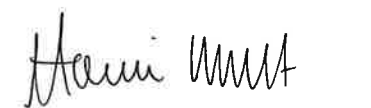
- (i) A benefit included in the aggregate amount of emoluments received or due and receivable by directors disclosed in note 22 of the accounts; or
- (ii) a fixed salary as a full-time employee of the entity or of a related corporation, by reason of a contract made by the entity or a related entity corporation with the director or with a firm of which they are a member or with an entity in which they have a substantial financial interest.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is attached to this report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors



Director



Director

20 September 2022

Bendigo Stadium Limited
Consolidated statement of comprehensive income
For the year ended 30 June 2022

	Note	Consolidated	Consolidated
		2022	2021
		\$	\$
Revenue from contracts with customers	4	11,456,827	7,738,377
Other income	5	-	2,456,502
Finance income		41,971	2,074
Expenses			
Cost of sales	6	(983,941)	(640,664)
Employee benefits expense	6	(6,139,477)	(5,921,897)
Depreciation and amortisation expense	6	(1,512,943)	(1,490,643)
Bad debts		(46,283)	(30,995)
Other expenses		(3,675,841)	(2,296,297)
Finance costs	6	<u>(270,487)</u>	<u>(1,233,321)</u>
Deficit for the year	21	(1,130,174)	(1,416,864)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(1,130,174)</u></u>	<u><u>(1,416,864)</u></u>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

Bendigo Stadium Limited
Consolidated statement of financial position
As at 30 June 2022

	Note	Consolidated 2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,533,991	2,697,234
Trade and other receivables	8	487,130	526,357
Inventories	9	87,362	69,492
Financial assets	10	121,336	-
Other current assets	12	19,473	17,837
Total current assets		<u>2,249,292</u>	<u>3,310,920</u>
Non-current assets			
Property, plant and equipment	13	12,036,871	12,380,155
Right-of-use assets	11	438,547	556,782
Intangibles	14	15,620,151	16,244,003
Total non-current assets		<u>28,095,569</u>	<u>29,180,940</u>
Total assets		<u>30,344,861</u>	<u>32,491,860</u>
Liabilities			
Current liabilities			
Trade and other payables	15	1,493,895	1,837,371
Borrowings	16	254,887	1,112,076
Lease liabilities	17	113,523	132,723
Employee benefits	18	571,851	730,564
Other current liabilities	19	121,698	137,073
Total current liabilities		<u>2,555,854</u>	<u>3,949,807</u>
Non-current liabilities			
Borrowings	16	12,443,468	11,899,773
Lease liabilities	17	391,694	498,920
Employee benefits	18	79,461	138,802
Total non-current liabilities		<u>12,914,623</u>	<u>12,537,495</u>
Total liabilities		<u>15,470,477</u>	<u>16,487,302</u>
Net assets		<u>14,874,384</u>	<u>16,004,558</u>
Equity			
Reserves	20	9,324,006	9,324,006
Retained surpluses	21	5,550,378	6,680,552
Total equity		<u>14,874,384</u>	<u>16,004,558</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Bendigo Stadium Limited
Consolidated statement of changes in equity
For the year ended 30 June 2022

Consolidated	Asset revaluation reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2020	9,324,006	8,097,416	17,421,422
Deficit for the year	-	(1,416,864)	(1,416,864)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(1,416,864)	(1,416,864)
Balance at 30 June 2021	<u>9,324,006</u>	<u>6,680,552</u>	<u>16,004,558</u>
	Asset revaluation reserves \$	Retained surpluses \$	Total equity \$
Balance at 1 July 2021	9,324,006	6,680,552	16,004,558
Deficit for the year	-	(1,130,174)	(1,130,174)
Other comprehensive income for the year	-	-	-
Total comprehensive loss for the year	-	(1,130,174)	(1,130,174)
Balance at 30 June 2022	<u>9,324,006</u>	<u>5,550,378</u>	<u>14,874,384</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Bendigo Stadium Limited
Consolidated statement of cash flows
For the year ended 30 June 2022

	Note	Consolidated	
		2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		11,411,147	11,027,606
Payments to suppliers and employees (inclusive of GST)		(11,355,410)	(9,583,427)
Net cash provided by operating activities	31	<u>55,737</u>	<u>1,444,179</u>
Cash flows from investing activities			
Payments for financial assets		(121,336)	-
Payments for property, plant and equipment	13	(447,916)	(500,655)
Payments for security deposits		(1,636)	-
Loans from/(to) related and other parties		(15,349)	-
Net cash used in investing activities		<u>(586,237)</u>	<u>(500,655)</u>
Cash flows from financing activities			
Proceeds from borrowings		470,577	3,157,694
Repayment of lease liabilities		(106,082)	(98,244)
Interest received		41,971	2,074
Interest and other finance costs paid		(270,487)	(1,233,321)
Repayment of borrowings		(768,722)	(810,643)
Net cash provided by/(used in) financing activities		<u>(632,743)</u>	<u>1,017,560</u>
Net increase/(decrease) in cash and cash equivalents		(1,163,243)	1,961,084
Cash and cash equivalents at the beginning of the financial year		<u>2,697,234</u>	<u>736,150</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>1,533,991</u></u>	<u><u>2,697,234</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 1. General information

The financial statements cover Bendigo Stadium Limited as a consolidated entity consisting of Bendigo Stadium Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Bendigo Stadium Limited's functional and presentation currency.

Bendigo Stadium Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business are 91 Inglis Street, West Bendigo VIC 3550.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 20 September 2022. The directors have the power to amend and reissue the financial statements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Statement of compliance

The consolidated entity does not have 'public accountability' as defined in AASB 1053 Application of Tiers of Australian Accounting Standards and is therefore eligible to apply the 'Tier 2' reporting framework under Australian Accounting Standards.

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

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

The consolidated entity 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 IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 2. Significant accounting policies (continued)

Changes in accounting policies and changes in estimates

The consolidated entity previously prepared general purpose financial statements under Tier 2 – Reduced Disclosure Requirements. There were no transition adjustments other than a few disclosure changes on the adoption of Australian Accounting Standards – Simplified Disclosures

The consolidated entity has elected not to present comparative information in the notes to these financial statements where comparable information was not disclosed in the consolidated entity's most recent previous general purpose financial statements

Going concern

At 30 June 2022 the consolidated entity has a net working capital deficiency, with current liabilities of \$2,555,854 being greater than current assets of \$2,249,292.

The working capital deficiency is attributable to the consolidated entity's ongoing operating losses and cash outflows attributed to loan repayments. The consolidated entity has negotiated an interest only period of 12 months on the bank loan with Bendigo Bank. The interest only period expires in May 2023. The consolidated entity is currently in discussions with the City of Greater Bendigo to address the principle portion of the bank loan.

If there are no significant disruptions or forced closures during the foreseeable future as a result of the COVID-19 pandemic, the board believe the consolidated entity will be able to operate within the levels of its current cash reserves without the need to secure additional finance. The board acknowledge there remains some level of uncertainty as to whether or not the consolidated entity's operations will be disrupted again throughout the foreseeable future.

Should isolation restrictions be reintroduced in the foreseeable future, particularly for an extended period, the board acknowledge this may result in a forced temporary closure of the consolidated entity's operations, adversely impacting the consolidated entity's revenue, cash flow and working capital position.

The board believes the consolidated entity will continue to be economically dependent on support from its bankers to help manage the consolidated entity's working capital position.

Nevertheless, after making enquiries and considering the circumstances above, with continued support from key stakeholders, including the consolidated entity's bankers, the board have a reasonable expectation that the consolidated entity has adequate resources to pay its debts as and when they fall due for the foreseeable future. For these reasons, the board continue to adopt the going concern assumption in the preparation of the annual financial statements.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bendigo Stadium Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. Bendigo Stadium Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Note 2. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Income tax

As the consolidated entity is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Financial assets

Financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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 of disposal 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.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. 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.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment of property, plant and equipment

The consolidated entity assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 4. Revenue from contracts with customers

	Consolidated	
	2022	2021
	\$	\$
<i>Revenue from contracts with customers</i>		
Gaming revenue - net of state taxes	6,296,771	4,293,419
Kiosk, bistro and bar sales	2,528,829	1,807,276
Events income	428,121	175,369
Court hire and hire fees	39,137	31,061
Sponsorship	805,144	609,974
Sporting fees	553,932	424,824
TAB commissions	35,960	31,622
EFT/ATM rebates	33,031	36,522
	<u>10,720,925</u>	<u>7,410,067</u>
<i>Other revenue</i>		
Other revenue	735,902	328,310
Revenue from contracts with customers	<u>11,456,827</u>	<u>7,738,377</u>

Accounting policy for revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Gaming and TAB revenue

The gaming revenue directly attributable to the company is recognised as the residual value after deducting the return to customers from the wagering and gaming turnover net of the amounts collected by the association on behalf of Intralot and the Government. The company recognises only the company's portion of revenue. Revenue is recognised at a point in time.

Kiosk, bistro and bar sales

Revenue is recognised when the bar and kitchen products are provided to the customer. Revenue is recognised at a point in time.

Events income

Revenue is recognised when the event is provided to the customer. Revenue is recognised at a point in time.

Court hire and hire fees

Revenue is recognised when the court is used by the customer. Revenue is recognised at a point in time.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 4. Revenue from contracts with customers (continued)

Sponsorship

The company's sponsorships do not typically contain sufficiently specific performance obligations. This means that under AASB 1058 such funds are usually recognised as revenue immediately when the company obtains control of the cash, even if the funds are to be spent in the following reporting period.

Sporting fees

The company's sporting fees charged do not typically contain sufficiently specific performance obligations. This means that under AASB 1058 such funds are usually recognised as revenue immediately when the company obtains control of the cash, even if the funds are to be spent in the following reporting period.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 5. Other income

	Consolidated	
	2022	2021
	\$	\$
Government grants - Jobkeeper	-	<u>2,456,502</u>

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Jobkeeper revenue

JobKeeper revenue was received monthly in arrears. The revenue was recorded when the company had satisfied the eligibility criteria, being when minimum wages had been paid to all staff, with a corresponding receivable recorded until the amount was received during the following month.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 6. Expenses

	Consolidated	
	2022	2021
	\$	\$
Deficit includes the following specific expenses:		
Cost of sales		
Cost of sales	983,941	640,664
Employee benefits expense		
Wages and on-costs	6,139,477	3,465,395
Jobkeeper payments	-	2,456,502
	<u>6,139,477</u>	<u>5,921,897</u>
Depreciation and amortisation		
Leasehold improvements	307,128	313,068
Plant and equipment	141,195	134,965
Fixtures and fittings	873	1,130
Motor vehicles	526	15,060
Car park improvements	1,109	1,284
Electronic gaming machines	340,369	363,243
Land and buildings - right-of-use	87,174	84,016
Office equipment - right-of-use	10,717	10,485
Website	4,162	4,163
Gaming machine entitlements	619,690	563,229
	<u>1,512,943</u>	<u>1,490,643</u>
Finance costs		
Interest and finance charges paid/payable on borrowings	207,614	1,198,899
Interest and finance charges paid/payable on lease liabilities	26,125	34,422
Other interest paid	36,748	-
	<u>270,487</u>	<u>1,233,321</u>

Note 7. Cash and cash equivalents

	Consolidated	
	2022	2021
	\$	\$
Current assets		
Cash on hand	417,637	410,615
Cash at bank	1,116,354	2,165,585
Cash on deposit	-	121,034
	<u>1,533,991</u>	<u>2,697,234</u>

Accounting policy for cash and cash equivalents

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.

Bendigo Stadium Limited
Notes to the consolidated financial statements
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Note 8. Trade and other receivables

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	263,696	515,823
Other receivables	221,877	-
Prepayments	1,557	10,425
Accrued income	-	109
	<u>223,434</u>	<u>10,534</u>
	<u>487,130</u>	<u>526,357</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Inventories

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Stock on hand - at cost	87,362	69,492

Accounting policy for inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 10. Financial assets

	Consolidated	2021
	2022	2021
	\$	\$
<i>Current assets</i>		
Term deposits	121,336	-
	<u>121,336</u>	<u>-</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	-	-
Additions	121,336	-
	<u>121,336</u>	<u>-</u>
Closing fair value	121,336	-
	<u>121,336</u>	<u>-</u>

Note 11. Right-of-use assets

	Consolidated	2021
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	676,696	697,167
Less: Accumulated depreciation	(255,835)	(168,661)
	<u>420,861</u>	<u>528,506</u>
Office equipment - right-of-use	46,641	46,514
Less: Accumulated depreciation	(28,955)	(18,238)
	<u>17,686</u>	<u>28,276</u>
	<u>438,547</u>	<u>556,782</u>

Reconciliations

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

Consolidated	Land and buildings \$	Office equipment \$	Total \$
Balance at 1 July 2020	612,522	31,218	643,740
Additions	-	7,543	7,543
Depreciation expense	(84,016)	(10,485)	(94,501)
	<u>528,506</u>	<u>28,276</u>	<u>556,782</u>
Balance at 30 June 2021	528,506	28,276	556,782
Remeasurements	(20,471)	127	(20,344)
Depreciation expense	(87,174)	(10,717)	(97,891)
	<u>420,861</u>	<u>17,686</u>	<u>438,547</u>
Balance at 30 June 2022	420,861	17,686	438,547

Accounting policy for right-of-use assets

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.

Bendigo Stadium Limited
Notes to the consolidated financial statements
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Note 11. Right-of-use assets (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 remeasurement of lease liabilities.

The consolidated entity 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.

Note 12. Other current assets

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Security deposits	19,473	17,837

Note 13. Property, plant and equipment

	Consolidated	
	2022	2021
	\$	\$
Leasehold improvements - at directors valuation	11,828,041	11,828,041
Leasehold improvements - at cost	2,111,065	2,106,533
Less: Accumulated depreciation	(3,594,531)	(3,287,403)
	<u>10,344,575</u>	<u>10,647,171</u>
Plant and equipment - at cost	3,960,157	3,747,549
Less: Accumulated depreciation	(2,870,467)	(2,730,113)
	<u>1,089,690</u>	<u>1,017,436</u>
Fixtures and fittings - at cost	216,198	216,198
Less: Accumulated depreciation	(212,943)	(212,070)
	<u>3,255</u>	<u>4,128</u>
Motor vehicles - at cost	100,122	100,122
Less: Accumulated depreciation	(97,839)	(97,313)
	<u>2,283</u>	<u>2,809</u>
Car park improvements - at cost	56,835	56,835
Less: Accumulated depreciation	(46,861)	(45,752)
	<u>9,974</u>	<u>11,083</u>
Electronic gaming machines - at cost	4,090,502	3,884,666
Less: Accumulated depreciation	(3,616,939)	(3,276,570)
	<u>473,563</u>	<u>608,096</u>
Work in progress - at cost	113,531	89,432
	<u>12,036,871</u>	<u>12,380,155</u>

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 13. Property, plant and equipment (continued)

Reconciliations

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

Consolidated	Leasehold improvements \$	Plant and equipment \$	Fixtures and fittings \$	Motor vehicles \$	Car park improvements \$	Electronic gaming machines \$	Work in progress \$	Total \$
Balance at 1 July 2020	10,942,945	1,059,254	5,258	17,869	12,367	570,632	62,732	12,671,057
Additions	17,294	119,847	-	-	-	400,707	-	537,848
Transfers in/(out)	-	(26,700)	-	-	-	-	26,700	-
Depreciation expense	(313,068)	(134,965)	(1,130)	(15,060)	(1,284)	(363,243)	-	(828,750)
Balance at 30 June 2021	10,647,171	1,017,436	4,128	2,809	11,083	608,096	89,432	12,380,155
Additions	4,532	213,449	-	-	-	205,836	24,099	447,916
Depreciation expense	(307,128)	(141,195)	(873)	(526)	(1,109)	(340,369)	-	(791,200)
Balance at 30 June 2022	<u>10,344,575</u>	<u>1,089,690</u>	<u>3,255</u>	<u>2,283</u>	<u>9,974</u>	<u>473,563</u>	<u>113,531</u>	<u>12,036,871</u>

Valuations of land and buildings

The basis of the valuation of leasehold improvements is fair value. The leasehold improvements were last revalued on 30 June 2011 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of leasehold improvements being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.

Accounting policy for property, plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Leasehold improvements	5 - 40 years
Plant and equipment	3 - 10 years
Fixtures and fittings	3 - 10 years
Motor vehicles	3 - 10 years
Car park improvements	3 - 10 years
Electronic gaming machines	3 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 14. Intangibles

	Consolidated	Consolidated
	2022	2021
	\$	\$
Goodwill - at cost	10	10
Website - at cost	16,650	16,650
Less: Accumulated amortisation	(16,650)	(12,488)
	<u>-</u>	<u>4,162</u>
Gaming machine entitlements - at cost	5,973,953	5,973,953
Less: Accumulated amortisation	(5,646,033)	(5,026,343)
	<u>327,920</u>	<u>947,610</u>
Stadium asset - at cost	<u>15,283,480</u>	<u>15,283,480</u>
Capitalised acquisition costs	<u>8,741</u>	<u>8,741</u>
	<u><u>15,620,151</u></u>	<u><u>16,244,003</u></u>

Reconciliations

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

Consolidated	Website \$	Gaming machine entitlements \$	Stadium asset \$	Capitalised acquisition costs \$	Goodwill \$	Total \$
Balance at 1 July 2020	8,325	1,510,839	15,283,480	8,741	10	16,811,395
Amortisation expense	(4,163)	(563,229)	-	-	-	(567,392)
Balance at 30 June 2021	4,162	947,610	15,283,480	8,741	10	16,244,003
Amortisation expense	(4,162)	(619,690)	-	-	-	(623,852)
Balance at 30 June 2022	<u>-</u>	<u>327,920</u>	<u>15,283,480</u>	<u>8,741</u>	<u>10</u>	<u>15,620,151</u>

The consolidated entity has Gaming Machine Entitlement licences for 40 machines which were purchased via the Victorian State Government 'pre auction club offer'. The entitlements are in place for a period of 10 year, expiring in August 2022.

During the previous financial year the consolidated entity received confirmation that it has been allocated new gaming machine entitlements which take effect in August 2022 and expire in August 2023. A 5% deposit for the new entitlements was paid in the 2019 financial year. The remaining 95% cost of the entitlements will be paid over 27 equal instalments, with the first being made in November 2022 and the last in May 2029.

Accounting policy for intangible assets

Intangible assets are measured on initial recognition at cost. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Website

Significant costs associated with the development of the revenue generating aspects of the website are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 14. Intangibles (continued)

Gaming machine entitlements

Gaming machine entitlements are recognised at net present value. The useful life of the asset expires in line with the expiry of the gaming machine entitlements held. The asset is being amortised on a straight line basis over a ten year period.

Stadium asset

During the 30 June 2018 reporting period, the consolidated entity contributed funds as part of an agreement with the City of Greater Bendigo towards construction of the new stadium at a total cost to the consolidated entity of \$15,238,480. The stadium is situated on Crown land.

The consolidated entity has entered into an agreement with the City of Greater Bendigo for the lease of the land and buildings. The lease is for an initial term of five years which commenced on 1 July 2009. Several lease renewals and variations have occurred since 2009, the most recent being 1 July 2019 which extended the term of the lease to 30 June 2024 and includes two further options to extend the lease term by five years each.

Whilst City of Greater Bendigo have ownership of the buildings and the land is Crown land, the agreement and contribution towards the stadium construction provides the consolidated entity with exclusive access to a facility specifically designed to meet the needs of the consolidated entity and its operations. The consolidated entity also has the right and power to obtain economic benefits flowing from the new stadium.

Note 15. Trade and other payables

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Trade payables	569,059	1,097,481
Unpaid prize money	182,316	102,425
Accrued expenses	283,897	239,339
ATO amount payable	440,534	398,126
Other payables	18,089	-
	<u>1,493,895</u>	<u>1,837,371</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 16. Borrowings

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Bank loans	254,887	1,100,076
Loan - North Grampians Shire	-	12,000
	<u>254,887</u>	<u>1,112,076</u>
<i>Non-current liabilities</i>		
Bank loans	12,443,468	11,896,424
Loan - North Grampians Shire	-	3,349
	<u>12,443,468</u>	<u>11,899,773</u>

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 16. Borrowings (continued)

Assets pledged as security

The bank loans are secured by first mortgages over the consolidated entity's stadium asset. These loans are guaranteed by the City of Greater Bendigo.

Financing arrangements

The bank loans are interest only to May 2023 at which point they move to principal and interest payments, repayable in monthly instalments and due to mature in January 2032. The variable interest rate is 2.443% (2021: 1.51%).

Accounting policy for borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 17. Lease liabilities

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>113,523</u>	<u>132,723</u>
<i>Non-current liabilities</i>		
Lease liability	<u>391,694</u>	<u>498,920</u>
<i>Future lease payments</i>		
Future lease payments are due as follows:		
Within one year	113,523	132,723
One to five years	342,054	409,807
More than five years	49,640	88,713
	<u>505,217</u>	<u>631,243</u>

Lease portfolio

Borough Club property	The lease agreement commenced in March 2011. A 6 year renewal option was exercised in March 2017. The company has 3 x 5 year renewal options available which, for AASB 16: Leases purposes, they are only reasonably certain to exercise the first. As such, the lease term end date used in the calculation of the lease liability is March 2028. The discount rate used in the calculations is 4.85%.
St Arnaud property	The lease agreement commenced in January 2011. A 5 year renewal option was exercised in January 2021. The company has 1 x 5 year and 1 x 1 year renewal options available which, for AASB 16: Leases purposes, they are not reasonably certain to exercise. As such, the lease term end date used in the calculation of the lease liability is January 2026. The discount rate used in the calculations is 4.85%.
Office equipment	The lease agreement commenced in July 2019 for a lease term of 55 months. As such, the lease term end date used in the calculation of the lease liability is January 2024. The discount rate used in the calculations is 4.58%.
Office equipment	The lease agreement commenced in August 2020 for a lease term of 42 months. As such, the lease term end date used in the calculation of the lease liability is January 2024. The discount rate used in the calculations is 3.58%.
Office equipment	The lease agreement commenced in July 2019 for a lease term of 55 months. As such, the lease term end date used in the calculation of the lease liability is January 2024. The discount rate used in the calculations is 4.58%.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 17. Lease liabilities (continued)

Accounting policy for lease liabilities

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 consolidated entity'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 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.

Note 18. Employee benefits

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	311,628	453,939
Long service leave	<u>260,223</u>	<u>276,625</u>
	<u>571,851</u>	<u>730,564</u>
<i>Non-current liabilities</i>		
Long service leave	<u>79,461</u>	<u>138,802</u>

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

The company's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation expense

Contributions to superannuation plans are expensed in the period in which they are incurred.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 19. Other current liabilities

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
BBA bond held	65,575	42,993
Ticketek funds held	2,123	1,456
Revenue received in advance	<u>54,000</u>	<u>92,624</u>
	<u><u>121,698</u></u>	<u><u>137,073</u></u>

Note 20. Reserves

	Consolidated	
	2022	2021
	\$	\$
Asset revaluation reserve	<u>9,324,006</u>	<u>9,324,006</u>

Asset revaluation reserve

The reserve is used to recognise increments and decrements in the fair value of leasehold improvements, excluding investment properties.

Note 21. Retained surpluses

	Consolidated	
	2022	2021
	\$	\$
Retained surpluses at the beginning of the financial year	6,680,552	8,097,416
Deficit for the year	<u>(1,130,174)</u>	<u>(1,416,864)</u>
Retained surpluses at the end of the financial year	<u><u>5,550,378</u></u>	<u><u>6,680,552</u></u>

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2022	2021
	\$	\$
Aggregate compensation	<u>318,200</u>	<u>218,855</u>

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 23. Remuneration of auditors

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

	Consolidated	
	2022	2021
	\$	\$
<i>Audit services - RSD Audit</i>		
Audit of the financial statements	21,000	21,000

Note 24. Contingent liabilities and assets

There were no contingent liabilities or contingent assets at the date of this report to affect the financial statements.

Note 25. Commitments

The consolidated entity has no commitments contracted for which would be provided for in future reporting periods.

Note 26. Related party transactions

Parent entity

Bendigo Stadium Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 22.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2022	2021
	\$	\$
Other income:		
Other income from other related party	442,301	307,524
Payment for goods and services:		
Purchase of goods from other related party	272	19,580
Payment for services from other related party	295,090	287,627
Other transactions:		
Construction costs paid to other related parties	-	765,023
Covid 19 loan paid to other related parties	-	484,800

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.

Loans to/from related parties

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

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of comprehensive income

	Parent	
	2022	2021
	\$	\$
Deficit	<u>(1,215,340)</u>	<u>(1,407,272)</u>
Total comprehensive loss	<u>(1,215,340)</u>	<u>(1,407,272)</u>

Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	<u>1,640,421</u>	<u>2,626,428</u>
Total assets	<u>28,996,008</u>	<u>30,908,441</u>
Total current liabilities	<u>2,342,005</u>	<u>3,215,678</u>
Total liabilities	<u>14,598,257</u>	<u>15,295,350</u>
Equity		
Asset revaluation reserve	9,324,006	9,324,006
Retained surpluses	<u>5,073,745</u>	<u>6,289,085</u>
Total equity	<u><u>14,397,751</u></u>	<u><u>15,613,091</u></u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Voting interest	
		2022	2021
		%	%
BSL St Arnaud Sporting Club Ltd (SSC)	Lord Nelson Park, Charlton Road, St Arnaud 3478	100.00%	100.00%

Although Bendigo Stadium Limited has no share ownership or voting rights in SSC the majority of the SSC's directors are the same as Bendigo Stadium Limited. Additionally, the only voting members of SSC are the board members of SSC.

Bendigo Stadium Limited
Notes to the consolidated financial statements
30 June 2022

Note 29. Economic dependency

The consolidated entity is economically dependent on the provision of electronic gaming machine entitlements. Any change would have a significant adverse effect on the consolidated entity's ability to continue to trade as a going concern.

Note 30. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31. Reconciliation of deficit to net cash provided by operating activities

	Consolidated	
	2022	2021
	\$	\$
Deficit for the year	(1,130,174)	(1,416,864)
Adjustments for:		
Depreciation and amortisation	1,512,943	1,490,643
Interest received	(41,971)	(2,074)
Finance costs	270,487	1,233,321
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	39,227	(4,096)
Increase in inventories	(17,870)	(3,148)
Decrease in trade and other payables	(320,227)	(118,880)
Increase/(decrease) in employee benefits	(218,054)	174,133
Increase/(decrease) in other operating liabilities	(38,624)	91,144
Net cash provided by operating activities	<u>55,737</u>	<u>1,444,179</u>

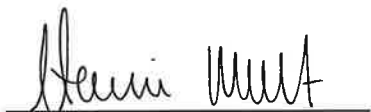
Bendigo Stadium Limited
Directors' declaration
30 June 2022

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards - Simplified Disclosures, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- 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 directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Director



Director

20 September 2022



PARTNERS

Thank you to our corporate partners for their ongoing support.





Bendigo Stadium Limited
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ABN 33 007 335 257