

Confederation of Australian Motor Sport Limited

Trading as Motorsport Australia

ABN 55 069 045 665

Consolidated Annual Report - 31 December 2022

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Directors' report
31 December 2022

The directors present their report, together with the financial statements, on the Confederation of Australian Motor Sport Limited ("CAMS" or the "Company" or the "Parent") and the entities it controlled at the end of, or during, the year ended 31 December 2022 (collectively referred to as the "Group").

Directors

The following persons were directors of Confederation of Australian Motor Sport Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Andrew Fraser (President and Non-Executive Director)
Mr Terry Atkinson (Non-Executive Director)
Ms Kristen Bailey (Non-Executive Director)
Mr Graeme Emerton (Non-Executive Director) – resigned 31 December 2022
Ms Margot Foster AM (Non-Executive Director)
Mr Norman Gowers (Non-Executive Director)
Ms Thea Jeanes-Cochrane (Non-Executive Director) – resigned 31 December 2022
Mr Nick Rahimtulla (Non-Executive Director) – resigned 31 December 2022
Mr Paul Woodward (Non-Executive Director)
Ms Coral Taylor (Non-Executive Director)
Ms Samantha Reid (Non-Executive Director) – appointed 1 January 2023
Mr John Gibbons (Non-Executive Director) – appointed 1 January 2023
Mr Jon Thomson (Non-Executive Director) – appointed 1 January 2023

Company secretary

Charlotte Hayes

Principal activities

The principal activities of the entities within the Group during the financial year were conducting, encouraging, administering, promoting, advancing, and managing motorsport in Australia.

Core purpose

The core purpose of the Group is:

- To be the peak body for four wheeled motorsport;
- To be a regulator and FIA delegated authority for Australia;
- To focus on sport and club development; and
- To foster and develop partnerships with other motoring bodies and stakeholders

Corporate objectives

The corporate objectives of the Group are:

- (1) *Contributing to a Healthier Nation*
To help build a healthier nation by increasing participation and physical activity, supported by a suite of complementary preventative health programs.
- (2) *Community Sport and Volunteerism*
To significantly contribute to community sport by fostering a sense of social cohesion, sense of identity, community belonging and a spirit of egalitarianism and foster the viability of volunteerism and increased participation as the cornerstone of the organisation.
- (3) *Education and Training*
Provide sport specific education and training which is underpinned by robust curriculum and provides portability into professional and personal life.
- (4) *Talent Identification and Development*
Identify talented athletes and prepare them for participation in domestic, national and eventually international competition.
- (5) *Creating a Sustainable Future*
Enhance the future sustainability of the organisation and sport through a range of proactive programs.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Directors' report
31 December 2022

Measurement of performance

Performance is measured by the:

- Number of the Active Competitor Licences;
- Number of Permitted Events during financial year;
- Number of Car Clubs affiliated; and
- Number of Volunteers engaged and trained in the sport.

Operating results

For the year ended 31 December 2022 the Group recorded earnings before interest, tax, depreciation and amortisation of \$238,704 (2021: \$126,450) and a deficit after tax of \$288,492 (2021: \$488,550).

The below table presents a normalised EBITDA after excluding abnormal items for each respective financial period presented.

	Consolidated 2022	Consolidated 2021	Parent 2022	Parent 2021
	\$	\$	\$	\$
Reported EBITDA	238,704	126,450	738,253	294,138
Add back: Loss on sale of WA property (note 8)	74,993	-	-	-
Remove: Distribution income from related parties (note 3)	-	-	(214,910)	(226,760)
Remove: JobKeeper income (note 3)	-	(241,700)	-	(241,700)
Normalised EBITDA	313,697	(115,250)	523,343	(174,322)

Dividends

No dividends are payable to members under the Constitution.

Significant changes in state of affairs

There were no significant changes in the state of affairs since the end of the financial period, at the time of writing this report.

Indemnification of officers and auditors

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the Group (as named above), the Group Secretaries, and all executive officers of the Group and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Directors' report
31 December 2022

Meetings of directors

During the financial year, 11 meetings of Directors were held. Attendances were:

	Board meetings	
	Eligible to attend	Attended
Mr Andrew Fraser	11	11
Mr Terry Atkinson	11	11
Ms Kristen Bailey	11	10
Mr Graeme Emerton	11	11
Ms Margot Foster AM	11	10
Mr Norman Gowers	11	11
Ms Thea Jeanes-Cochrane	11	7
Mr Nick Rahimtulla	11	10
Mr Paul Woodward	11	11
Ms Coral Taylor	11	10
Ms Samantha Reid	-	-
Mr John Gibbons	-	-
Mr Jon Thomson	-	-

Members

As at 31 December 2022, there were 10 voting members (Category E). Overall CAMS has more than 80,000 members.

Members' guarantee

Every voting member (2022: 10, 2021: 10) undertakes to contribute to the assets of CAMS in the event of it being wound up while a Member, or within one year after ceasing to be a Member, for payment of the debts and liabilities of CAMS contracted before the time at which it or he ceases to be a Member, and the costs, charges and expenses of winding up and for an adjustment of the rights of contributors among themselves, such amount as may be required not exceeding one dollar (\$1).

Directors' benefits

The Chair of Australian Institute for Motor Sport Safety Limited (a subsidiary of the Group) is a member of a superannuation fund which as part of its assets holds an interest in a building in which the Group rented a small office until 31 October 2022.

No Directors have received or become entitled to receive, for their service as a director, during or since the financial year, any other benefits because of a contract made by the Group, or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

Proceedings on behalf of the Group

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

The Group was not a party to any such proceedings during or since the end of the year.

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 immediately after this directors' report.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Directors' report
31 December 2022


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



Andrew Fraser
President

26 April 2023



Margot Foster AM
Director

Grant Thornton Audit Pty Ltd

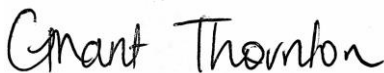
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of Confederation of Australian Motor Sport Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Confederation of Australian Motor Sport Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd
Chartered Accountants



J D Vasiliou
Partner – Audit & Assurance

Melbourne, 26 April 2023

www.grantthornton.com.au
ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Contents
31 December 2022

Statements of profit or loss and other comprehensive income	7
Statements of financial position	8
Statements of changes in equity	9
Statements of cash flows	11
Notes to the financial statements	12
Directors' declaration	28
Independent auditor's report to the members of Confederation of Australian Motor Sport Limited	29

General information

The financial statements cover Confederation of Australian Motor Sport Limited as a Group consisting of Confederation of Australian Motor Sport Limited and the entities it controlled at the end of, or during, the year (collectively the "Group"). The financial statements are presented in Australian dollars, which is Confederation of Australian Motor Sport Limited's functional and presentation currency.

Confederation of Australian Motor Sport 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 is:

275 Canterbury Road
Canterbury VIC 3126

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 April 2023.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Statements of profit or loss and other comprehensive income
For the year ended 31 December 2022

		Consolidated		Parent	
	Note	2022	2021	2022	2021
		\$	\$	\$	\$
Revenue and other income	3	15,949,391	11,667,793	16,018,799	11,523,987
Expenses					
Employee benefits expense	4	(5,318,794)	(4,973,734)	(5,318,363)	(4,973,734)
Insurance expenses		(2,033,937)	(1,992,016)	(2,024,508)	(1,985,214)
Office and short-term lease expenses		(1,236,781)	(1,194,791)	(1,185,327)	(1,145,776)
Communications expenses		(544,316)	(370,204)	(539,733)	(370,204)
Travel expenses		(1,355,915)	(517,051)	(1,354,100)	(513,352)
Grant expenses		(1,381,830)	(542,400)	(1,381,830)	(542,400)
Professional and consulting fee expenses		(935,120)	(776,684)	(711,245)	(588,221)
Event promotional expenses		(2,394,295)	(798,833)	(2,394,295)	(798,594)
Loss on sale of WA property	8	(74,993)	-	-	-
Other expenses		(434,706)	(375,630)	(371,145)	(312,354)
Earnings before interest, tax, depreciation and amortisation ("EBITDA")		238,704	126,450	738,253	294,138
Depreciation and amortisation expenses	4	(429,228)	(510,076)	(429,228)	(510,076)
Finance costs		(97,968)	(104,924)	(88,871)	(97,119)
(Deficit)/surplus before income tax expense		(288,492)	(488,550)	220,154	(313,057)
Income tax expense		-	-	-	-
(Deficit)/surplus after income tax expense for the year attributable to the members of Confederation of Australian Motor Sport Limited		(288,492)	(488,550)	220,154	(313,057)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive (loss)/income for the year attributable to the members of Confederation of Australian Motor Sport Limited		<u>(288,492)</u>	<u>(488,550)</u>	<u>220,154</u>	<u>(313,057)</u>

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Statements of financial position
As at 31 December 2022

		Consolidated		Parent	
	Note	2022	2021	2022	2021
		\$	\$	\$	\$
Assets					
Current assets					
Cash and cash equivalents	5	4,668,050	4,092,683	3,430,744	3,089,591
Trade and other receivables	6	1,159,254	927,401	1,269,353	775,950
Inventories		32,628	33,822	32,628	33,822
Other assets	7	524,089	312,790	518,549	306,283
		<u>6,384,021</u>	<u>5,366,696</u>	<u>5,251,274</u>	<u>4,205,646</u>
Non-current assets classified as held for sale	8	-	447,993	-	-
Total current assets		<u>6,384,021</u>	<u>5,814,689</u>	<u>5,251,274</u>	<u>4,205,646</u>
Non-current assets					
Trade and other receivables	6	183,866	188,866	183,866	188,866
Property, plant and equipment	9	9,893,302	10,026,102	9,893,302	10,026,102
Right-of-use assets		-	33,637	-	33,637
Intangibles	10	302,320	271,742	302,320	271,742
Other assets	7	121,214	228,693	121,214	228,693
Total non-current assets		<u>10,500,702</u>	<u>10,749,040</u>	<u>10,500,702</u>	<u>10,749,040</u>
Total assets		<u>16,884,723</u>	<u>16,563,729</u>	<u>15,751,976</u>	<u>14,954,686</u>
Liabilities					
Current liabilities					
Trade and other payables	11	1,230,274	793,055	1,203,845	798,976
Contract liabilities	12	3,435,806	3,378,113	3,435,806	3,378,113
Lease liabilities		-	40,207	-	40,207
Employee benefits	13	647,849	504,631	647,849	504,631
Provisions	14	125,445	125,445	125,445	125,445
Total current liabilities		<u>5,439,374</u>	<u>4,841,451</u>	<u>5,412,945</u>	<u>4,847,372</u>
Non-current liabilities					
Employee benefits	13	40,376	28,813	40,376	28,813
Total non-current liabilities		<u>40,376</u>	<u>28,813</u>	<u>40,376</u>	<u>28,813</u>
Total liabilities		<u>5,479,750</u>	<u>4,870,264</u>	<u>5,453,321</u>	<u>4,876,185</u>
Net assets		<u>11,404,973</u>	<u>11,693,465</u>	<u>10,298,655</u>	<u>10,078,501</u>
Equity					
Reserves	15	378,003	828,672	378,003	488,045
Retained surpluses		11,026,970	10,864,793	9,920,652	9,590,456
Total equity		<u>11,404,973</u>	<u>11,693,465</u>	<u>10,298,655</u>	<u>10,078,501</u>

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

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Statements of changes in equity
For the year ended 31 December 2022

Consolidated	Revaluation surplus reserve \$	Fine reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2021	340,627	488,045	11,353,343	12,182,015
Deficit after income tax expense for the year	-	-	(488,550)	(488,550)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(488,550)	(488,550)
Balance at 31 December 2021	<u>340,627</u>	<u>488,045</u>	<u>10,864,793</u>	<u>11,693,465</u>

Consolidated	Revaluation surplus reserve \$	Fine reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2022	340,627	488,045	10,864,793	11,693,465
Deficit after income tax expense for the year	-	-	(288,492)	(288,492)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(288,492)	(288,492)
<i>Movement in reserves:</i>				
Sale of WA property (note 8)	(340,627)	-	340,627	-
Fines received during the period	-	35,850	(35,850)	-
Fines spent during the period	-	(145,892)	145,892	-
Balance at 31 December 2022	<u>-</u>	<u>378,003</u>	<u>11,026,970</u>	<u>11,404,973</u>

Parent	Fine reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2021	488,045	9,903,513	10,391,558
Deficit after income tax expense for the year	-	(313,057)	(313,057)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(313,057)	(313,057)
Balance at 31 December 2021	<u>488,045</u>	<u>9,590,456</u>	<u>10,078,501</u>

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

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Statements of changes in equity
For the year ended 31 December 2022

Parent	Fine reserve \$	Retained surpluses \$	Total equity \$
Balance at 1 January 2022	488,045	9,590,456	10,078,501
Surplus after income tax expense for the year	-	220,154	220,154
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	220,154	220,154
<i>Movement in reserves:</i>			
Fines received during the period	35,850	(35,850)	-
Fines spent during the period	(145,892)	145,892	-
Balance at 31 December 2022	<u>378,003</u>	<u>9,920,652</u>	<u>10,298,655</u>

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

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Statements of cash flows
For the year ended 31 December 2022

	Note	Consolidated		Parent	
		2022 \$	2021 \$	2022 \$	2021 \$
Cash flows from operating activities					
Receipts from customers, grants, donors and other sources (inclusive of GST)		17,197,637	13,119,307	17,000,549	13,010,058
Payments to suppliers and employees (inclusive of GST)		<u>(16,575,427)</u>	<u>(12,477,643)</u>	<u>(16,248,650)</u>	<u>(12,086,603)</u>
		622,210	641,664	751,899	923,455
Interest received		13,635	521	13,635	518
Interest and other finance costs paid		<u>(97,968)</u>	<u>(104,924)</u>	<u>(88,871)</u>	<u>(97,119)</u>
Net cash from operating activities		<u>537,877</u>	<u>537,261</u>	<u>676,663</u>	<u>826,854</u>
Cash flows from investing activities					
Payments for property, plant and equipment	9	(148,483)	(223,356)	(148,483)	(223,356)
Payments for intangibles	10	(146,820)	-	(146,820)	-
Proceeds from disposal of investment property	8	<u>373,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>77,697</u>	<u>(223,356)</u>	<u>(295,303)</u>	<u>(223,356)</u>
Cash flows from financing activities					
Repayment of lease liabilities		<u>(40,207)</u>	<u>(67,393)</u>	<u>(40,207)</u>	<u>(67,393)</u>
Net cash used in financing activities		<u>(40,207)</u>	<u>(67,393)</u>	<u>(40,207)</u>	<u>(67,393)</u>
Net increase in cash and cash equivalents		575,367	246,512	341,153	536,105
Cash and cash equivalents at the beginning of the financial year		<u>4,092,683</u>	<u>3,846,171</u>	<u>3,089,591</u>	<u>2,553,486</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>4,668,050</u></u>	<u><u>4,092,683</u></u>	<u><u>3,430,744</u></u>	<u><u>3,089,591</u></u>

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

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 1. 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 Group 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 Group.

The Group has adopted AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities from 1 January 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 and related parties. The Group has applied AASB 1060 retrospectively in accordance with AASB 108. Where appropriate, reclassifications of transactions and balances have occurred.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 investment properties.

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 Group's and Company'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 2.

Parent entity information

These financial statements include the results of both the parent entity and the Group in accordance with Class Order 10/654, issued by the Australian Securities and Investments Commission.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Confederation of Australian Motor Sport Limited ('Company' or 'parent entity') as at 31 December 2022 and the results of all subsidiaries for the year then ended. Confederation of Australian Motor Sport Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

Where applicable, 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 1. Significant accounting policies (continued)

Where the Group loses control over a subsidiary, it derecognises the assets, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. Where applicable, the Group 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.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Income tax

The Company and its subsidiary Karting Australia Ltd are tax exempt institutions in terms of subsection 50-45 of the Income Tax Assessment Act 1997, as amended, they are therefore exempt from paying income tax.

The Company's subsidiaries CAMS Property Holdings Pty Ltd and Motor Sport Australia Pty Ltd are not tax exempt, however there is no tax expense for these entities in relation to the current or prior financial year.

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 Group'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 Group'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.

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets

Investments and other 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 Group 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 amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Impairment of financial assets

The Group 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 Group'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.

Note 1. Significant accounting policies (continued)

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.

Impairment of non-financial 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 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.

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 2. 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.

Estimation of useful lives of assets

The Group 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.

Insurance excess fund provision

In determining the level of provision required for the insurance excess fund the Group has made judgements in respect of the expected number of claims by commissioning an independent financial model conducted in line with the Australian Prudential Regulation Authority's guidelines.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 3. Revenue and other income

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Revenue from contracts with customers</i>				
Licence revenue - over time	4,408,424	4,096,585	4,408,424	4,096,585
Event revenue - over time	6,233,665	3,957,957	6,233,665	3,957,957
Event promotional revenue - over time	136,793	103,240	136,793	103,240
Registration and championship fee revenue - over time	58,695	16,189	58,695	16,189
Membership and affiliation revenue - over time	345,050	320,318	345,050	320,318
Sales revenue - point in time	240,264	133,975	240,264	133,975
Advertising and sponsorship revenue - over time	1,896,768	716,149	1,896,768	716,149
Grant revenue - over time	1,984,865	1,334,543	1,767,059	847,027
International training revenue - over time	43,281	131,513	43,281	131,513
Other revenue - over time	472,626	487,075	470,274	472,612
	<u>15,820,431</u>	<u>11,297,544</u>	<u>15,600,273</u>	<u>10,795,565</u>
<i>Income</i>				
Management fees charged to related parties	-	-	189,981	259,444
Distribution income from related parties	-	-	214,910	226,760
JobKeeper income	-	241,700	-	241,700
Donation income	115,325	128,027	-	-
Interest income	13,635	522	13,635	518
	<u>128,960</u>	<u>370,249</u>	<u>418,526</u>	<u>728,422</u>
Revenue and other income	<u>15,949,391</u>	<u>11,667,793</u>	<u>16,018,799</u>	<u>11,523,987</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Timing of revenue recognition</i>				
Goods transferred at a point in time	240,264	133,975	240,264	133,975
Services transferred over time	15,580,167	11,163,569	15,360,009	10,661,590
	<u>15,820,431</u>	<u>11,297,544</u>	<u>15,600,273</u>	<u>10,795,565</u>

Accounting policy for revenue recognition

The Group recognises revenue and income as follows:

The Group assesses whether a contract is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 *Revenue from contracts with customers*.

When both these conditions are satisfied, the Group recognises revenue in accordance with AASB 15.

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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.

Note 3. Revenue and other income (continued)

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.

Where the contract is not enforceable or does not have sufficiently specific performance obligations, the Group recognises income in accordance with AASB 1058 *Income of Not-for-Profit Entities* as follows:

- recognises the asset received in accordance with the recognition requirements of other applicable accounting standards (e.g. AASB 9, AASB 16, AASB 116 and AASB 138);
- recognises related amounts (being contributions by owners, lease liability, financial instruments, or provisions); and
- recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate. The Group provides the following services:

Type of service revenue	Recognition
Licence revenue, registration & championship fee revenue and membership & affiliation revenue	Recognised over the licence/registration/membership/affiliation period, using the output method to measure progress towards satisfaction of performance obligations.
Event revenue, event promotional revenue, advertising and sponsorship revenue and International training revenue	Recognised when the performance obligations of the customer contract are achieved and when the Group expects to be entitled to appropriate consideration in accordance with the terms and conditions of the contract, using the output method to measure progress towards satisfaction of performance obligations.
Grant revenue	Recognised over time as the services are provided and performance obligations are fulfilled based on the consideration and terms and conditions specified in funding agreements, using the output method to measure progress towards satisfaction of performance obligations.
Other revenue	Recognised as the relevant performance obligations are satisfied.

Sales revenue

Sales revenue is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Management fees

Management fees represent the recharge of personnel costs and other direct costs to related parties. Management fees are recognised when the personnel costs and other direct costs are incurred and when the right to receive payment is established.

Distribution income

Distribution income is recognised when it is received or when the right to receive payment is established.

JobKeeper income

JobKeeper income represents payments received/receivable from the government in response to the ongoing novel coronavirus (COVID-19) pandemic. JobKeeper income is recognised as income, in accordance with AASB 1058, at fair value when there is a reasonable assurance that the Group has complied with the requirements of the JobKeeper payment scheme and that the assistance will be received, if not yet received by reporting date.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 3. Revenue and other income (continued)

Donation income

Donation income is recognised when it is received or when the right to receive payment is established, where the receipt of the donation does not give rise to a contractual obligation or specific performance obligations.

Interest income

Interest income 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.

Note 4. Expenses

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
(Deficit)/surplus before income tax includes the following specific expenses:				
<i>Employee benefits expense</i>				
Employee benefits expenses excluding superannuation	4,871,899	4,546,398	4,871,899	4,546,398
Defined contribution superannuation expense	446,895	427,336	446,895	427,336
	<u>5,318,794</u>	<u>4,973,734</u>	<u>5,318,794</u>	<u>4,973,734</u>
<i>Depreciation and amortisation expenses</i>				
Depreciation of property, plant and equipment	279,625	196,933	279,625	196,933
Depreciation of right-of-use assets	33,637	61,530	33,637	61,530
Amortisation of intangibles	115,966	251,613	115,966	251,613
	<u>429,228</u>	<u>510,076</u>	<u>429,228</u>	<u>510,076</u>

Note 5. Cash and cash equivalents

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Cash on hand	853	500	843	500
Cash at bank	1,902,122	1,337,750	664,826	361,901
Cash on deposit	2,765,075	2,754,433	2,765,075	2,727,190
	<u>4,668,050</u>	<u>4,092,683</u>	<u>3,430,744</u>	<u>3,089,591</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.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 6. Trade and other receivables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Trade receivables	1,159,254	950,764	1,040,846	799,313
Less: Allowance for expected credit losses	-	(23,363)	-	(23,363)
	<u>1,159,254</u>	<u>927,401</u>	<u>1,040,846</u>	<u>775,950</u>
Related party receivables	-	-	228,507	-
	<u>1,159,254</u>	<u>927,401</u>	<u>1,269,353</u>	<u>775,950</u>
<i>Non-current assets</i>				
Other receivables	183,866	188,866	183,866	188,866
	<u>1,343,120</u>	<u>1,116,267</u>	<u>1,453,219</u>	<u>964,816</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 Group 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 7. Other assets

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Contract assets	177,026	-	177,026	-
Prepayments	347,063	312,790	341,523	306,283
	<u>524,089</u>	<u>312,790</u>	<u>518,549</u>	<u>306,283</u>
<i>Non-current assets</i>				
Prepayments	121,214	228,693	121,214	228,693
	<u>645,303</u>	<u>541,483</u>	<u>639,763</u>	<u>534,976</u>

Accounting policy for prepayments

Prepayments are recognised on payment to suppliers and are brought to account when the related expense is incurred by the Group.

Accounting policy for contract assets

Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 8. Non-current assets classified as held for sale

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current assets</i>				
Land and buildings (Western Australia - Suite 7, 21 Wanneroo Road, Joondanna)	-	447,993	-	-

During the year, the Group disposed of the Western Australia parcel of freehold land and buildings that was no being longer utilised by the Group. A reconciliation of the loss on disposal has been included below.

<i>Western Australia property</i>	\$
Original purchase price in 1993	126,500
Depreciation to 31 December 2021 - taken through profit or loss	(19,134)
Revaluations to 31 December 2021 - taken through reserves*	340,627
Carrying value 31 December 2021	<u>447,993</u>
Less: Sale proceeds	<u>(373,000)</u>
Loss on disposal - taken through 2022 financial year profit or loss	<u><u>74,993</u></u>

*On disposal historical revaluations are transferred directly to retained surpluses and are not made through profit or loss.

Accounting policy for non-current assets classified as held for sale

Non-current assets are held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of non-current assets held for sale to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current asset held for sale, but not in excess of any cumulative impairment loss previously recognised. Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised. Non-current assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 9. Property, plant and equipment

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Non-current assets</i>				
Land and buildings - at cost (Victoria - 275 Canterbury Road, Canterbury)	10,047,389	10,047,389	10,047,389	10,047,389
Less: Accumulated depreciation	<u>(554,601)</u>	<u>(376,565)</u>	<u>(554,601)</u>	<u>(376,565)</u>
	<u>9,492,788</u>	<u>9,670,824</u>	<u>9,492,788</u>	<u>9,670,824</u>
Plant and equipment - at cost	719,030	621,113	719,030	621,113
Less: Accumulated depreciation	<u>(336,636)</u>	<u>(265,835)</u>	<u>(336,636)</u>	<u>(265,835)</u>
	<u>382,394</u>	<u>355,278</u>	<u>382,394</u>	<u>355,278</u>
Plant and equipment in progress - at cost	18,120	-	18,120	-
	<u>9,893,302</u>	<u>10,026,102</u>	<u>9,893,302</u>	<u>10,026,102</u>

Reconciliations

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

Consolidated & Parent	Land & buildings \$	Plant & equip. \$	Plant & equip. in progress \$	Total \$
Balance at 1 January 2022	9,670,824	355,278	-	10,026,102
Additions	-	130,363	18,120	148,483
Disposals	-	(1,658)	-	(1,658)
Depreciation expense	<u>(178,036)</u>	<u>(101,589)</u>	-	<u>(279,625)</u>
Balance at 31 December 2022	<u>9,492,788</u>	<u>382,394</u>	<u>18,120</u>	<u>9,893,302</u>

Accounting policy for property, plant and equipment

Property, 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:

Buildings	40 years
Plant and equipment	3-10 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 10. Intangibles

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Non-current assets</i>				
Trademarks - at cost	28,170	28,170	28,170	28,170
Software - at cost	479,652	597,195	479,652	597,195
Less: Accumulated amortisation	(205,502)	(353,623)	(205,502)	(353,623)
	<u>274,150</u>	<u>243,572</u>	<u>274,150</u>	<u>243,572</u>
	<u><u>302,320</u></u>	<u><u>271,742</u></u>	<u><u>302,320</u></u>	<u><u>271,742</u></u>

Reconciliations

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

Consolidated & Parent	Trademarks \$	Software \$	Total \$
Balance at 1 January 2022	28,170	243,572	271,742
Additions	-	146,820	146,820
Disposals	-	(276)	(276)
Amortisation expense	-	(115,966)	(115,966)
Balance at 31 December 2022	<u><u>28,170</u></u>	<u><u>274,150</u></u>	<u><u>302,320</u></u>

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Trademarks

Significant costs associated with trademarks are deferred. The Group expects trademarks to be held in perpetuity.

Software and SaaS arrangements

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3-5 years.

Software-as-a-Service (SaaS) arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. As such the Group does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

- Fee for use of application software (recognise as an operating expense over the term of the service contract);
- Configuration costs (recognise as an operating expense as the service is received);
- Data migration costs (recognise as an operating expense as the service is received); and
- Training cost (recognise as an operating expense as the service is received).

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 11. Trade and other payables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Trade payables	556,415	273,850	522,851	244,902
Accrued expenses	402,763	386,831	398,263	386,831
Related party payables	-	-	6,720	12,966
GST payable	72,419	43,663	77,334	65,566
Other payables	198,677	88,711	198,677	88,711
	<u>1,230,274</u>	<u>793,055</u>	<u>1,203,845</u>	<u>798,976</u>

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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 12. Contract liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Licence revenue received in advance	1,873,996	1,775,614	1,873,996	1,775,614
Grant revenue received in advance	964,113	812,090	964,113	812,090
Membership and affiliation revenue received in advance	236,290	213,241	236,290	213,241
Other revenue received in advance	361,407	577,168	361,407	577,168
	<u>3,435,806</u>	<u>3,378,113</u>	<u>3,435,806</u>	<u>3,378,113</u>

Accounting policy for contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

Note 13. Employee benefits

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Employee benefits	647,849	504,631	647,849	504,631
<i>Non-current liabilities</i>				
Employee benefits	40,376	28,813	40,376	28,813
	<u>688,225</u>	<u>533,444</u>	<u>688,225</u>	<u>533,444</u>

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 13. Employee benefits (continued)

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.

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.

Note 14. Provisions

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Current liabilities</i>				
Insurance excess fund	125,445	125,445	125,445	125,445

Insurance excess fund

The insurance excess fund provision represents estimated public/professional liability insurance claim deductibles for instances where events have occurred but which have not yet been quantified under insurance arrangements. The balance of this fund has been derived through independent financial modelling in line with the Australian Prudential Regulation Authority's guidelines.

The Group commissioned an updated independent financial model during the current financial year. After consideration of this model the Directors have determined that no change in the provision is required for the current financial year.

Accounting policy for provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 15. Reserves

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revaluation surplus reserve	-	340,627	-	-
Fines reserve	378,003	488,045	378,003	488,045
	<u>378,003</u>	<u>828,672</u>	<u>378,003</u>	<u>488,045</u>

Revaluation surplus reserve

The reserve is used to accumulate fair value movement of investment properties, originally recognised through profit or loss.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 15. Reserves (continued)

Fines reserve

The fines reserve is used to accumulate proceeds from the tribunal process. Reductions in the reserve represent accumulated fine funds spent during the period in accordance with the Group's policies.

Movements in reserves

Movements in each class of reserve during the current financial year are set out below:

Consolidated	Revaluation surplus reserve \$	Fine reserve \$	Total \$
Balance at 1 January 2022	340,627	488,045	828,672
Sale of WA property	(340,627)	-	(340,627)
Fines received during the period	-	35,850	35,850
Fines spent during the period	-	(145,892)	(145,892)
Balance at 31 December 2022	<u>-</u>	<u>378,003</u>	<u>378,003</u>

Parent	Fine reserve \$
Balance at 1 January 2022	488,045
Fines received during the period	35,850
Fines spent during the period	(145,892)
Balance at 31 December 2022	<u>378,003</u>

Note 16. Key management personnel disclosures

Director benefits

No Directors have received or become entitled to receive, for their service as a director, during or since the financial year, a benefit because of a contract made by the Group, or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

Other key management personnel

The aggregate compensation made to other key management personnel of the Group is set out below:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Aggregate compensation	<u>1,248,613</u>	<u>1,300,551</u>	<u>1,248,613</u>	<u>1,300,551</u>

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Group:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd (2021: Deloitte Touche Tohmatsu)</i>				
Audit of the financial statements	46,500	76,400	43,000	44,000
<i>Other services - Grant Thornton Audit Pty Ltd (2021: Deloitte Touche Tohmatsu)</i>				
Compilation of financial statements	6,000	-	5,000	-
	<u>52,500</u>	<u>76,400</u>	<u>48,000</u>	<u>44,000</u>

Note 18. Contingencies

The Group has outstanding public liability claims at the time of writing of this report. These claims are covered by insurance. Under the Group's public liability insurance arrangements, the Group is responsible for an excess on claims. A provision has been raised for these deductible amounts, based on independent financial modelling (note 14). The Directors are not aware of any claims which would not be covered by the Group's public liability insurance.

The Group had no other contingencies at the end of the current or prior financial years.

Note 19. Commitments

The Group had no commitments at the end of the current or prior financial years.

Note 20. Related party transactions

Parent entity

Confederation of Australian Motor Sport Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 21.

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Other income				
Management fees charged to Australian Institute for Motor Sport Safety Limited	-	-	189,981	259,444
Distributions received from Australian Motor Sports Commission Limited	-	-	-	226,760
Distributions received from CAMS Property Holdings Pty Ltd	-	-	214,910	-

The Chair of Australian Institute for Motor Sport Safety Limited is a member of a superannuation fund which as part of its assets holds an interest in a building in which the Group rented a small office until 31 October 2022.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 20. Related party transactions (continued)

There were no other transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current receivables:				
Receivable from Australian Institute for Motor Sport Safety Limited	-	-	18,543	-
Receivable from CAMS Property Holdings Pty Ltd	-	-	209,964	-
Current payables:				
Payable to Australian Institute for Motor Sport Safety Limited	-	-	6,720	8,020
Payable to CAMS Property Holdings Pty Ltd	-	-	-	4,946

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.

Note 21. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
Australian Institute for Motor Sport Safety Limited	Australia	100%	100%
CAMS Property Holdings Pty Ltd	Australia	100%	100%
Karting Australia Ltd	Australia	100%	100%
Motor Sport Australia Pty Ltd	Australia	100%	100%
Australian Motor Sports Commission Limited*	Australia	-	100%
Australian Motor Sport Events Pty Ltd*	Australia	-	100%
Rally Australia Pty Ltd*	Australia	-	100%

*Wound up and deregistered during the period.

Note 22. Economic dependency

The Group has an international delegation from the Federation Internationale de l'Automobile (FIA) to govern motorsport in Australia. Although the FIA does not provide direct financial support to the Group, the delegation is seen as a vital aspect of the Group's continuing operations.

Note 23. Events after the reporting period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the financial statements
31 December 2022

Note 24. Members' guarantee

Every voting member (2022: 10, 2021: 10) undertakes to contribute to the assets of CAMS in the event of it being wound up while a Member, or within one year after ceasing to be a Member, for payment of the debts and liabilities of CAMS contracted before the time at which it or he ceases to be a Member, and the costs, charges and expenses of winding up and for an adjustment of the rights of contributors among themselves, such amount as may be required not exceeding one dollar (\$1).

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Directors' declaration
31 December 2022

In the directors' opinion:

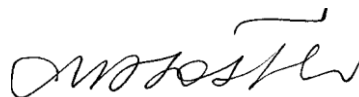
- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's and Group's financial position as at 31 December 2022 and of their performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company and the Group will be able to pay their 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



Andrew Fraser
President



Margot Foster AM
Director

26 April 2023

Independent Auditor's Report

To the Members of Confederation of Australia Motor Sport Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Confederation of Australian Motor Sport Limited (the 'Company') and its subsidiaries (the 'Group') which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of Confederation of Australian Motor Sport Limited and its subsidiaries is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company and the Group's financial position as at 31 December 2022 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2022, 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, 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

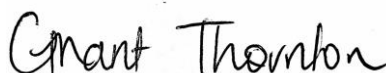
The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standard – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *Corporations Act 2001*. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have 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 at: https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.



Grant Thornton Audit Pty Ltd
Chartered Accountants



J D Vasiliou
Partner – Audit & Assurance

Melbourne, 26 April 2023