

Confederation of Australian Motor Sport Limited

Trading as Motorsport Australia

ABN 55 069 045 665

Consolidated Annual Report - 31 December 2023

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Directors' report
31 December 2023

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 2023 (collectively referred to as the "Group").

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:

Mr Andrew Fraser (President and Non-Executive Director)
Mr Terry Atkinson (Non-Executive Director)
Ms Kristen Bailey (Non-Executive Director)
Ms Margot Foster AM (Non-Executive Director)
Mr Norman Gowers (Non-Executive Director)
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

Le-Ing Ong

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) *Expand, increase participation and engagement in motorsport*
To develop strategies to improve participation through membership, officials programs and non-competition participants.
- (2) *Improve participant experience*
To provide value and improve participants experience across all digital platforms and provide an inclusive environment at motorsport events.
- (3) *Secure and improve access to facilities*
To encourage investments in motorsport infrastructure and provide support to facilities operators to improve and upgrade facilities.
- (4) *Creating a Sustainable Future*
To minimise our environmental footprint and commence work towards net-zero carbon dioxide emissions.

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;
- Number of Volunteers engaged and trained in the sport; and
- Maintain level 3 FIA certification.

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Operating results

For the year ended 31 December 2023 the Group recorded a loss before interest, tax, depreciation and amortisation of \$517,792 (2022 EBITDA: \$238,704) and a deficit after tax of \$1,060,928 (Consolidated 2022: deficit after tax of \$288,492).

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

	Consolidated 2023	Consolidated 2022
	\$	\$
Reported EBITDA	(517,792)	238,704
Add back: Loss on impairment of other receivables deemed not recoverable	132,866	-
Add back: Loss on sale of WA property	-	74,993
	<u> </u>	<u> </u>
Normalised EBITDA	<u>(384,926)</u>	<u>313,697</u>

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 signing 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 2023 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.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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Meetings of directors

During the financial year, 12 meetings of Directors were held. Attendances were:

	Board meetings	
	Eligible to attend	Attended
Mr Andrew Fraser	12	12
Mr Terry Atkinson	12	12
Ms Kristen Bailey	12	9
Ms Margot Foster AM	12	12
Mr Norman Gowers	12	12
Mr Paul Woodward	12	12
Ms Coral Taylor	12	11
Ms Samantha Reid	12	12
Mr John Gibbons	12	12
Mr Jon Thomson	12	12

Members

As at 31 December 2023, there were 10 voting members (Category E). Overall CAMS has more than 80,000 members.

Members' guarantee

Every voting member (2023: 10, 2022: 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 they cease 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

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.

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



Margot Foster AM
Director

24 April 2024

Grant Thornton Audit Pty Ltd

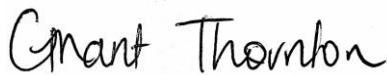
Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

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 2023, 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 Vasilio
Partner – Audit & Assurance

Melbourne, 24 April 2024

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
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General information

The financial statements cover Confederation of Australian Motor Sport Limited as a consolidated entity 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 24 April 2024.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2023

	Note	Consolidated 2023 \$	Consolidated 2022 \$
Revenue and other income	3	17,233,071	15,949,391
Expenses			
Employee benefits expense	4	(5,512,872)	(5,318,794)
Insurance expenses		(2,765,817)	(2,033,937)
Office and short-term lease expenses		(1,055,528)	(1,236,781)
Communications expenses		(549,375)	(403,723)
Travel expenses		(1,546,944)	(1,355,915)
Grant expenses		(1,892,538)	(1,381,830)
Professional and consulting fee expenses		(171,467)	(525,779)
Event promotional expenses		(3,546,188)	(2,944,229)
Loss on impairment of other receivables deemed not recoverable		(132,866)	-
Loss on sale of WA property		-	(74,993)
Other expenses		(577,268)	(434,706)
(Loss)/earnings before interest, tax, depreciation and amortisation ("EBITDA")		(517,792)	238,704
Depreciation and amortisation expenses	4	(441,268)	(429,228)
Bank fees and merchant charges		(101,868)	(97,968)
Deficit before income tax expense		(1,060,928)	(288,492)
Income tax expense		-	-
Deficit after income tax expense for the year attributable to the members of Confederation of Australian Motor Sport Limited		(1,060,928)	(288,492)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the members of Confederation of Australian Motor Sport Limited		<u>(1,060,928)</u>	<u>(288,492)</u>

The above consolidated statement 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
Consolidated statement of financial position
As at 31 December 2023

	Note	Consolidated 2023 \$	Consolidated 2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	3,384,035	4,668,050
Trade and other receivables	6	886,733	1,159,254
Inventories		64,928	32,628
Other assets	7	1,317,965	524,089
Total current assets		<u>5,653,661</u>	<u>6,384,021</u>
Non-current assets			
Trade and other receivables	6	31,000	183,866
Property, plant and equipment	8	9,953,879	9,893,302
Intangibles	9	389,397	302,320
Other assets	7	-	121,214
Total non-current assets		<u>10,374,276</u>	<u>10,500,702</u>
Total assets		<u>16,027,937</u>	<u>16,884,723</u>
Liabilities			
Current liabilities			
Trade and other payables	10	955,664	1,230,274
Contract liabilities	11	3,853,803	3,435,806
Employee benefits	12	610,236	647,849
Provisions	13	233,322	125,445
Total current liabilities		<u>5,653,025</u>	<u>5,439,374</u>
Non-current liabilities			
Employee benefits	12	30,867	40,376
Total non-current liabilities		<u>30,867</u>	<u>40,376</u>
Total liabilities		<u>5,683,892</u>	<u>5,479,750</u>
Net assets		<u>10,344,045</u>	<u>11,404,973</u>
Equity			
Reserves	14	296,303	378,003
Retained surpluses		10,047,742	11,026,970
Total equity		<u>10,344,045</u>	<u>11,404,973</u>

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

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Consolidated statement of changes in equity
For the year ended 31 December 2023

	Revaluation surplus reserve	Fines 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	(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>

	Revaluation surplus reserve	Fines reserve	Retained surpluses	Total equity
	\$	\$	\$	\$
Balance at 1 January 2023	-	378,003	11,026,970	11,404,973
Deficit after income tax expense for the year	-	-	(1,060,928)	(1,060,928)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(1,060,928)	(1,060,928)
<i>Movement in reserves:</i>				
Fines received during the period	-	75,859	(75,859)	-
Fines spent during the period	-	(157,559)	157,559	-
Balance at 31 December 2023	<u>-</u>	<u>296,303</u>	<u>10,047,742</u>	<u>10,344,045</u>

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

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Consolidated statement of cash flows
For the year ended 31 December 2023

	Note	Consolidated 2023 \$	Consolidated 2022 \$
Cash flows from operating activities			
Receipts from customers, grants, donors and other sources (inclusive of GST)		19,551,729	17,197,637
Payments to suppliers and employees (inclusive of GST)		<u>(20,212,823)</u>	<u>(16,575,427)</u>
		(661,094)	622,210
Interest received		70,465	13,635
Bank fees and merchant charges paid		<u>(101,868)</u>	<u>(97,968)</u>
Net cash (used in)/from operating activities		<u>(692,497)</u>	<u>537,877</u>
Cash flows from investing activities			
Payments for property, plant and equipment	8	(366,878)	(148,483)
Payments for intangibles	9	(224,640)	(146,820)
Proceeds from disposal of investment property		<u>-</u>	<u>373,000</u>
Net cash (used in)/from operating activities		<u>(591,518)</u>	<u>77,697</u>
Cash flows from financing activities			
Repayment of lease liabilities		<u>-</u>	<u>(40,207)</u>
Net cash used in financing activities		<u>-</u>	<u>(40,207)</u>
Net (decrease)/increase in cash and cash equivalents		(1,284,015)	575,367
Cash and cash equivalents at the beginning of the financial year		<u>4,668,050</u>	<u>4,092,683</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>3,384,035</u></u>	<u><u>4,668,050</u></u>

The above consolidated statement 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 consolidated financial statements
31 December 2023

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, 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.

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 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 the Group only. Supplementary information about the parent entity is disclosed in note 20.

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 2023 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.

Income tax

The Company and its subsidiaries, the Australian Institute of Motor Sport Safety Limited and 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.

Confederation of Australian Motor Sport Limited
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Note 1. Material accounting policy information (continued)

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.

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.

Confederation of Australian Motor Sport Limited
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Note 1. Material accounting policy information (continued)

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 consolidated financial statements
31 December 2023

Note 3. Revenue and other income

	Consolidated 2023	Consolidated 2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Licence revenue - over time	4,757,955	4,408,424
Event revenue - over time	6,450,527	6,233,665
Logbook and homologation revenue - over time	161,405	136,793
Registration and championship fee revenue - over time	34,856	58,695
Membership and affiliation revenue - over time	386,607	345,050
Sales revenue - point in time	246,431	240,264
Advertising and sponsorship revenue - over time	1,428,910	1,896,768
Grant revenue - over time	2,218,547	1,984,865
International training revenue - over time	-	43,281
Other revenue - over time	1,371,278	472,626
	<u>17,056,516</u>	<u>15,820,431</u>
<i>Income</i>		
Donation income	106,090	115,325
Interest income	70,465	13,635
	<u>176,555</u>	<u>128,960</u>
Revenue and other income	<u>17,233,071</u>	<u>15,949,391</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.

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.

Confederation of Australian Motor Sport Limited
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Notes to the consolidated financial statements
31 December 2023

Note 3. Revenue and other income (continued)

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, logbook & homologation 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.

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 2023 \$	Consolidated 2022 \$
Deficit before income tax includes the following specific expenses:		
<i>Employee benefits expense</i>		
Employee benefits expenses excluding superannuation	5,022,554	4,871,899
Defined contribution superannuation expense	490,318	446,895
	<u>5,512,872</u>	<u>5,318,794</u>
<i>Depreciation and amortisation expenses</i>		
Depreciation of property, plant and equipment	304,014	279,625
Depreciation of right-of-use assets	-	33,637
Amortisation of intangibles	137,254	115,966
	<u>441,268</u>	<u>429,228</u>

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
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31 December 2023

Note 5. Cash and cash equivalents

	Consolidated 2023	Consolidated 2022
	\$	\$
<i>Current assets</i>		
Cash on hand	213	853
Cash at bank	994,924	1,902,122
Cash on deposit	2,388,898	2,765,075
	<u>3,384,035</u>	<u>4,668,050</u>

The cash and cash equivalents disclosed above and in the statement of cash flows include \$1,078,013 (2022: \$1,161,716) that are governed by policies and other agreements, and are therefore not available for general use within the Group.

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.

Note 6. Trade and other receivables

	Consolidated 2023	Consolidated 2022
	\$	\$
<i>Current assets</i>		
Trade receivables	866,733	1,159,254
Other receivables	20,000	-
	<u>886,733</u>	<u>1,159,254</u>
<i>Non-current assets</i>		
Other receivables	31,000	183,866
	<u>917,733</u>	<u>1,343,120</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.

Confederation of Australian Motor Sport Limited
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Notes to the consolidated financial statements
31 December 2023

Note 7. Other assets

	Consolidated 2023 \$	Consolidated 2022 \$
<i>Current assets</i>		
Contract assets	113,126	177,026
Prepayments	<u>1,204,839</u>	<u>347,063</u>
	<u>1,317,965</u>	<u>524,089</u>
<i>Non-current assets</i>		
Prepayments	<u>-</u>	<u>121,214</u>
	<u><u>1,317,965</u></u>	<u><u>645,303</u></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.

Note 8. Property, plant and equipment

	Consolidated 2023 \$	Consolidated 2022 \$
<i>Non-current assets</i>		
Land and buildings - at cost (Victoria - 275 Canterbury Road, Canterbury)	10,047,389	10,047,389
Less: Accumulated depreciation	<u>(732,637)</u>	<u>(554,601)</u>
	<u>9,314,752</u>	<u>9,492,788</u>
Plant and equipment - at cost	1,052,615	719,030
Less: Accumulated depreciation	<u>(413,488)</u>	<u>(336,636)</u>
	<u>639,127</u>	<u>382,394</u>
Plant and equipment in progress - at cost	<u>-</u>	<u>18,120</u>
	<u><u>9,953,879</u></u>	<u><u>9,893,302</u></u>

Confederation of Australian Motor Sport Limited
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Notes to the consolidated financial statements
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Note 8. Property, plant and equipment (continued)

Reconciliations

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

	Land & buildings \$	Plant & equipment \$	Plant & equipment in progress \$	Total \$
Balance at 1 January 2023	9,492,788	382,394	18,120	9,893,302
Additions	-	366,878	-	366,878
Disposals	-	(2,287)	-	(2,287)
Transfers in/(out)	-	18,120	(18,120)	-
Depreciation expense	(178,036)	(125,978)	-	(304,014)
Balance at 31 December 2023	<u>9,314,752</u>	<u>639,127</u>	<u>-</u>	<u>9,953,879</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.

Note 9. Intangibles

	Consolidated 2023 \$	Consolidated 2022 \$
<i>Non-current assets</i>		
Trademarks - at cost	<u>28,170</u>	<u>28,170</u>
Software - at cost	693,892	479,652
Less: Accumulated amortisation	<u>(332,665)</u>	<u>(205,502)</u>
	<u>361,227</u>	<u>274,150</u>
	<u>389,397</u>	<u>302,320</u>

Confederation of Australian Motor Sport Limited
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Notes to the consolidated financial statements
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Note 9. Intangibles (continued)

Reconciliations

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

	Trademarks \$	Software \$	Total \$
Balance at 1 January 2023	28,170	274,150	302,320
Additions	-	224,640	224,640
Disposals	-	(309)	(309)
Amortisation expense	-	(137,254)	(137,254)
Balance at 31 December 2023	<u>28,170</u>	<u>361,227</u>	<u>389,397</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).

Note 10. Trade and other payables

	Consolidated 2023 \$	Consolidated 2022 \$
<i>Current liabilities</i>		
Trade payables	483,434	598,158
Accrued expenses	212,244	402,763
GST payable	78,814	72,419
Other payables	<u>181,172</u>	<u>156,934</u>
	<u>955,664</u>	<u>1,230,274</u>

Confederation of Australian Motor Sport Limited
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Note 10. Trade and other payables (continued)

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 11. Contract liabilities

	Consolidated 2023	Consolidated 2022
	\$	\$
<i>Current liabilities</i>		
Licence revenue received in advance	2,139,065	1,873,996
Grant revenue received in advance	164,150	590,270
Membership and affiliation revenue received in advance	313,865	236,290
Other revenue received in advance	824,511	361,407
Levy accounts - affiliated clubs	412,212	373,843
	<u>3,853,803</u>	<u>3,435,806</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 12. Employee benefits

	Consolidated 2023	Consolidated 2022
	\$	\$
<i>Current liabilities</i>		
Employee benefits	<u>610,236</u>	<u>647,849</u>
<i>Non-current liabilities</i>		
Employee benefits	<u>30,867</u>	<u>40,376</u>
	<u>641,103</u>	<u>688,225</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.

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.

Confederation of Australian Motor Sport Limited
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Notes to the consolidated financial statements
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Note 13. Provisions

	Consolidated 2023	Consolidated 2022
	\$	\$
<i>Current liabilities</i>		
Insurance excess fund	<u>233,322</u>	<u>125,445</u>

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.

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 14. Reserves

	Consolidated 2023	Consolidated 2022
	\$	\$
Fines reserve	<u>296,303</u>	<u>378,003</u>

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 reserves during the current financial year are set out below:

	Fines reserve
	\$
Balance at 1 January 2023	378,003
Fines received during the period	75,859
Fines spent during the period	<u>(157,559)</u>
Balance at 31 December 2023	<u><u>296,303</u></u>

Note 15. 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.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the consolidated financial statements
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Note 15. Key management personnel disclosures (continued)

Key management personnel

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

	Consolidated 2023	Consolidated 2022
	\$	\$
Aggregate compensation	<u>1,092,240</u>	<u>1,248,613</u>

Note 16. 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 2023	Consolidated 2022
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit of the financial statements	<u>48,825</u>	<u>43,000</u>
<i>Other services - Grant Thornton Audit Pty Ltd</i>		
Compilation of financial statements	<u>6,300</u>	<u>5,000</u>
	<u>55,125</u>	<u>48,000</u>

Note 17. 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 13). 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 18. Commitments

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

Note 19. Related party transactions

Parent entity

Confederation of Australian Motor Sport Limited is the parent entity.

Key management personnel

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

Transactions with related parties

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

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.

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the consolidated financial statements
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Note 20. Parent entity information

Set out below is the supplementary information about the parent entity (Confederation of Australian Motor Sport Limited) on a standalone basis.

Statement of profit or loss and other comprehensive income

	Parent 2023	Parent 2022
	\$	\$
Licence revenue	4,757,955	4,408,424
Event revenue	6,450,527	6,233,665
Logbook and homologation revenue	161,405	136,793
Registration and championship fee revenue	34,856	58,695
Membership and affiliation revenue	386,607	345,050
Sales revenue	246,431	240,264
Advertising and sponsorship revenue	1,428,910	1,896,768
Grant revenue	2,119,279	1,767,059
International training revenue	-	43,281
Other revenue	1,351,278	470,274
Management fees charged to related parties	15,000	189,981
Distribution income from related parties	917,030	214,910
Interest income	70,465	13,635
Total revenue and other income	17,939,743	16,018,799
Employee benefits expense	(5,512,841)	(5,318,363)
Insurance expenses	(2,762,206)	(2,024,508)
Office and short-term lease expenses	(1,042,745)	(1,185,327)
Communications expenses	(549,375)	(399,140)
Travel expenses	(1,546,944)	(1,354,100)
Grant expenses	(1,892,538)	(1,381,830)
Professional and consulting fee expenses	(97,354)	(301,904)
Event promotional expenses	(3,546,188)	(2,944,229)
Loss on impairment of other receivables deemed not recoverable	(132,866)	-
Other expenses	(536,404)	(371,145)
Depreciation and amortisation expenses	(441,268)	(429,228)
Bank fees and merchant charges	(96,552)	(88,871)
Income tax expense	-	-
Total expenses	(18,157,281)	(15,798,645)
(Deficit)/surplus after tax and total comprehensive (loss)/income	(217,538)	220,154

Statement of financial position (condensed)

	Parent 2023	Parent 2022
	\$	\$
Total current assets	5,397,258	5,251,274
Total non-current assets	10,374,276	10,500,702
Total assets	15,771,534	15,751,976
Total current liabilities	5,659,550	5,412,945
Total non-current liabilities	30,867	40,376
Total liabilities	5,690,417	5,453,321
Net assets	10,081,117	10,298,655
Fines reserve	296,303	378,003
Retained profits	9,784,814	9,920,652
Total equity	10,081,117	10,298,655

Confederation of Australian Motor Sport Limited
Trading as Motorsport Australia
Notes to the consolidated financial statements
31 December 2023

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	
		Consolidated 2023 %	Consolidated 2022 %
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%

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 2023 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.

Note 24. Members' guarantee

Every voting member (2023: 10, 2022: 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 they cease 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 2023

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 Group's financial position as at 31 December 2023 and of its 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

24 April 2024

Grant Thornton Audit Pty Ltd

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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 Australia Motor Sport Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 31 December 2023, 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 material accounting policy information, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 31 December 2023 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.

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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 2023, 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

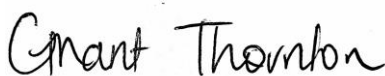
The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standard – *AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the *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, 24 April 2024