



South East Leisure Annual Report

2023/24



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GLXY Gymnastics is now at Springers Leisure Centre



Swimming Lessons at Noble Park Aquatic Centre



Futsal arrives at Dandenong Stadium.

South East Leisure acknowledges the traditional owners and custodians of the land that we operate upon, the Bunurong People, and pay respects to their Elders past, present and emerging, and recognises their importance in maintaining knowledge, traditions, and culture in our community.



South East Leisure

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As we conclude FY24, I'm proud to reflect on a year of significant accomplishments and the establishment of strong foundations.

Our financial performance resulted in a commendable improvement in bottom-line performance by 15.6% compared to the previous year. This improvement was primarily driven by strong performance across Food and Beverage and facility bookings along with effective expense mitigation strategies that helped offset revenue shortfalls at NPAC.

Our membership metrics demonstrate robust growth, with total memberships across NPAC and Oasis increasing by 34% compared to the previous year. NPAC led this growth, while Oasis also showed a notable 7% increase despite the facility's age and condition. Similarly, total swim lesson enrolments rose by 2% year-on-year, with NPAC achieving an impressive 14% increase, while Oasis unfortunately experiencing a 9% decrease in program size.

Visitor numbers across our four facilities saw a substantial increase, totalling just over 2 million visits for the year, up by over 170k visits.

The successful launch of GLXY Gymnastics has been a highlight, with enrolments now exceeding 50 students and promising continued growth into FY25. Additionally, the introduction of Futsal at Dandenong Stadium attracted 7 teams to SEL's inaugural competition and enabled the facility to host its first large-scale school and private Futsal competitions.

I am proud to announce that South East Leisure was named one of three finalists for the National Sports Convention Awards in the category of Inclusion Program/Initiative of the Year. This recognition underscores our commitment to diversity and inclusion, exemplified by initiatives like the Inclusive Swim Program delivered at NPAC in partnership with Welcome to the Game. At the Aquatic Recreation Victoria Industry awards, two of our staff members received High Commendation awards, and of course winning an Award of Excellence at the South East Business awards was an absolute highlight of FY24 and a testament to the hard work and dedication of our whole team at South East Leisure.

I wish to thank outgoing Chair, Steven Wright and Director, Laura Buckley. Their contribution to our start-up period and first 2 years of operations is certainly recognised and I personally gained a lot from their knowledge and support.

Looking forward, we are poised for continued growth and innovation in FY25, leveraging our successes to enhance community engagement and service offerings.

John Clark
Chief Executive Officer

VISION

Providing sustainable world class experiences that enhance the overall health and wellbeing of the community.

PURPOSE

Creating active, connected communities.

STRATEGIC PRINCIPLES

Sustainable
Financial
Environmentally
Socially

Manage Risk
Safety Financial
Nonfinancial

Community Focused
High Participation
Inclusive
Respected

Accessible
Affordable
Attractive
Welcoming

STRATEGIC PATHWAYS

Community Engagement

Corporate Services

Facility Operations

People and Culture

Risk Management

Sales & Marketing

Technology and Systems

VALUES

Care
We care about our people, our actions and our outcomes

Open
We are honest, transparent and respectful in our actions

Fun
We work hard, we have fun and celebrate success

Sustainable
We provide commercially and environmentally sustainable outcomes



SEL Trainer with member in the Dandenong Oasis Gym

After just 3 months at NPAC & Oasis, our members reported:

Health and Wellbeing

Improvements to users mental, physical, and functional health.

Physical health up 8.9%	Mental health up 14.9%	Connection to people up 7.3%	Quality of sleep up 5.8%	Energy levels up 13.9%

Social Connection

Reducing feeling of loneliness and social isolation due to participation in organised clubs and groups, families.

Our hydrotherapy pool users reported:			Competitions	Group Fitness
80% feel improvements in connection to people	90% feel improvement in their happiness	Members reported coming to the hydro pool being an 8.6/10 importance to their life	We placed 33 individuals into teams across our sport competitions	38.5% of SEL members accessed Group Fitness classes

Employment

Supporting the local economy, and developing youth, whilst providing flexibility for parents and carers.

Data from our most recent employee survey indicated:				
3% of staff identify as having a disability	57% Female 43% Male	40% of our workforce speak a language other than English	30% of staff live in the City of Greater Dandenong	50% of workforce aged 15 - 24 years

Safety and Education

Water safety and the reduction in drownings from learn to swim classes and being a safe space for the local community to play.

264 students successfully passed Level 3 and therefore achieved the Fundamental Stage benchmark	46 students passed Level 6 and therefore achieved the Acquisition Stage benchmark.	Both NPAC and Oasis maintained Platinum Pool status

Social Cohesion

Diverse multicultural communities having the opportunities to meet other community members.

Commenced an Aquatic Inclusion program to deliver classes for people with disability.	Delivered Welcome to the Game program which provided over 30 children from CALD communities living with a disability the access to funded swimming lessons.	Facilitated over 7,800 funded visitations as part of the ReLink Gym and Swim program.



NBL1 Women's Grand Final hosted at Dandenong Stadium

DANDENONG OASIS AND NOBLE PARK AQUATIC CENTRE



Attendance Total

Dandenong Oasis

392,244

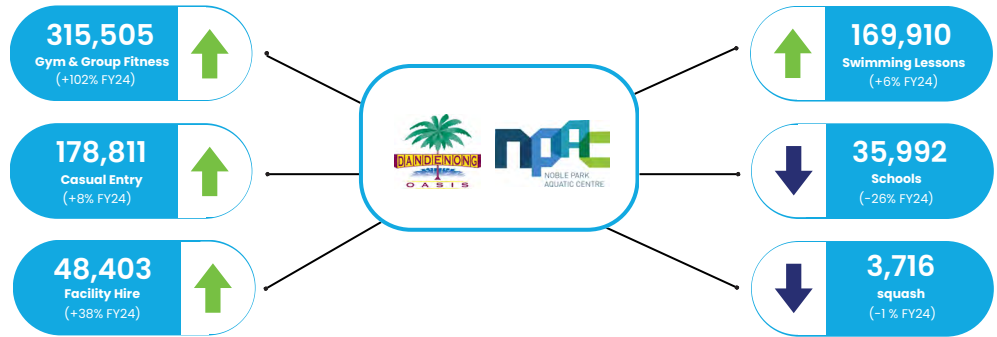
+0.5% from FY 23

Noble Park Aquatic Centre

361,092

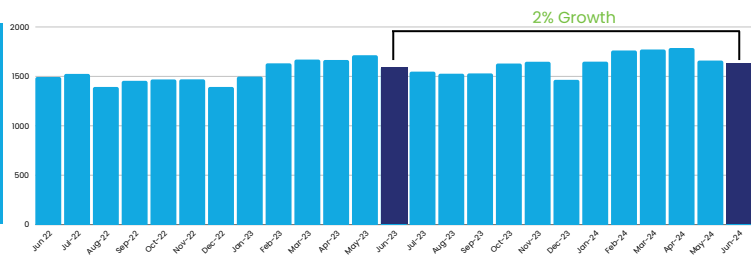
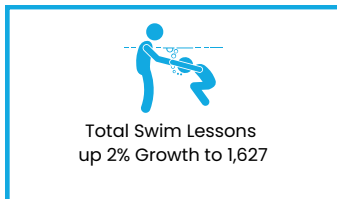
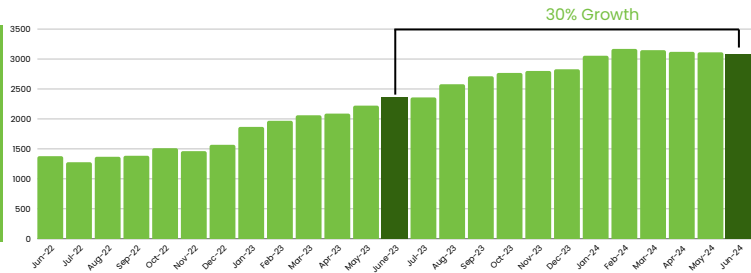
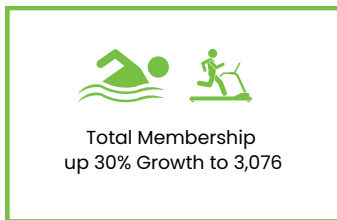
+65% from FY 23

Key Attendance Dashboard



Data marked with (+/-) indicates a comparison between the fiscal years FY23 and FY24.

Membership Growth



AQUATIC FACILITIES

Member Demographics

Dandenong Oasis Members



59% Male
40% Female
1% Other



Average Age:
49.7



66% Live in
CoGD

Noble Park Aquatic Centre Members



49.5% Male
49.5% Female
1% Other



Average Age:
37.5

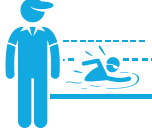


78% Live in
CoGD

Dandenong Oasis Swimming Lessons



48% Male
50% Female
1% Other



Program Breakdown:
5% Infant 8% Teens
8% Preschool 8% Adults
71% School

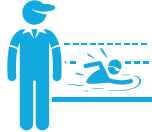


71% Live in
CoGD

Noble Park Aquatic Centre Swimming Lessons



49.5% Male
49.5% Female
1% Other



Program Breakdown:
5% Infant 6% Teens
11% Preschool 4% Adults
74% School



93% Live in
CoGD





DANDENONG STADIUM AND SPRINGERS LEISURE CENTRE



Attendances

Dandenong Stadium

930,558

+0.5% from FY 23

Springers Leisure Centre

317,726

+65% from FY 23

Key Attendance Dashboard



Data marked with (+/-) indicates a comparison between the fiscal years FY23 and FY24.

Competitions & Programs

Competitions



59

Competition Teams
(FY24 +11%)

GLXY Gymnastics



54

Students
(Established in FY24)

Clinics & Programs



3705

Attendees
(FY24 +88%)

STADIUM FACILITIES

Key Events

Events	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
NBL1 (Basketball)												
VVL (Volleyball)												
Victoria Schools Cup - Secondary (Volleyball)												
Cultural Festivals (General)												
Pillars of Guidance Community Centre Prayer Group (General)												
New Covenant Pentecostal Church Convention (General)												
AVL (Volleyball)												
Keysie Market (General)												
Southern Peninsula Tournament (Basketball)												
Victoria Schools Cup - Primary (Volleyball)												
Victoria Cup (Futsal)												
City of Greater Dandenong Sports Day (General)												
Kingston City Rollers (Roller Derby)												
Eltham-Dandenong Tournament (Basketball)												
Kimekai (Martial Arts)												
National Junior Classic Tournament (Basketball)												
Al Ehsan Centre Prayer Group (General)												



Venues Combined

Highlights

Platinum Pool – Oasis/NPAC

Achieved Lifesaving Victoria's Platinum Pool status which acknowledges aquatic safety and management standards.

National Junior Classic – Dandenong Stadium

Selected to co-host with the State Basketball Centre, with the best junior teams in Australia participating in the invitation only basketball tournament.

Virtual Performer Pilates

Implementation of virtual classes to increase program offering and enhance value.

AusActive Certification – NPAC & Oasis

Certification with peak body achieved, demonstrating gyms operate at a recognised standard.

Swimming Lessons Program – NPAC & Oasis

Conversion of swimming lessons program from 48 to 44-week lessons annually.

Online Portal – All Venues

Implementation of services available to book and view online, including Stadium Programs, Gymnastics, Swimming Lessons and lap lane availability.

Competitions – Dandenong Stadium & Springers Leisure Centre

Launch of Futsal at Dandenong Stadium and Springers Leisure Centre achieving record team numbers

GLXY Gymnastics – Springers Leisure Centre

Development of GLXY Gymnastics brand and implementation of gymnastics program, operating during school terms.



SEL celebrate NPAC receiving LSV Platinum Pool Accreditation



Dandenong Stadium hosted the National Junior Classic



GLXY Gymnastics is now part of Springers Leisure Centre

Capital Improvements

Program Room Development – Dandenong Stadium

Implementation of walls, carpet and air handling unit to turn upstairs space into an enclosed program room.

Function Room Upgrade – Dandenong Stadium

Painting of area, installation of large screens, new furniture and kitchen equipment.

Building Management System Upgrade – NPAC

Reactivation of BMS to improve control and functionality of HVAC and pool plantroom.

Venue PA System Upgrade – Springers Leisure Centre

PA System upgraded to ensure full venue coverage.

Pool Plant – Oasis & NPAC

Replacement of various critical pool plant equipment at end of life.



Program Room Development – Dandenong Stadium



Plant Room upgrades across NPAC & Oasis

Fun Facts



Oldest Member:
93 Years Old (Male)



Longest Member:
9 Years 266 days



Food & Beverage Transactions:
351,282



Highest Single Day Attendance:
11,854 (January 26, 2024)

During FY24, we focused our marketing efforts on improving our engagement with the community and strengthening that connection via the introduction of new social media platforms and pages. This resulted in improved metrics and helped successfully launch our new programs such as GLXY Gymnastics and Futsal.

GLXY Gymnastics Launch at Springers

- In planning the introduction of Gymnastics at Springers, we reviewed our current brand structure and made the decision to introduce a children's programming brand, GLXY
- Following the development of GLXY, the brand was launched with the introduction of GLXY Gymnastics
- GLXY Gymnastics has since gone from strength to strength improving membership numbers month to month
- In FY25 we will expand on the GLXY brand by re-branding our children's sports program as GLXY Sports



SEL introduced our new children's programming brand GLXY with the introduction of GLXY Gymnastics



SEL introduced Futsal at Dandenong Stadium

Introduction of Futsal at Dandenong Stadium

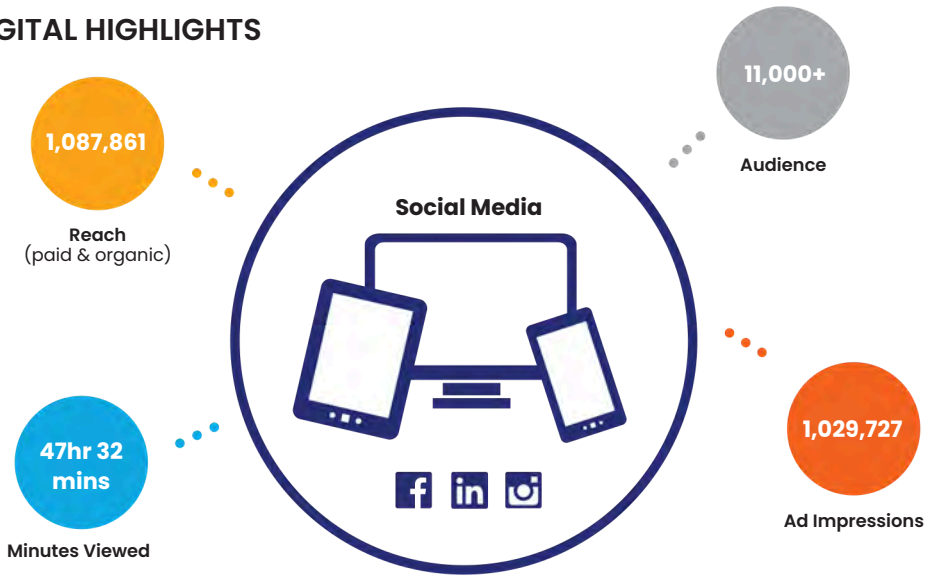
- Whilst planning the introduction of Futsal at Dandenong Stadium, we made the decision to create a brand specifically for Futsal competitions; The South East Futsal League.
- This has given Futsal its own identify at Dandenong Stadium, a stadium which has traditionally been viewed as only a basketball and volleyball stadium.
- Futsal continues to grow with season 2 having three additional teams to season 1.
- In FY25 we will explore the option of creating an umbrella brand that all SEL managed competitions fall under.

Improved digital media channels and marketing planning

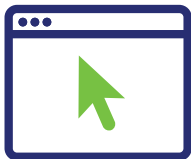
- At the start of FY24, we focused on enhancing engagement with a younger demographic, crucial for the long-term success of our facilities, especially NPAC.
- We introduced TikTok into our marketing efforts, and early results show promising engagement, validating this as a continued strategic focus.
- Our marketing strategy also underwent a comprehensive review, leading to updates in our month-to-month processes, which are contributing to steady membership growth.
- In FY25, we will continue to elevate our digital content and presence with the goal to significantly boost engagement.



DIGITAL HIGHLIGHTS



Website



156,105

Users

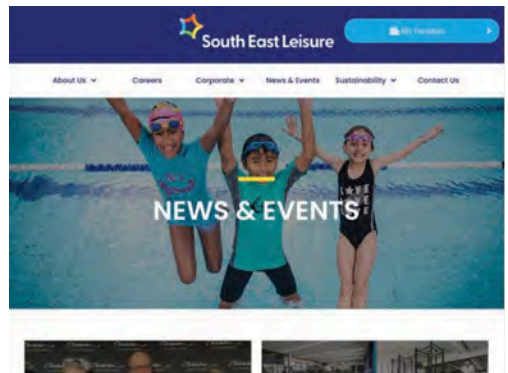
595,754

Total Views

63 sec

Avg Engagement Time

The past year has been marked by successful marketing initiatives that have enhanced our brand presence, engaged our community, and brought innovative programs to our customers. We remain committed to continually delivering value and making a positive impact in the lives of our members and the broader community.



OUR PARTNERSHIPS

In FY24, we focused our efforts on developing mutually beneficial partnerships that support our strategic objectives. Below are our FY24 partnership highlights that emphasise the power of partnerships.



Our Reclink Partnership resulted in an incredible 7,800 visits to NPAC and Oasis from disadvantaged youth within the City of Greater Dandenong. We are now working with Reclink to develop a pathway that supports participants with on-going use of our facilities.

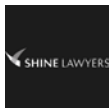
We have partnered with Personalised Support Services who are a NDIS provider based in City of Greater Dandenong.

Through this partnership we have been able to reduce barriers of entry to our facilities. This has resulted in community members with the most challenging of disabilities being able to access our facilities easier than ever before. We are looking to grow on this partnership in FY25.



It has been reported from schools that an ongoing challenge to attending our facilities is the transportation costs to and from schools.

To do our part in reducing this challenge, we partnered with Ventura Bus Lines who have committed to providing our user groups with preferential pricing. This allows schools to make better use of their funding to provide students with life skills through our Schools Swimming Lesson program.



During FY24 we worked with an array of companies to help increase their brand exposure via sponsorship and advertisements.

This has laid the foundations for us to grow on in FY25 with the main focus to secure a Naming Rights sponsor for Dandenong Stadium



Asahi Lifestyle Beverages

We continue to work with Council in a number of ways. In FY24 we participated at several of Council's community events, and hosted activities at our venues, including a motivational speaker, Sean Bell, to support Council's Make Your Move Physical Activity strategy.



During FY24 we partnered with the other two Local Government Business Enterprises (LGBE's) in Victoria to develop a project aimed to measure the Social Impact that our facilities provide to our communities. Results of which can be found in our Social Impact Framework.





User groups working together.



Summer enjoying work experience at Dandenong Oasis.



Welcome to the Game participants at NPAC.



SEL staff celebrating the biggest morning tea.



SEL celebrates winning an award at the Chisholm Education Awards.



SEL staff celebrate NPAC Gym opening with Daniel Andrews.

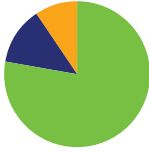


SEL has the strategic objective to be an employer of choice, with happy, engaged and committed employees. We have the ambition to be a diverse and inclusive workforce that is welcoming and representative of our community.

Our Employees

Female	Male
150	114
57%	43%

264



- Casual (207)
- Part-Time (27)
- Full-Time (30)



Leadership Roles*

27



- Female (18)
- Male (11)

*Leadership roles refer to employees at a Team Leader level or above

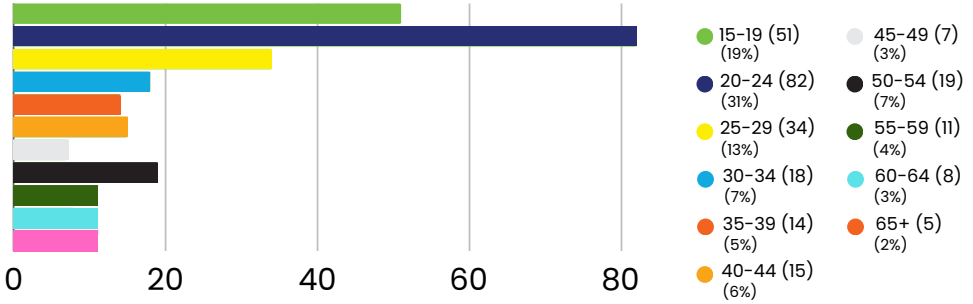
Employee Facts

<p>24 Median Age</p>	<p>16 Youngest Employee</p>	<p>70 Oldest Employee</p>	<p>64% Employee Country of birth - Australia</p>
<p>6% Most Common Language other than English</p>	<p>45 Number of other languages spoken by staff at home</p>	<p>3% Employees that identify as living with a disability</p>	<p>40% Employees that speak a language other than English</p>



SEL Lifeguards at the Life Saving Victoria Pool Lifeguard Championships, MSAC.

Age of staff and percentages



SEL Staff at Mother's Day Function.

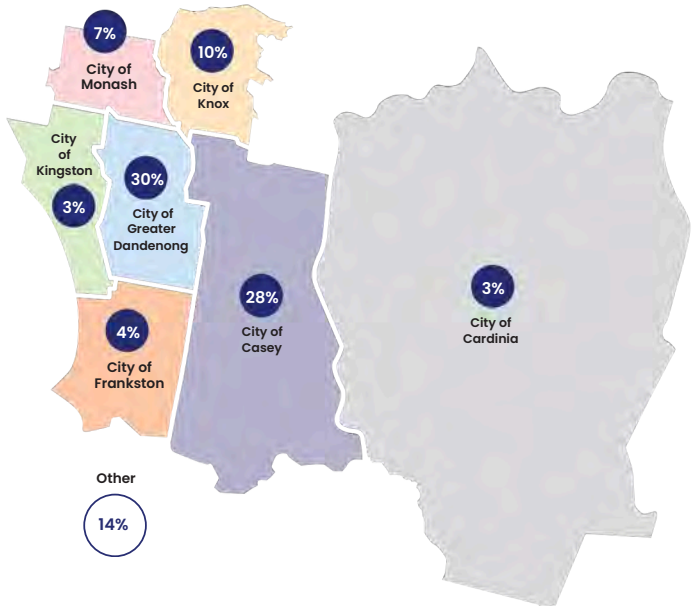


SEL Employees competing at the Melbourne Corporate Triathlon.

Where our employees live



South East Leisure





Tuesday Night Netball Competition at Springers Leisure Centre.

South East Leisure is a business enterprise of the City of Greater Dandenong, pursuant to Section 110 of *The Local Government Act 2020*, and is a company limited by guarantee, governed under *the Corporations Act 2001* by a Board of five non-executive directors.

At Board meetings, our shareholder, the City of Greater Dandenong has two non-voting representatives who support the alignment of SEL's activities with that of the City's plans and strategies.

Our Board

The SEL Board ensures that our corporate governance obligations are maintained at an appropriately high standard of accountability. This includes structures and processes in relation to decision-making and accountability, which guide SEL's behaviours and enhance our performance.

The SEL Board practices good corporate governance principles to:

- enhance the performance of SEL
- understand and manage risks to minimise unwanted consequences and maximise opportunities
- strengthen community support and confidence in SEL
- enhance the public reputation of SEL through transparency and accountability
- demonstrate appropriate discharge of legal and ethical obligations
- assist in the prevention and detection of fraudulent, dishonest and/or unethical behaviour.

Audit and Risk Committee

SEL's Audit and Risk Committee assists the Board with discharging its responsibilities related to:

- Probity
- Risk management
- Maintenance of sound internal controls
- Assurance activities including internal and external audits, legislative and regulatory compliance
- The Board's Codes of Conduct and governing principles.

During FY24 Audit and Risk Committee Members:

- Laura Buckley – Committee Chair
- Steven Wright
- Mick Jaensch

People and Culture Committee

SEL's People and Culture Committee assists the Board with discharging its responsibilities related to:

- Promotion of a safe working culture
- SEL's Human Resources strategy and any requirements for appropriate resources, policies, and procedures
- Effective attraction and retention policies and programs that have regard to the creation of value for shareholders and the external remuneration market
- Performance management, development, planning and succession management programs to enable talented, motivated, and engaged people to support the achievement of the company strategy.

During FY24 People and Culture Committee Members:

- Tim Cockayne – Committee Chair
- Malak Sukkar
- Mick Jaensch

The following persons were directors and shareholder representatives during the 2023–24 financial year.

Directors



Steven Wright
Non Executive Director and Chair



Dr Malak Sukkar
Non Executive Director



Tim Cockayne
Non Executive Director



Mick Jaensch
Non Executive Director



Laura Buckley
Non Executive Director

Council Representatives



Peta Gillies



CR Lana Formoso

Executive Team



John Clark
Chief Executive Officer



Mel Ihlamulla
General Manager Corporate
Services and Finance



Jake Da Silva
General Manager Commercial
and Community Partnerships



Travis Sauer
General Manager - Aquatics
and Leisure



Ian Jenkins
General Manager - Stadiums



South East Leisure Pty Ltd

Financial Report

for the Year Ended 30 June 2024

South East Leisure Pty Ltd

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South East Leisure Pty Ltd

DIRECTORS' REPORT

The directors submit their report for the Year Ended 30 June 2024

DIRECTORS

The following persons were directors of South East Leisure Pty Ltd, appointed from the date of the Company's registration and up to the date of this report:

Name	Position	Start date	Contract End Date
Steven Wright	Independent, Non-Executive Chairman	22/07/2021	30/06/2024
Michael Jaensch	Independent, Non-Executive Director	7/07/2021	30/06/2025
Timothy Cockayne	Independent, Non-Executive Director	22/07/2021	30/06/2025
Laura Buckley	Independent, Non-Executive Director	22/07/2021	30/06/2024
Malak Sukkar	Independent, Non-Executive Director	22/07/2021	30/06/2026

Interests in the shares of South East Leisure Pty Ltd

10 Ordinary shares @ \$1 (City of Greater Dandenong)

Principal Activities:

Throughout the financial year, there have been no significant changes in the nature of the company's principal activities. The primary focus remained on the management of four Aquatic and Leisure facilities for the Greater Dandenong City Council. The company continues to deliver high-quality services and maintain its commitment to enhancing community health and wellness through these facilities.

South East Leisure Pty Ltd

DIRECTORS' REPORT *continued*

Results and Dividends:

There were no dividends declared by the Board during the year

Review of Operations:

Summarised operating results are as follows:

Description	2024		Variance	
	Budget	Actual	Actual	
	\$'000s	\$'000s	\$'000s	%
Management Fee	3,324	3,406	(82)	-2%
Operating income	9,676	9,240	436	5%
Less : operating expenses	(12,838)	(12,594)	(244)	2%
Net result as per Income Statement	162	52	110	
Less : Capital Expenditure	(162)	(114)	(48)	
Add : Depreciation	-	62	(62)	
Adjusted Net Cash Result	-	-	-	-

As of 30 June 2024, the management fee shows a negative variance of \$82k against the budget.

Council provide additional funding due to under performance of our two aquatic facilities in terms of membership revenue and the increased utility costs (Gas)

Directors' Benefits:

No director has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of emoluments received or due and receivable by the directors shown in the financial report, by reason of a contract entered into by the Company with:

- a director,
- a firm of which the director is a member, or
- an entity in which a director has a substantial financial interest.

The directors have sighted the Auditor-General's Independence Declaration.

DIRECTORS' REPORT *continued*

Significant changes in state of affairs:

2023-24 marked the second year of full operations as a leisure management firm overseeing all Aquatic and Leisure facilities within the Greater Dandenong City Council Throughout this period, there were no significant changes in the nature of the company's principal activities. The company remained dedicated to managing these facilities, ensuring they continued to serve the community effectively and contribute to the health and well-being of residents.

Environmental Regulation:

The directors are of the opinion that the entity has complied with all relevant environmental legislation so far as it concerns the operation of the entity.

Meetings of Directors and Shareholder Representatives.

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

Director's name	Eligible to Attend	Attended
Steven Wright	8	8
Michael Jaensch	8	7
Timothy Cockayne	8	8
Laura Buckley	8	3
Malak Sukkar	8	8

Meetings of Directors: Audit and Risk Management Committee

The number of meetings of the Company's Audit and Risk Management Committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

Director's name	Eligible to Attend	Attended
Steven Wright	6	6
Michael Jaensch	6	6
Laura Buckley	6	4
Timothy Cockayne	2	2
Malak Sukkar	2	2

Meetings of Directors: People and Culture Committee


The number of meetings of the Company's People and Culture Committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

Director's name	Eligible to Attend	Attended
Michael Jaensch	5	5
Timothy Cockayne	5	5
Malak Sukkar	5	4

Note: Director, Laura Buckley was granted leave by Greater Dandenong City Council for the period January to June 2024.

This report is signed in accordance with the resolution of the directors.


 Timothy Cockayne
 Interim Chair and Director
 Date: 29.08.2024
 Melbourne


 Michael Jaensch
 Director
 Date: 29.08.2024
 Melbourne

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 8 to 26;

(a) comply with Australian Accounting Standards and Interpretations, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and

(b) give a true and fair view of the company's financial position as at 30 June 2024 and of its financial performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the directors' opinion:

(a) the financial statements and notes are in accordance with the *Corporations Act 2001*; and

(b) there are reasonable grounds to believe that the Company will be able to meet its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Timothy Cockayne
Interim Chair and Director
Date: 29.08.2024
Melbourne



Michael Jaensch
Director
Date: 29.08.2024
Melbourne

Independent Auditor's Report

To the Directors of South East Leisure Pty Ltd

Opinion	<p>I have audited the financial report of South East Leisure Pty Ltd (the company) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2024• comprehensive income statement for the period then ended• statement of changes in equity for the period then ended• statement of cash flows for the period then ended• notes to the financial statements, including material accounting policies• directors' declaration. <p>In my opinion the financial report is in accordance with the <i>Corporations Act 2001</i> including:</p> <ul style="list-style-type: none">• giving a true and fair view of the financial position of the company as at 30 June 2024 and its financial performance and cash flows for the period then ended• complying with Australian Accounting Standards and the <i>Corporations Regulations 2001</i>.
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Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the company in accordance with the auditor independence requirements of the <i>Corporations Act 2001</i> and the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
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Other information	<p>The Directors of the company are responsible for the Other Information, which comprises the information in the company's annual report for the period ended 30 June 2024, but does not include the financial report and my auditor's report thereon.</p> <p>My opinion on the financial report does not cover the Other Information and accordingly, I do not express any form of assurance conclusion on the Other Information. However, in connection with my audit of the financial report, my responsibility is to read the Other Information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the Other Information, I am required to report that fact. I have nothing to report in this regard.</p>
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Directors' responsibilities for the financial report

The Directors of the company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 my 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.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors
 - conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
 - evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
-

**Auditor's
responsibilities
for the audit of
the financial
report
(continued)**

I communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

MELBOURNE
4 September 2024



Travis Derricott
as delegate for the Auditor-General of Victoria

South East Leisure Pty Ltd

COMPREHENSIVE INCOME STATEMENT

for the year ended 30 June 2024

		2024 \$'000	2023 \$'000
	NOTES		
Revenue from Operations			
Operating Income	2.1	9,139	7,487
Other Income	2.2	101	56
Management Services Fee	2.3	3,406	3,920
Total Revenue from Operations		12,646	11,463
Expenses from Operations			
Salaries and Employee Benefits Expenses	3	7,416	6,744
Materials and services	4	4,732	4,38
Governance Expenses	5	178	169
Finance costs	6	38	22
Bad and doubtful debts	7	1	22
Depreciation and Amortisation Expenses	8	176	108
Other expenses	9	53	(9)
Total Expenses from Operations		12,594	11,439
Net Result		52	24
Comprehensive result for the year		52	24

The Comprehensive Income Statement should be read in conjunction with the accompanying notes.

South East Leisure Pty Ltd

BALANCE SHEET

As at 30 June 2024

		2024	2023
ASSETS	NOTES	\$'000	\$'000
Current assets			
Cash and cash equivalents	10	1,151	1,821
Trade and other receivables	11	1,407	741
Inventories	12	69	62
Prepayments	13	47	36
Total current assets		2,674	2,660
Non-current assets			
Property, infrastructure, plant and equipment	19	584	625
Intangible assets	19	39	59
Total non-current assets		623	684
Total assets		3,297	3,344
LIABILITIES			
Current liabilities			
Trade and other payables	14	1,201	1,306
Unearned income / revenue	15	997	934
Employee Provisions	16	208	214
Borrowings	18	99	92
Total current liabilities		2,505	2,546
Non-current liabilities			
Employee Provisions	16	77	47
Borrowings	18	285	373
Total non-current liabilities		362	420
Total Liabilities		2,867	2,966
NET ASSETS		430	378
EQUITY			
Contributed Equity	17	-	-
Retained Earnings		430	378
TOTAL EQUITY		430	378

** Contributed equity is \$10. As the balance sheet is rounded to the nearest thousand, the contributed equity shown appears as 0

The Balance Sheet should be read in conjunction with the accompanying notes.

South East Leisure Pty Ltd

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2024

	NOTES	2024 \$'000	2023 \$'000
Contributed Equity	17	-	-
Total Contributed Equity		-	-
Retained Earnings		\$'000	\$'000
Opening Balance		378	354
Net result for the year		52	24
Total Retained Earnings at the end of the financial year		430	378
TOTAL EQUITY		430	378

** Contributed equity is \$10. As the statement of changes in equity is rounded to the nearest thousand, the contributed equity shown appears as 0

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

South East Leisure Pty Ltd

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2024		Inflows / (Outflows)	
		2024	2023
	NOTES	\$'000	\$'000
Cash Flows from Operating Activities			
Receipts from Customers		9,316	7,331
Receipts from Council		2,886	3,167
Receipts from Grants		44	12
Payments to Employees		(7,402)	(4,176)
Payments to Suppliers		(5,198)	(5,480)
Net GST Payment		(121)	(623)
Net Cash (Outflows)/Inflows from Operating Activities	21	(475)	231
Cash Flows from Investing Activities			
Acquisition of Plant & Equipment	19	(114)	(16)
Net Cash Outflows from Investing Activities		(114)	(16)
Cash Flows from Financing Activities			
Financing Activities - Loan Repayment		(81)	(67)
Net Cash outflows from Financing Activities		(81)	(67)
Net decrease) increase in cash held		(670)	148
Cash and Cash Equivalents at the beginning of the financial year	10	1,821	1,673
Cash and Cash Equivalents at the end of the financial year		1,151	1,821

The Statement of Cash Flow should be read in conjunction with the accompanying notes.

Note 1 Material Accounting Policies

Introduction

South East Leisure Pty Ltd is an Australian Proprietary Company, limited by shares.

The company was registered on 7 July 2021.

The company is a not-for-profit entity; as a fully owned subsidiary of Greater Dandenong City Council (Council), any profit made by the company would be declared as dividends to be paid back to Council.

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.

(a) Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the AASB and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB').

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements have been prepared under the assumption of a going concern. Greater Dandenong City Council has issued a letter affirming their commitment to support the entity financially, ensuring its continued viability for future trading periods.

The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between total and the sum of companies are due to rounding.

(b) Recognition of assets

Where applicable, South East Leisure measures its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price South East Leisure would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Note 1 Material Accounting Policies continued

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Class of Assets	Limit at which to be recognised
Plant & Equipment	\$2,000
Computers and Telecommunications	\$2,000
Intangible Assets	\$10,000

(c) Depreciation of non-current assets

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

Major depreciation/amortisation periods are:	Years
Plant & Equipment	5
Computers and Telecommunications	3
Intangible Assets (Website)	4

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

(d) Employee benefits

Short-term employee benefits

Provision is made for South East Leisure's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, and annual leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled. South East Leisure's obligations for short-term employee benefits such as wages, salaries, and annual leave are recognised as part of current employee provisions in the balance sheet.

Other long-term employee benefits

Provision is made for employees' long service leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense. South East Leisure's obligations for long-term employee benefits are presented as non-current provisions in its balance sheet.

Note 1 Material Accounting Policies continued

All employees of South East Leisure receive defined contribution superannuation entitlements, for which South East Leisure pays the fixed superannuation guarantee contribution (currently 11.0% of the applicable employee's ordinary earnings) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. South East Leisure's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the South East Leisure's balance sheet.

(e) Payables

Trade and other payables represent the liabilities for goods and services received by South East Leisure that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(f) Intangible assets

Intangible assets acquired are initially recognised at cost. Intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in the profit or loss arising from derecognition of an intangible asset is measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangibles are reviewed annually. Changes in expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item 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 ATO is included with other receivables or payables in the balance sheet. 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 ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash at bank.

(i) Revenue Recognition

Revenue was mainly derived from the entity's operations by the way of memberships and facility hire for its health and aquatic facilities and its venue hires across all the facilities.

Additionally, the Management Services Fee paid to South East Leisure by the Greater Dandenong City Council to support the entity's operations as the management company for Dandenong's aquatic and leisure facilities.

To determine whether to recognise revenue, South East Leisure follows a 5-step process:

- (i) Identifying the contract, or otherwise, with a customer;
- (ii) Identifying the performance obligations;
- (iii) Determining the transaction price;
- (iv) Allocating the transaction price to the performance obligations;
- (v) Recognising revenue when/as performance obligation(s) are satisfied.

Note 1 Material Accounting Policies continued

The management services fee for 2023-24 financial year has sufficiently specific performance obligations, revenue is recognised when the services are performed.

Revenue derived from entity's operations has sufficiently specific performance obligations, revenue is recognised when services are performed/provided

(j) Unearned Revenue

Unearned revenue represents contract liabilities and reflects consideration received in advance from the City of Greater Dandenong for the management of the Aquatic and Leisure facilities in the 2023-24 financial year. As this income has sufficiently specified performance obligations, unearned income is derecognised and recorded as revenue when services as performed.

(k) Impairment of Assets

At each reporting date, South East Leisure reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exist, the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed.

(l) Income Tax

The Company is exempt from income tax under section 50-25 of the *Income Tax Assessment Act 1997*.

	2024	2023
	\$'000	\$'000
2 Revenue from Operations		
2.1 Operating Income		
Facility Rental	2,764	2,602
Memberships	2,441	1,452
Swimming Lessons	2,307	2,061
Café & Merchandise	1,588	1,342
Other Operating Income	39	30
	<u>9,139</u>	<u>7,487</u>
2.2 Other Income		
Operating Grants -Non Recurrent	44	19
Sponsorships Non - Recurrent	57	37
	<u>101</u>	<u>56</u>
2.3 Management Services Fee	<u>3,406</u>	<u>3,920</u>
Total Revenue	<u><u>12,646</u></u>	<u><u>11,463</u></u>

Greater Dandenong City Council pays South East Leisure a Management Services Fee to oversee its Aquatic and Leisure Facilities. This fee was paid quarterly in advance, consistent with the approved operational budget.

As stipulated in the Management Services Agreement dated 13 September 2021, Council provided South East Leisure with a Management Services Fee of \$3.3 million during 2023-24 to manage these facilities. As of 30 June 2024, a budget shortfall of \$82,000 occurred, mainly due to lower-than-expected membership revenue at two aquatic facilities and increased utility costs, particularly for gas. The Council has agreed to cover this shortfall and has issued a letter of going concern, confirming its commitment to continue financially supporting SEL to ensure the entity remains viable for future trading periods.

	2024	2023
	\$'000	\$'000
3 Salaries and Employee Benefits Expenses		
Salaries and wages	6,315	5,633
Leave Provisions	31	236
Superannuation contributions	732	556
FBT Expenses	6	8
Recruitment	30	72
Training and Development	129	48
Workcover	57	78
Other	116	113
	<u>7,416</u>	<u>6,744</u>
4 Materials and services		
Operational Expenses	1,027	943
Administration Expenses	82	167
Cafe, Merchandise & Vending	841	690
Cleaning & Consumables	1,076	1,089
Information technology	289	246
Marketing Expenses	140	166
Utilities	1,277	1,083
	<u>4,732</u>	<u>4,384</u>

South East Leisure Pty Ltd

Notes to the Financial Report *Continued*

		2024	2023
		\$'000	\$'000
5	Governance Expenses		
	Board Director Fees	144	153
	Board Secretary	34	16
		<u>178</u>	<u>169</u>
6	Finance costs - Borrowings		
	Interest - Loan Liability	38	22
		<u>38</u>	<u>22</u>
7	Bad and doubtful debts		
	Bad and doubtful debts	1	22
		<u>1</u>	<u>22</u>
8	Depreciation and Amortisation Expenses		
	Plant & Equipment	Note 19 10	1
	Gym Equipment - Loaned	Note 19 114	57
	Furniture and fixtures	Note 19 22	21
	Computers and Telecommunications	Note 19 10	10
	Intangible Assets	Note 19 20	20
	Total Depreciation	<u>176</u>	<u>109</u>
9	Other Expenses		
	External Audit	39	43
	ASIC Fees	-	1
	Accounting Charges	(1)	6
**	Loan NPV Adjustment	15	(59)
		<u>53</u>	<u>(9)</u>
** The "Loan NPV Adjustment" was calculated by discounting the future capital payable of the loan.			
10	Cash and cash equivalents		
	Cash at bank	1,146	1,812
	Cash on hand	5	9
		<u>1,151</u>	<u>1,821</u>
11	Trade and other receivables		
	Trade and other receivables	1,431	763
	Provision for Doubtful Debts	(24)	(22)
		<u>1,407</u>	<u>741</u>
12	Inventories		
	Inventories - Food and Beverage	33	43
	Inventories - Merchandise	36	19
		<u>69</u>	<u>62</u>

South East Leisure Pty Ltd

Notes to the Financial Report *Continued*

	2024	2023
	\$'000	\$'000
13 Prepayments		
Prepayments	47	36
	<u>47</u>	<u>36</u>
14 Trade and other payables		
Trade Creditors	254	192
Net GST Payable	220	171
Accrued expenses	356	555
Other Payables	371	388
	<u>1,201</u>	<u>1,306</u>
15 Unearned income / revenue		
Unearned income / revenue	997	934
	<u>997</u>	<u>934</u>
16 Employee Provisions		
Employee Benefits – <i>Current</i>		
Annual Leave Provision -Current	189	195
Long Service Leave Provision - Current	19	19
Total Employee Benefits – Current	<u>208</u>	<u>214</u>
Employee Benefits – <i>Non-Current</i>		
Long Service Leave Provision - Non-Current	77	47
Total Employee Benefits – Non Current	<u>77</u>	<u>47</u>
Total Current and Non-Current	<u>285</u>	<u>261</u>

Long Service Leave is calculated based on the probability of leave being taken in the future, having regard to the period of service for each employee's probability that they will take long service leave in seven (7) year's time.

17 Contributed Equity		
Issued and paid up capital	\$	\$
10 Ordinary shares of \$1 each fully paid	<u>10</u>	<u>10</u>
18 Borrowings		
Borrowings included in the Balance Sheet at 30 June:	\$'000	\$'000
Current	99	92
	<u>99</u>	<u>92</u>
Non-current	285	373
	<u>285</u>	<u>373</u>
Total Borrowings	<u>384</u>	<u>465</u>

Borrowings represent an amount payable to the Bank in relation to the acquisition of Gym equipment which was directly paid by the Bank to the equipment supplier.

19

19.1 SUMMARY OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (net carrying amount)

	Carrying amount 1 July 2023	Acquisitions	Depreciation /Amortisations	Disposals	Transfers	Carrying amount 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Computer Equipment	17	4	(10)	-	-	11
Plant & Equipment	12	97	(10)	-	-	99
Furniture and fixtures	84	11	(22)	-	-	74
Gym Equipment - On Loan	512		(114)	-	-	398
Work In Progress	-	2	-	-	-	2
Total carrying amount	625	114	(156)	-	-	584

19.2 SUMMARY OF INTANGIBLE ASSETS (net carrying amount)

	Carrying amount 1 July 2023	Acquisitions	Depreciation	Disposals	Transfers	Carrying amount 30 June 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Software or Licenses	59	-	(20)	-	-	39
Total carrying amount	59	-	(20)	-	-	39

SUMMARY OF WORK IN PROGRESS

	Opening WIP \$'000	Transfers \$'000	Closing WIP \$'000
Plant & Equipment	-	2	2
Total	-	2	2

20 Expenditure Commitments

South East Leisure has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

	Consolidated				Total \$'000
	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	
2024					
Operating					
Cleaners	798	838	-	-	1,636
Staff Training	123	129	-	-	252
License & Subscription	64	55	25	-	144
Waste Collection	44	46	-	-	90
Equipment Hire	13	14	5	-	32
Total Operating Commitments	1,042	1,082	30	-	2,154
Total Commitments 2024	1,042	1,082	30	-	2,154
2023					
Operating					
Cleaners	798	846	888	-	2,532
Staff Training	117	123	129	-	370
License & Subscription	71	71	71	71	285
Waste Collection	60	30	-	-	90
Equipment Hire	8	8	8	-	23
Other contracts	-	-	-	-	-
Total Operating Commitments	1,054	1,078	1,096	71	3,300
Total Commitments 2023	1,054	1,078	1,096	71	3,300

	2024	2023
	\$'000	\$'000
21 Reconciliation of the net result to net cash flows from operations		
Net result for the year	52	24
Depreciation & amortisation	175	108
Bad & doubtful debts - allowance for impairment	1	22
Finance costs	38	22
Other non-cash items	(40)	(58)
<u>Changes in Assets and Liabilities</u>		
(Increase) in Receivables	(666)	(761)
(Increase) in Prepayments	(11)	(22)
(Increase) in Inventories	(7)	(43)
(Decrease) / Increase in Payables	(105)	421
Increase in Accrued Expenses	-	555
Increase in Provisions	24	237
Increase/(Decrease) in Income in advance	63	(274)
Net cash (outflow)/inflow from Operating	(475)	231

22 Contingent Assets and Contingent Liabilities

(a) Contingent Assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of South East Leisure.

There were no contingent assets that require disclosure in the financial report .

(b) Contingent Liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of South East Leisure; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

There were no contingent liabilities that require disclosure in the financial report .

23 Subsequent Events

There were no subsequent events which have occurred after balance sheet date that require disclosure in the financial report.

24 Related party disclosures

(i) Related Parties

Parent entity
City of Greater Dandenong

Subsidiaries and Associates
South East Leisure has no interests in subsidiaries or associates.

(ii) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of South East Leisure. Details of persons holding the position of Director and key management personnel, at any time during the year are:

Directors

Steven Wright	22 July 2021 to 30 June 2024
Michael Jaensch	7 July 2021 to 30 June 2024
Timothy Cockayne	22 July 2021 to 30 June 2024
Laura Buckley	22 July 2021 to 30 June 2024
Dr. Malak Sukkar	22 July 2021 to 30 June 2024

Key Management Personnel

	2024 No.	2023 No.
Total Number of Directors	5	5
Chief Executive Officer	1	1
General Managers	4	3
Total Key Management Personnel	10	9

Notes to the Financial Report *Continued*

(iii) Remuneration of Key Management Personnel	2024	2023
	\$'000s	\$'000s
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,063	861
Post employment benefits	88	88
	<u>1,151</u>	<u>949</u>

Total Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by company, or on behalf of the Company in exchange for services rendered. Remuneration of Key Management Personnel is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

(iv) **Senior Officer Remuneration**

A Senior Officer is an officer of South East Leisure, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$160,000

South East Leisure did not employ any senior officers during the 2023-24 financial year.

(v) **Transactions with related parties**

During the period of FY 2024, the Greater Dandenong City Council paid South East Leisure a Management Fee of \$3.4 million to support the entity's operations as the management company for Dandenong's aquatic and leisure facilities. (Refer Note 2.3).

(vi) **Outstanding balances with related parties**

There were no outstanding balances at the end of the reporting period in relation to transactions with related parties

(vii) **Loans to/from related parties**

There are no outstanding loans to/from related parties

(viii) **Commitments to/from related parties**

There are no commitments in existence at balance date that have been made, guaranteed or secured by South East Leisure to a related party.

25 Auditors Remuneration	2024	2023
	\$'000s	\$'000s
Amounts received or due and receivable:		
Auditors of the company	22	23
– Victorian Auditor-General	<u>22</u>	<u>23</u>

Note 26 Financial Instruments

(a) Terms, conditions, and accounting policies.

The Company's accounting policies, including the terms and conditions of each class of financial asset, financial liability, and equity instrument, both recognised and unrecognised, at balance date are:

- (i) Cash and Cash Equivalents Includes Cash at Bank, Till floats, petty cash and Credit cards.
- (ii) Receivables (*Excludes Statutory Receivables*) Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.
- (iii) Payables (*Excludes Statutory Payables*) Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company. Trade liabilities are normally settled according to creditor's terms.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of South East Leisure financial instruments will fluctuate because of changes in market prices. The company's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest Rate Risk

The Company's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at the balance date are:

2024	Fixed Interest Rate					Total
	Average Interest Rate (%)	Variable Interest Rate (%)	Less than 1 Year	1 - 5 Years	Non-Interest Bearing	
			\$'000s	\$'000s	\$'000s	\$'000s
Financial Assets						
Cash and Cash Equivalents	-	1,151	-	-	-	1,151
Receivables	-	-	-	-	1,407	1,407
	-	1,151	-	-	1,407	2,558
Financial Liabilities						
Trade and Other Payables*	-	-	-	-	981	981
Borrowings	-	-	99	285	-	384
	-	-	99	285	981	1,365

Note 26 Financial Instruments

2023	Average Interest Rate (%)	Variable Interest Rate (%)	Fixed Interest Rate			Total
			Less than 1 Year	1 - 5 Years	Non-Interest Bearing	
			\$'000s	\$'000s	\$'000s	\$'000s
Financial Assets						
Cash and Cash Equivalents	-	-	-	-	1,821	1,821
Receivables	-	-	-	-	741	741
	-	-	-	-	2,562	2,562
Financial Liabilities						
Trade and other Payables*	-	-	-	-	1,135	1,135
Borrowings	-	-	92	373	-	465
	-	-	92	373	1,135	1,600

* Note: Trade and other Payables excludes GST Payable as it's a Statutory payable

Note 26 Financial Instruments (cont'd)

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause South East Leisure to make a financial loss. South East Leisure did not have exposure to credit risk on any financial assets included in the balance sheet.

(d) Bad and Doubtful Debts

Management has provided 100% on debts that are over 120 days in arrears

(e) Liquidity risk

Liquidity risk includes the risk that, as a result of South East Leisure's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

South East Leisure's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet, and is deemed insignificant based on current assessment of risk.

All financial liabilities are expected to be settled within normal terms of trade. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(f) Sensitivity disclosure analysis

Taking into account future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the company believes the following movements are 'reasonably possible' over the next 12 months: - A parallel shift of +1% and -1% in market interest rates (AUD) from year-end rates of 4.35%. These movements will not have a material impact on the valuation of South East Leisure's financial assets and liabilities, nor will they have a material impact on the results of South East Leisure's operations.

Note 27 Change in Accounting Policy

There have been no changes to accounting policies in the 2023-24 year.

There are no pending accounting standards that are likely to have a material impact on South East Leisure financial report.



South East Leisure

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