

# Canterbury League Club Limited

ABN 84 000 191 248

## General Purpose Financial Report

For the year ended 31 October 2023

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# Directors' Report

The Directors present their report together with the financial statements of Canterbury League Club Limited ('the Company' or 'the Club') for the financial year ended 31 October 2023 and the auditor's report thereon.

## 1. Directors

The Directors of the Company at any time during or since the end of the financial year are:

Name	Age	Experience, special responsibilities and other directorships
Peter Winchester Chairman	74	Former member of the Institute of Chartered Accountants for over 45 years Senior Tax Partner of Winchester Lonnon & Klein for over 35 years until closure in December 2015 Director of Canterbury League Club Ltd (2002 - 2010) and (2018 - present) President of Canterbury League Club Limited from (2006 - 2010) and (June 2021 - present) Member, Audit & Risk Sub-Committee from 2018 to present Member, ClubGRANTS Sub-Committee from May 2021 to present Member, Remuneration Committee from May 2021 to present Member, Joint Management Committee from June 2021 to present Director of Canterbury Bankstown Bulldogs Rugby League Club Limited 2005 and 2006 Former player Canterbury Bankstown Bulldogs Rugby League Club Limited Team from 1972 to 1976 Inaugural member of Bulldogs Ambassadors Club & Chairman for 5 years Honorary Life member of Canterbury Bankstown Referees Association Honorary Life member of St Joseph's Riverwood Sports Club Member of St Vincent de Paul Association for over 20 years Club Director Training: Director Foundation and Management Collaboration 2018 Club Director Training: Finance for Club Boards RPL 2018
Dimitrios (Jim) Koutsouklakis Deputy Chairman	43	Managing Director – Alpha One Advisory; Commercial and Residential Finance Broking Diploma of Finance & Mortgage Broking Management; Certificate IV in Finance & Mortgage Broking; Member – Mortgage & Finance Association of Australia; Senior Manager – ANZ Banking Group (2007 – 2018); Master of Business - Sports Management (Deakin University); Executive Course in Leadership & Negotiation (Harvard School of Law); Diploma in Advanced Insolvency Law & Practice (University of Southern Queensland); Bachelor of Commerce (Macquarie University). Appointed Director of Canterbury League Club Limited in March 2020 Vice President of Canterbury League Club Ltd since June 2021 Member, Audit & Risk Sub-Committee since March 2020 Member, Member Disciplinary Sub-Committee (March 2020 - June 2022) Member, Remuneration Committee since 2020 Member, Growth & Innovation Committee since 2020 Member, Planning and Development Committee June 2022 to present Mandatory Director Training, Finance for Club Boards 2020 Mandatory Director Training, Director Foundation and Management Collaboration 2020 Member of The Australian Institute of Company Directors Director of Canterbury Bankstown Bulldogs Rugby League Club (October 2020 - June 2022)

# Directors' Report

Name	Age Experience, special responsibilities and other directorships
George Coorey (Date of service for FY23: 1/11/2022 - 17/08/2023)	<p>Chair, Bulldogs Business Development Committee (October 2020 - June 2022)</p> <p>64 Mortgage Broker – Self Employed (March 2012 - August 2023)          Managing Director Picadilly Financial Services Pty Ltd          Director, VIP Consulting Pty Ltd          Member FBAA          Australian Credit Licence Financial Services          Australian Credit Licence Financial Services          Member of Australian Financial Complaints Authority          Director Canterbury Bankstown Bulldogs Rugby League Club Limited 1995 - 2002          Australian Credit Licence Financial Services          Director, Canterbury League Club Limited from March 2012 - August 2023          Chairman, Canterbury League Club Limited from March 2018 to September 2020          Member, ClubGRANTS Sub-Committee          Member, Disciplinary Sub-Committee          Member, Constitution Committee since March 2022          Member, Canterbury League Club Limited          Member, Bulldogs Rugby League Club Limited          Patron of The Bulls Junior Rugby League Club          Patron Canterbury Bankstown District Referees Association          Patron Canterbury League Squash Club          Club Director Training: Director Foundation and Management Collaboration          Club Director Training: Finance for Club Boards</p>
John Khoury	<p>51 Director, Canterbury League Club Limited since 22 December 2020          Director, Canterbury Bankstown Bulldogs Rugby League Club Limited (February 2018 - present)          Chair, Canterbury Bankstown Bulldogs Rugby League Club (October 2020 - present)          Member, ClubGRANTS Sub-Committee          Member, Growth &amp; Innovation Committee          Member, Joint Management Committee          GM of Technology &amp; Change Management at My Muscle Chef since October 2021 Group          CIO at Pinnacle Bakery (March 2019 - October 2021)          GM of Technology, Change Management &amp; Sales Operations at Hills Limited (2017 - 2019)          2017 Rugby League World Cup community ambassador and SBS media tournament correspondent          Chief Technology Officer at Pinnacle Bakery (2015 - 2017)          UNSW (AGSM) Business and Technology, Business and Technology Specialisation          Diploma of Information Technology, Information Technology          Prince2 Project Management          Diploma of Management, Business Administration and Management          Advanced Certificate in Logistics and Supply Chain Management          Former Canterbury Bankstown District Junior Rugby League (CBJRL) player, coach and team manager (1984 - 2017)          Mandatory Director Training, Finance for Club Boards 2021          Mandatory Director Training, Director Foundation and Management Collaboration 2021</p>

## Directors' Report

Name	Age Experience, special responsibilities and other directorships
Peter Chanel McMahon	<p>67 Director of Canterbury League Club Limited (2014 - 2018 and May 2021 to present)            Director of Canterbury Bankstown Bulldogs Rugby League Club Limited (2011 - 2018 and October 2020 to present)            Bachelor of Arts (University of Sydney, 1977)            Bachelor of Laws (University of Sydney, 1979)            Principal of Peter McMahon Advisory (July 2017 to present)            Partner, Clayton Utz 1989 to 2017 (including term as National Managing Partner, 2000 - 2001)            Fellow of Australian Property Institute since 20 May 2015            Leadership in Professional Service Firms, Harvard Business School (USA), 1998            Regional Vice Chair (Asia Pacific) for Real Estate in Lex Mundi (the world's leading association of independent law firms) (2009 - 2014)            Chair Elect for Lex Mundi Real Estate (2014 - 2015)            Global Chair for Lex Mundi Real Estate (from 8 May 2015 to 1 May 2017)            Regional Vice Chair (Asia Pacific) for Agribusiness in Lex Mundi (2011 - 2017)            Member of Property Council of Australia            Past Chairman of Property Law Reform Alliance and Property Council representative on PLRA            Trustee of Committee for the Economic Development of Australia (CEDA) (2000 - 2017)            Life Member of University of Sydney Union (since 1979)            Foundation Member of Australian Turf Club (formerly being member of both Australian Jockey Club and Sydney Turf Club)            Member of Sydney Cricket Ground Trust (since 1985)            Member of Canterbury League Club Audit &amp; Risk Committee (2016 – 2018 and May 2021 to present)            Member of Canterbury League Club Remuneration Committee (2015 – 2018)            Member of Canterbury League Club Members Disciplinary Sub Committee (2017 – 2018 and August 2023 to present)            Member, Canterbury League Club Constitution Committee (March 2022 to present)            Member of Canterbury League Club ClubGRANTS Sub-Committee (August 2023 to present)            Member, Planning and Development Committee (March 2022 to present)            Member of Canterbury Bankstown Bulldogs Rugby League Club Limited Finance, Risk &amp; Audit Committee (October 2017 – February 2018)            Member of Canterbury Bankstown Bulldogs Rugby League Club Limited Constitution Review sub-committee (October 2020 to present)            Club Director Training: Director Foundation and Management Collaboration            Club Director Training: Finance for Club Boards</p>
Andrew Robert Gifford	<p>57 Director of Canterbury League Club Limited (May 2021 - present)            Member, Audit &amp; Risk Committee (May 2021 - present)            Director of Canterbury Bankstown Bulldogs Rugby League Club Limited (October 2020 - present)            Member, Finance, Risk &amp; Audit Sub Committee (March 2018 - present)            Member, Members Disciplinary Committee (Mar 2022 - present)            Bachelor of Business (B Bus) Accounting CPA</p>

## Directors' Report

Name	Age Experience, special responsibilities and other directorships
Gary John McIntyre	<p data-bbox="523 472 1385 667">           Member IML ANZ (institutes of Management and Leaders Australia and New Zealand)            Director of ARG Financial Services Pty Ltd            Director of Australian Surgical Innovations Pty Ltd            30-year recognition Australian Society of CPA's            Mandatory Director Training, Finance for Club Boards 2022            Mandatory Director Training, Director Foundation and Management Collaboration 2022         </p> <p data-bbox="523 707 1428 1406">           81 Retired Solicitor            Bachelor of Laws Degree (University of Sydney)            Director of Canterbury League Club for total period of 31 years (1970 to 1975, 1978 to 2002 and 2024)            President / Chairman of Canterbury League Club 22 years (1980 to 2002)            Life Member of Canterbury League Club (1983)            Life Member of Canterbury Bankstown Bulldogs Rugby League Club (2000)            Life Member of Squash Club (1975)            Chairman, Joint Management Advisory Committee of Club and Football Club (1980 - 2022)            Director of Bulldogs Sports &amp; Community Foundation Limited (2000 to 2002)            Director of Oasis Development Corporation Pty Limited (2000 to 2002)            Honoured in Club Hall of Fame for 22 years contribution as President of Club (2011)            Silver Bulldogs presentation by Board of Football Club for outstanding contribution to the progress and success of the Football Club (1984)            Silver Bulldogs presentation by Board of Football Club in recognition and appreciation for valued support of the Football Club (1988/89)            Chairman of Constitution Committee of Club since March 2022            Chairman of Disciplinary Committee of Club since March 2022            Chairman of Planning and Development Committee of Club since June 2022            Mandatory Director Training, Finance for Club Boards 2022            Mandatory Director Training, Director Foundation and Management Collaboration 2022         </p>

## 2. Company secretary

Mr Gregory Pickering was appointed to the position of Company Secretary on 27 May 2019. Mr Pickering is also the Club's Chief Executive Officer.

## Directors' Report

### 3. Directors' meetings

The number of Directors' meetings held (including meetings of committees of Directors) and attendance by each of the Directors of the Company during the financial year were as follows:

Director	Board Meetings		Audit Committee Meetings	
	A	B	A	B
G Coorey	9	9	1	1
J Koutsouklakis	11	12	4	5
P McMahon	12	12	4	5
P Winchester	12	12	4	5
A Gifford	12	12	4	5
J Khoury	12	12	-	-
G McIntyre	11	12	-	-

In addition to the Directors above, the independent Chair of the Audit Committee is:  
G Russell

A – Number of meetings attended

B – Number of meetings held during the time the Director held office during the year

Directors also represent the Company on various bodies relating to the operation and promotion of the game of rugby league, and are on various committees within the Company.

### 4. Company strategy, objectives and principal activities

#### Company strategy and objectives

The Company's over-arching charter is identified in the constitution, which is broadly:

- to provide a social and sporting club for members and their guests with all the usual facilities and accommodation of a club including bars, restaurants, gaming machine areas, sporting facilities including (without limitation) facilities for lawn bowls, entertainment facilities and residential accommodation;
- to assist financially and otherwise in the promotion, conduct and propagation of the game of Rugby League in the cities of Canterbury, Bankstown, Liverpool and elsewhere; and
- to render aid, financial and otherwise to junior league associations, schools, clubs and other associations or organisations in the cities of Canterbury, Bankstown, Liverpool and elsewhere which are playing, conducting or involved in the playing of the game of Rugby League.

The Company also seeks, by its own volition as well as through the need to conform with licence requirements, to support community welfare and endeavour through the ClubGRANTS Scheme and other means.

#### Principal activities

The principal activities of the Company during the financial year were the operation of registered clubs and the promotion of Rugby League.

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

### 5. Environmental regulation

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

The Company monitors compliance with environmental regulations. The Company are not aware of any significant breaches during the period covered by their report.

## Directors' Report

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### 6. Review of operations and results of those operations

#### Operating results

The earnings before depreciation, grants, net finance costs and tax (EBITDA) of the Company for the year ended 31 October 2023 was \$23,416,581 (2022: \$29,188,370). The profit after tax of the Company for the year ended 31 October 2023 was \$5,665,555 (2022: \$11,893,897).

#### Performance measurement

The Company's financial performance is continually measured against internally set Key Performance Indicators (KPIs) in core business activities, including catering and fitness centre activities. Industry benchmarks, past performance and current economic conditions are also used when setting internal KPIs.

### 7. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year under review.

### 8. Membership

The Company is a company limited by guarantee and without share capital. The numbers of members, both financial and unfinancial, as at 31 October 2023 and the comparison with last year is as follows:

	2023	2022
	\$	\$
Ordinary Members	47,370	44,117
Pensioner	10,991	10,889
Lakemba	27	29
25 Year Members	2,248	2,479
50 Year Members	506	540
Life Members	6	6
Honorary Members	77	79
Junior Members	241	184
	<u>61,466</u>	<u>58,323</u>

In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$10 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. Total amount that members are liable as at 31 October 2023 is \$614,660 (2022: \$583,230).

### 9. Likely developments

Information about likely future developments in the operations of the Club and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Club.



## Directors' Report

### 10. Events subsequent to reporting date

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Club, to affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

### 11. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 10 and forms part of the Directors report for the financial year ended 31 October 2023.

This report is made out in accordance with a resolution of the Directors:



Peter Winchester  
Chairman

Dated at Canterbury League Club this 12th day of December 2023.



# Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Canterbury League Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Canterbury League Club Limited for the financial year ended 31 October 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Cameron Roan

Partner

Sydney

12 December 2023

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 October 2023

		2023	2022
	Note	\$	\$
<b>REVENUE</b>			
Revenue	2	94,733,658	94,050,588
Other income	2	485,167	714,606
Net gain arising from changes in the fair value of investment properties	10	600,000	986,346
Changes in inventories		(85,744)	89,799
Materials and consumables used		(3,687,621)	(3,113,323)
Poker machine licences and taxes		(22,595,011)	(22,784,008)
Personnel expenses	3	(25,886,488)	(23,249,287)
Property expenses		(6,596,135)	(6,319,079)
Members amenities expense		(5,303,558)	(4,616,785)
Donations and sponsorships		(877,969)	(810,235)
Security expense		(299,701)	(265,369)
Repairs and maintenance		(3,332,449)	(3,103,283)
Consulting and professional fees		(495,643)	(378,655)
Gain on disposal of non-current assets		17,202	52,297
Other expenses		(2,676,330)	(2,065,242)
<b>EARNINGS BEFORE DEPRECIATION, GRANTS, NET FINANCE COSTS AND TAX</b>		<b>23,999,378</b>	<b>29,188,370</b>
Depreciation expense		(11,696,269)	(11,408,302)
Sponsorship and grant expenses	4	(6,086,500)	(5,347,269)
<b>PROFIT FROM OPERATIONS</b>		<b>6,216,609</b>	<b>12,432,799</b>
Finance income	5	109,549	14,110
Finance costs	5	(660,603)	(553,012)
<b>NET FINANCE COST</b>		<b>(551,054)</b>	<b>(538,902)</b>
<b>PROFIT BEFORE INCOME TAX</b>		<b>5,665,555</b>	<b>11,893,897</b>
Income tax expense	6	-	-
<b>PROFIT FOR THE YEAR</b>		<b>5,665,555</b>	<b>11,893,897</b>
Other comprehensive income, net of tax		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>5,665,555</b>	<b>11,893,897</b>

# Statement of Financial Position

As at 31 October 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	10,125,403	7,852,272
Trade and other receivables	8	79,169	195,770
Inventories	9	870,327	956,070
Prepayments		276,175	311,885
<b>TOTAL CURRENT ASSETS</b>		<b>11,351,074</b>	<b>9,315,997</b>
<b>NON-CURRENT ASSETS</b>			
Investment property	10	16,350,000	15,750,000
Property, plant and equipment	11	187,454,684	183,085,589
Intangible assets	13	6,217,682	6,217,682
Right-of-use asset	14	104,931	637,318
<b>TOTAL NON-CURRENT ASSETS</b>		<b>210,127,297</b>	<b>205,690,589</b>
<b>TOTAL ASSETS</b>		<b>221,478,371</b>	<b>215,006,586</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	7,650,386	9,553,453
Provision	16	267,904	276,008
Employee benefits	17	3,526,544	3,511,716
Lease liabilities	14	246,851	435,559
<b>TOTAL CURRENT LIABILITIES</b>		<b>11,691,685</b>	<b>13,776,736</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits	17	431,877	269,561
Borrowings	18	8,900,000	5,900,000
Lease liabilities	14	-	271,035
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>9,331,877</b>	<b>6,440,596</b>
<b>TOTAL LIABILITIES</b>		<b>21,023,562</b>	<b>20,217,332</b>
<b>NET ASSETS</b>		<b>200,454,809</b>	<b>194,789,254</b>
<b>MEMBERS' FUNDS</b>			
Amalgamation reserve		12,901,167	12,901,167
Retained earnings		187,553,642	181,888,087
<b>TOTAL MEMBERS' FUNDS</b>		<b>200,454,809</b>	<b>194,789,254</b>

## Statement of Changes in Members' Funds

For the year ended 31 October 2023

	Amalgamation reserve	Retained earnings	Total equity
	\$	\$	\$
BALANCE AT 1 NOVEMBER 2021	12,901,167	169,994,190	182,895,357
COMPREHENSIVE INCOME			
Profit for the year	-	11,893,897	11,893,897
TOTAL COMPREHENSIVE INCOME	-	11,893,897	11,893,897
BALANCE AT 31 OCTOBER 2022	12,901,167	181,888,087	194,789,254
COMPREHENSIVE INCOME			
Profit for the year	-	5,665,555	5,665,555
TOTAL COMPREHENSIVE INCOME	-	5,665,555	5,665,555
BALANCE AT 31 OCTOBER 2023	12,901,167	187,553,642	200,454,809

# Statement of Cash Flows

For the year ended 31 October 2023

	2023	2022
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers and government	104,253,409	103,519,115
Cash paid to suppliers and employees	(86,437,571)	(72,791,739)
Grants paid to Canterbury Bankstown Bulldogs Rugby League Club Limited	(6,086,500)	(5,347,269)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>11,729,338</b>	<b>25,380,107</b>
Interest paid	(660,603)	(553,012)
Interest received	109,549	14,110
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>11,178,284</b>	<b>24,841,205</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	549,589	425,893
Acquisition of property, plant and equipment	(11,994,999)	(6,953,306)
Property improvements of investment property	-	(63,654)
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>(11,445,410)</b>	<b>(6,591,067)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of lease liabilities	(459,743)	(444,513)
Repayment of borrowings	-	(17,500,000)
Proceeds from borrowings	3,000,000	-
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>2,540,257</b>	<b>(17,944,513)</b>
Net increase in cash and cash equivalents	2,273,131	305,625
Cash and cash equivalents at beginning of year	7,852,272	7,546,647
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>7 10,125,403</b>	<b>7,852,272</b>

# Notes to the Financial Statements

For the year ended 31 October 2023

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## Note 1 Accounting Policies

### REPORTING ENTITY

Canterbury League Club Limited (the 'Company' or 'the Club') is a company incorporated and domiciled in Australia. The Company's registered office is at 26 Bridge Road, Belmore, NSW, 2192. The financial statements of the Company are as at and for the year ended 31 October 2023.

The Company is a company limited by guarantee and without share capital. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$10 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter.

The Company is a not-for-profit entity and is primarily involved in the operation of registered clubs and the promotion of rugby league.

### BASIS OF PREPARATION

#### *a) Statement of Compliance*

In the opinion of the Directors, the Company is not publicly accountable. These financial statements are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures adopted by the Australian Accounting Standards Board and the *Corporations Act 2001*. These financial statements comply with Australian Accounting Standards – Simplified Disclosures.

The financial statements were approved by the Board of Directors on 12 December 2023.

#### *b) Basis of measurement*

The financial statements have been prepared on the historical cost basis, except for investment property which is measured at fair value.

#### *c) Functional and presentation currency*

These financial statements are presented in Australian dollars, which is the Company's functional currency.

#### *d) Use of judgements and estimates*

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### *i. Judgement*

There are no judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements.

#### *ii. Assumptions and estimate uncertainties*

Information about assumptions and estimation uncertainties at 31 October 2023 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Investment property (Note 10)
- Property, plant and equipment (Note 11)
- Impairment test of intangible assets: key assumptions underlying recoverable amounts (Note 13); and
- Recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (Note 20).

# Notes to the Financial Statements

For the year ended 31 October 2023

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## SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

### REVENUE

#### *a) Revenue from contracts with customers*

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

#### *b) Gaming revenue*

Gaming revenue is the net difference between gaming wins and losses and is recognised upon the outcome of the game at the close of business.

#### *c) Food and beverage revenue*

Food and beverage revenue is recognised at the point in time the goods are provided and payment is collected.

#### *d) Function and other revenues*

Function and other revenues are recognised at the point in time services are performed.

## GOODS AND SERVICES TAX (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

## AMALGAMATION RESERVE

An amalgamation reserve in members' funds is utilised for amalgamations with other registered clubs. The amount presented is equal to the accumulated fair values of the net assets of the clubs acquired. The individual assets and liabilities acquired are presented in the statement of financial position. This policy is effective for amalgamations occurring after 1 November 2010.

## GRANT PAYMENTS

Grant payments made to Canterbury Bankstown Bulldogs Rugby League Club Limited and other donees are recognised through profit or loss at the time the grants are awarded by the Company, thereby crystallising an obligation to make payment to the other parties.



# Notes to the Financial Statements

For the year ended 31 October 2023

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## INVESTMENT PROPERTY

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition of the investment property.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

## INCOME TAX

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments do not meet the definition of income taxes, and therefore accounted for them under *AASB 137 Provisions, Contingent Liabilities and Contingent Assets*.

### a) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also including any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

### b) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probably that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probably that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probably that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

# Notes to the Financial Statements

For the year ended 31 October 2023

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## *c) Tax exposure*

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

*The Income Tax Assessment Act 1997* (amended) provides that under the concept of mutuality, clubs are only liable for income tax on income derived from non-members and from outside entities.

## INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

## PROPERTY, PLANT & EQUIPMENT

### *a) Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

### *b) Subsequent expenditure*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

### *c) Depreciation*

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

# Notes to the Financial Statements

For the year ended 31 October 2023

The depreciation methods and estimated depreciation rates for the current and comparative periods are as follows:

	Depreciation rates	Depreciation methods
Land and buildings*	2.50%	Straight line
Plant and equipment	7.5 - 66.67%	Diminishing value
Poker machines	20 - 40%	Diminishing value

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

\*Land is not depreciated.

## LEASES

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

For contracts entered into before, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

# Notes to the Financial Statements

For the year ended 31 October 2023

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## **a) As a lessee**

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in the statement of financial position.

## **b) As a lessor**

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

# Notes to the Financial Statements

For the year ended 31 October 2023

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in AASB 9 *Financial Instruments* to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

## FINANCIAL INSTRUMENTS

### *a) Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### *b) Classification and subsequent measurement*

#### Financial assets

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets – Subsequent measurement and gains and losses

##### *Financial assets at FVTPL*

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

##### *Financial assets at amortised cost*

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

# Notes to the Financial Statements

For the year ended 31 October 2023

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## Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### *c) Derecognition*

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

### *d) Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## INTANGIBLES

### *a) Poker machine entitlements*

Poker machine entitlements have infinite useful lives given they have no expiry date. They are measured at cost less accumulated impairment losses.

### *b) Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

### *c) Amortisation*

Poker machine entitlements have indefinite useful lives as they have no expiry date. Accordingly, such intangible assets are not amortised but are systematically tested for impairment at each reporting date.

# Notes to the Financial Statements

For the year ended 31 October 2023

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## EMPLOYEE BENEFITS

### *a) Short-term employee benefits*

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

### *b) Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

### *c) Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Company's obligations.

## PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

The Company operates a loyalty program where customers accumulate points for dollars spent. The provision represents the current estimate of future cash outflows that will result from future redemption of unredeemed points as at year end.

## FINANCE INCOME AND FINANCE COSTS

The Company's finance income and finance costs include:

- interest income on cash and cash equivalents;
- interest expense on loans and borrowings;

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

# Notes to the Financial Statements

For the year ended 31 October 2023

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## IMPAIRMENT

### *a) Non-derivative financial assets*

The Club recognises loss allowances for Expected Credit Losses (ECL) on financial assets measured at amortised cost.

The Club measures loss allowances for cash at bank balances as 12-month ECL as credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Club considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Club's historical experience and informed credit assessment and including forward-looking information.

The Club considers cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Club considers this to be Baa3 or a higher rating per Moodys or BBB - or higher per Standards and Poors.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

#### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

At each reporting date, the Club assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

#### *Presentation of allowance for ECL in the statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

### *b) Non-financial assets*

At each reporting date, the Club reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.



# Notes to the Financial Statements

For the year ended 31 October 2023

## Note 2 Revenue

The Company generates revenue primarily from the operation of registered clubs and the promotion of Rugby League.

In the following table, revenue from contracts with customers is disaggregated by major products and service lines and timing of revenue recognition.

	2023	2022
	\$	\$
<b>a) Revenue</b>		
<b>Major products/service lines</b>		
Revenue from catering	9,728,191	8,381,129
Redemption of complimentary and discounted food	(625,797)	(637,275)
	<u>9,102,394</u>	<u>7,743,854</u>
Revenue from beverages	5,684,772	4,829,157
Redemption of complimentary and discounted drinks	(624,041)	(609,138)
	<u>5,060,731</u>	<u>4,220,019</u>
Revenue from gaming	79,911,166	81,578,168
Loyalty points issued	(2,712,645)	(2,378,804)
	<u>77,198,521</u>	<u>79,199,364</u>
Revenue from fitness centre	1,917,065	1,633,069
Revenue from functions	1,120,034	969,975
Subscriptions and joining fees	197,490	175,088
Commissions revenue	137,424	109,219
<b>TOTAL REVENUE</b>	<u>94,733,659</u>	<u>94,050,588</u>
<b>Timing of revenue recognition</b>		
Products transferred at a point in time	94,733,658	94,050,588
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<u>94,733,658</u>	<u>94,050,588</u>
<b>b) Other income</b>		
Rent received	246,489	388,931
Sundry income	238,678	325,675
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS</b>	<u>485,167</u>	<u>714,606</u>

# Notes to the Financial Statements

For the year ended 31 October 2023

	2023	2022
<b>Note 3 Personnel expenses</b>	<b>\$</b>	<b>\$</b>
Wages and salaries	17,100,148	15,405,221
Other associated personnel expenses	6,449,951	5,677,738
Contributions to defined contribution plans	2,159,246	1,836,592
Change in liability for annual leave	(49,958)	291,622
Change in liability for long service	227,101	38,114
<b>TOTAL PERSONNEL EXPENSES</b>	<b>25,886,488</b>	<b>23,249,287</b>

	2023	2022
<b>Note 4 Sponsorship and grant expenses</b>	<b>\$</b>	<b>\$</b>
Sponsorship to Canterbury Bankstown Bulldogs	5,650,000	4,947,269
Grants to Junior League	436,500	400,000
<b>TOTAL SPONSORSHIP AND GRANT EXPENSES</b>	<b>6,086,500</b>	<b>5,347,269</b>

	2023	2022
<b>Note 5 Net finance costs</b>	<b>\$</b>	<b>\$</b>
<b>FINANCE INCOME</b>		
Interest income	109,549	14,110
<b>TOTAL FINANCE INCOME</b>	<b>109,549</b>	<b>14,110</b>
<b>FINANCE COST</b>		
Interest expense	(645,412)	(521,834)
Interest expense on lease liability	(15,191)	(31,178)
<b>TOTAL FINANCE COST</b>	<b>(660,603)</b>	<b>(553,012)</b>
<b>NET FINANCE COSTS</b>	<b>(551,054)</b>	<b>(538,902)</b>

## Note 6 Income tax

	2023	2022
<i>a) Amounts recognised in profit or loss</i>	<b>\$</b>	<b>\$</b>
<b>CURRENT TAX EXPENSE</b>		
Current year	-	-
<b>DEFERRED TAX EXPENSE</b>		
Origination and reversal of temporary differences	-	-
<b>TAX EXPENSE ON CONTINUING OPERATIONS</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

For the year ended 31 October 2023

## b) Numerical reconciliation between tax expense and pre-tax accounting profit

The *Income Tax Assessment Act 1997* (amended) provides that under the concept of mutuality, registered clubs are only liable for income tax on income derived from non-members and from outside entities.

The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been calculated as follows:

	2023	2022
	\$	\$
Proportion of net taxable income attributable to non-members	-	1,356,262
Tax losses not brought to account	-	-
Tax losses brought to account and utilised	-	(1,356,262)
<b>NET TAXABLE INCOME SUBJECT TO TAX</b>	<b>-</b>	<b>-</b>
Income tax using the Company's statutory income tax rate of 27.5% (2022: 27.5%)	-	-
Movement in deferred tax assets	-	-
	-	-

## c) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of carried forward tax losses amounting to \$571,096 (2022: \$571,096).

## d) Deferred tax assets/(liabilities)

	Deferred tax assets		Deferred tax liabilities		Net	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Property, plant and equipment	662,948	511,502	-	-	662,948	511,502
Investment property	-	-	1,027,366	862,366	(1,027,366)	(862,366)
Leases	9,030	4,605	-	-	9,030	4,605
Employee benefits	243,658	251,361	-	-	243,658	251,361
Trade and other payables	89,372	87,120	-	-	89,372	87,120
Prepayments	-	-	(22,358)	(7,778)	22,358	7,778
<b>NET TAX ASSETS</b>	<b>1,005,008</b>	<b>854,588</b>	<b>1,005,008</b>	<b>854,588</b>	<b>-</b>	<b>-</b>

# Notes to the Financial Statements

For the year ended 31 October 2023

## e) Movement in temporary differences during the year

	Balance 1 November	Recognised in profit or loss	Balance 31 October
	\$	\$	\$
<b>2023</b>			
Property, plant and equipment	511,502	151,446	662,948
Investment property	(862,366)	(165,000)	(1,027,366)
Leases	4,605	4,425	9,030
Employee benefits	251,361	(7,703)	243,658
Trade and other payables	87,120	2,252	89,372
Prepayments	7,778	14,580	22,358
	-	-	-
<b>2022</b>			
Property, plant and equipment	362,880	148,622	511,502
Investment property	(591,120)	(271,246)	(862,366)
Leases	4,805	(200)	4,605
Employee benefits	167,318	84,043	251,361
Trade and other payables	31,733	55,387	87,120
Prepayments	24,384	(16,606)	7,778
	-	-	-

## Note 7 Cash and cash equivalents

For the purpose of cash and cash equivalents in the statement of financial position and in the statement of cash flows comprises of below:

	2023	2022
	\$	\$
Cash on hand	4,334,189	3,590,900
Cash at bank	5,791,214	4,261,372
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>10,125,403</b>	<b>7,852,272</b>

## Note 8 Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	79,169	195,770
<b>TOTAL TRADE AND OTHER RECEIVABLES</b>	<b>79,169</b>	<b>195,770</b>

# Notes to the Financial Statements

For the year ended 31 October 2023

	2023	2022
	\$	\$
<b>Note 9 Inventories</b>		
Bar	336,969	443,489
Bistro	128,800	98,024
Other	404,558	414,557
<b>TOTAL INVENTORIES</b>	<b>870,327</b>	<b>956,070</b>

	2023	2022
	\$	\$
<b>Note 10 Investment property</b>		
Balance at 1 November	15,750,000	14,700,000
Property improvements	-	63,654
Net gain arising from changes in the fair value of investment properties	600,000	986,346
<b>BALANCE AT 31 OCTOBER</b>	<b>16,350,000</b>	<b>15,750,000</b>

Investment property represents the Company's land and building holdings located in Liverpool, Lakemba and Belmore NSW, and are stated at fair value. The determination of fair value has been based on a valuation carried out in October 2023 by an independent valuer (Hymans Assets Management) which holds a recognised and relevant professional qualification and has recent experience in the location and category of the investment properties. The open market value for these properties was \$16,350,000 as at 31 October 2023.

	Land and buildings	Plant and equipment	Poker machines	Work in progress	Total
	\$	\$	\$	\$	\$
<b>Note 11 Property, plant and equipment</b>					
<b>COST</b>					
Balance at 1 November 2022	221,052,444	72,090,946	26,280,511	1,681,200	321,105,101
Additions	3,541,311	4,465,471	2,859,753	4,881,234	15,747,769
Disposals/write-offs	-	(261,826)	(632,714)	-	(894,540)
Transfers	-	1,128,464	-	(1,128,464)	-
<b>BALANCE AT 31 OCTOBER 2023</b>	<b>224,593,755</b>	<b>77,423,055</b>	<b>28,507,550</b>	<b>5,433,970</b>	<b>335,958,330</b>
<b>DEPRECIATION AND IMPAIRMENT</b>					
Balance at 1 November 2022	71,808,769	45,438,189	20,772,554	-	138,019,512
Depreciation for the year	4,929,209	3,774,253	2,674,539	-	11,378,001
Disposals	-	(243,250)	(650,617)	-	(893,867)
<b>BALANCE AT 31 OCTOBER 2023</b>	<b>76,737,978</b>	<b>48,969,192</b>	<b>22,796,476</b>	<b>-</b>	<b>148,503,646</b>
<b>CARRYING AMOUNT</b>					
AT 1 NOVEMBER 2022	149,243,675	26,652,757	5,507,957	1,681,200	183,085,589
AT 31 OCTOBER 2023	147,855,777	28,453,863	5,711,074	5,433,970	187,454,684

# Notes to the Financial Statements

For the year ended 31 October 2023

## Valuation of land and buildings

The latest independent valuations of the Company's land and buildings, carried out in October 2018 by Hymans Assets Management on the basis of open market value for existing use, resulted in a valuation of land and buildings of \$219,000,000. Any additions or transfers since the valuations are expected to be reflected in an equivalent increase in the recoverable amount of the Company's land and buildings. The written down value of land and buildings as at 31 October 2023 is \$147,855,777 (2022: \$149,243,675 ). The Directors are comfortable that the carrying amounts of the land and buildings are not impaired.

## Note 12 Core and non-core properties

Pursuant to Section 41J of the Registered Clubs Amendment Act 2006, the Company defines property as follows:

	2023	2022
	\$	\$
Core property	147,930,822	148,128,200
Non-core property	17,465,757	16,865,757
<b>BALANCE AT 31 OCTOBER</b>	<b>165,396,579</b>	<b>164,993,957</b>

### Core properties are located at:

- 26 Bridge Road, Belmore, NSW
- 26 Quigg Street, Lakemba, NSW
- 61 Moxon Road, Punchbowl NSW
- 20 The Boulevard, Lakemba, NSW (PY recognised as Non-core properties)
- 21 The Boulevard, Lakemba, NSW (PY recognised as Non-core properties)

### Non-core properties are located at:

- 32 Quigg Street, Lakemba, NSW
- 82 Memorial Avenue, Liverpool, NSW
- 84 Memorial Avenue, Liverpool, NSW
- 70 Bridge Road, Belmore, NSW
- 64 Bridge Road, Belmore, NSW
- 376 Burwood Road, Belmore, NSW
- 4 York Street, Belmore, NSW
- 28 Gladstone Street, Belmore, NSW

# Notes to the Financial Statements

For the year ended 31 October 2023

## Note 13 Intangible assets

<i>Cost</i>	Poker machine entitlements \$	Rights to a domain name \$	Total \$
BALANCE AS AT 1 NOVEMBER 2022	6,209,500	8,182	6,217,682
BALANCE AS AT 31 OCTOBER 2023	6,209,500	8,182	6,217,682

Poker machine entitlements represent the Company's licence to operate gaming machines at their Club's premises. They are measured at cost less accumulated impairment losses. They have been tested for impairment losses through an analysis of fair value less cost of disposal and value in use. From this assessment no impairment losses were identified (2022: nil).

## Note 14 Leases

Information about leases for which the Company is a lessee is presented below.

<i>a) Right-of-use assets</i>	Gaming machine entitlements \$	Total \$
Balance at 1 November 2022	637,318	637,318
Depreciation charge for the year	(476,760)	(476,760)
Derecognition of right-of-use assets	(55,627)	(55,627)
BALANCE AT 31 OCTOBER 2023	104,931	104,931
	2023	2022
<i>b) Lease liabilities included in the statement of financial position</i>	\$	\$
Current	246,851	435,559
Non-current	-	271,035
TOTAL LIABILITIES	246,851	706,594
	2023	2022
<i>c) Amounts recognised in profit or loss</i>	\$	\$
INTEREST ON LEASE LIABILITIES	15,191	31,178
	2023	2022
<i>d) Amounts recognised in statement of cash flows</i>	\$	\$
TOTAL CASH OUTFLOW FOR LEASES	459,743	444,513

# Notes to the Financial Statements

For the year ended 31 October 2023

	2023	2022
	\$	\$
<b>Note 15 Trade and other payables</b>		
Trade creditors	2,321,637	2,809,427
Accrued expenses and other payables	5,003,514	6,435,325
Income in advance	325,235	308,701
<b>TOTAL TRADE AND OTHER PAYABLES</b>	<b>7,650,386</b>	<b>9,553,453</b>

	2023	2022
	\$	\$
<b>Note 16 Provisions</b>		
Loyalty points	267,904	276,008
<b>TOTAL PROVISION</b>	<b>267,904</b>	<b>276,008</b>

	2023	2022
	\$	\$
<b>Note 17 Employee benefits</b>		
<b>CURRENT</b>		
Liability for long service leave	1,602,225	1,537,439
Liability for annual leave	1,924,319	1,974,277
<b>TOTAL CURRENT</b>	<b>3,526,544</b>	<b>3,511,716</b>
<b>NON-CURRENT</b>		
Liability for long service leave	431,877	269,561
<b>TOTAL NON-CURRENT</b>	<b>431,877</b>	<b>269,561</b>



# Notes to the Financial Statements

For the year ended 31 October 2023

	2023	2022
	\$	\$
<b>Note 18 Borrowings</b>		
Bank loan facility	8,900,000	5,900,000
<b>TOTAL BORROWINGS</b>	<b>8,900,000</b>	<b>5,900,000</b>

## a) Terms and repayment schedule

The Club's borrowings as at 31 October 2023 were \$8,900,000 (2022: \$5,900,000) and have been classified a non-current liability as the facility has a date of maturity of 30 April 2026 (2022: 30 April 2026).

	Cash advance facility 1 \$	Cash advance facility 2 \$	Asset finance facility \$	Total loan facility \$
<b>2023</b>				
Total facility limit	32,000,000	5,000,000	3,500,000	40,500,000
Facilities utilised at reporting date	8,900,000	-	-	8,900,000
Facilities not utilised at reporting date	23,100,000	5,000,000	3,500,000	31,600,000
Maturity date	30/04/2026	30/04/2026	30/04/2026	

## Security:

The facilities are secured by registered first ranking mortgages over certain properties of the entity.

- a) Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 26, 64 and 70 Bridge Road, Belmore, NSW 2192.
- b) Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 82 and 84 Memorial Ave, Liverpool, NSW 2170.
- c) Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 376 Burwood Road, Belmore, NSW 2192.
- d) Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 28 Gladstone Street, Belmore, NSW 2192.
- e) Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 26 and 32 Quigg Street, Lakemba, NSW 2195.
- f) Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 20-21 The Boulevard, Lakemba, NSW 2195.
- g) Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 61 Moxon Road, Punchbowl, NSW 2196.

The Club is in compliance with all the restrictive loan covenants as at reporting date.

# Notes to the Financial Statements

For the year ended 31 October 2023

## Note 19 Financial instruments

### Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities.

	2023	2022
	\$	\$
<b>FINANCIAL ASSETS MEASURED AT AMORTISED COST</b>		
Cash and cash equivalents	10,125,403	7,852,272
Trade and other receivables	79,169	195,770
	<u>10,204,572</u>	<u>8,048,042</u>
<b>FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>		
Trade and other payables	7,650,386	9,553,453
	<u>7,650,386</u>	<u>9,553,453</u>

	2023	2022
	\$	\$

## Note 20 Commitments

### CAPITAL WORKS

Capital works contracted for but not yet completed	-	8,487,844
	<u>-</u>	<u>8,487,844</u>

### OTHER COMMITMENTS

The Company has committed to provide financial assistance to Canterbury Bankstown Bulldogs Rugby League Club Limited (for the next financial year)	6,640,000	6,050,000
	<u>6,640,000</u>	<u>6,050,000</u>

The Company has committed to incurring capital expenditure up to a maximum of \$25 million in relation to the development of Canterbury Bankstown Bulldogs Rugby League Clubs' Centre of Excellence.

# Notes to the Financial Statements

For the year ended 31 October 2023

## Note 21 Contingent assets and contingent liabilities

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

### *Contingent liabilities not considered remote*

	2023	2022
Guarantee	\$	\$
i) Bank performance guarantees	210,300	210,300
ii) Bank guarantee to Canterbury Bankstown Bulldogs Rugby League Club Limited's financiers	1,500,000	1,500,000

iii) The Company has provided Canterbury Bankstown Bulldogs Rugby League Club Limited, with a letter confirming that it will provide financial and other support (including grants and loans) that the Directors determine, is within its capacity and that is necessary for at least the next twelve months from the date of approval of the Company's financial statements for the year ended 31 October 2023.

## Note 22 Related parties

### *a) Parent and ultimate controlling party*

Pursuant to AASB 10 *Consolidated Financial Statements*, the parent and ultimate controlling party of the Company is Canterbury Bankstown Bulldogs Rugby League Club Limited, a company limited by guarantee incorporated in Australia.

### *b) Transactions with key management personnel*

#### *i. Key management personnel compensation*

Amounts paid to non-executive Directors during the year were as follows:

	2023	2022
	\$	\$
Director honorariums and other related expenses	210,948	193,006

The key management personnel compensation included in 'personnel expenses' (Note 5) are as follows:

Short-term and long-term employee benefits and termination payments	1,721,799	1,632,379
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# Notes to the Financial Statements

For the year ended 31 October 2023

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## ii. Key management personnel and Director transactions

From time to time Directors of the Company may purchase goods from the Company or participate in other Company activities. These purchases and participations are on the same terms and conditions as those entered into by other employees or members of the Company and are trivial or domestic in nature.

The aggregate amounts recognised during the year relating to key management personnel were as follows:

- a) The following Directors of Canterbury League Club Limited are also Directors of Canterbury Bankstown Bulldogs Rugby League Club Limited:

Mr John Khoury (February 2018 to present)

Mr Dimitrios (Jim) Koutsouklakis (16 October 2020 to 18 July 2022)

Mr Peter McMahon (16 October 2020 to present)

Mr Andrew Gifford (16 October 2020 to present)

The remuneration of Directors noted above does not include amounts received by these directors from Canterbury Bankstown Bulldogs Rugby League Club Limited.

### *Transactions with Canterbury Bankstown Bulldogs Rugby League Club Limited*

During the year, the Company had the following transactions with Canterbury Bankstown Bulldogs Rugby League Club Limited:

- b) During the year the Club paid \$5,650,000 (2022: \$4,947,269) as sponsorship to Canterbury Bankstown Bulldogs Rugby League Club Limited which included a \$nil renovation grant (2022: \$1,477,269). Furthermore, the Club paid grants to the Junior League amounting to \$436,500 (2022: \$400,000).
- c) No staff seconded to Canterbury Bankstown Bulldogs Rugby League Club Limited during the period. Staff seconded to total payment received was \$10,000 (2022: \$10,000).
- d) An amount of \$150,000 (2022: \$150,000) was received by the Company under the business support and supply agreement with Carlton United Breweries, which was subsequently paid to the Canterbury Bankstown Bulldogs Rugby League Club Limited, which has been included in note 21(b).
- e) Canterbury Bankstown Bulldogs Rugby League Club Limited operates a Teamstore in a property owned by the Company located at Burwood Road, Belmore. Total rent received for the year amounts to \$52,000 (2022: \$52,000).
- f) The Company has a number of miscellaneous payments to Canterbury Bankstown Bulldogs Rugby League Club Limited during the year for reimbursements of shared Directors expenses amounting to \$nil (2022: \$nil).
- g) Other transactions by the Company with Canterbury Bankstown Bulldogs Rugby League Club Limited include functions and in house dining charged to the Canterbury Bankstown Bulldogs Rugby League Club Limited amounting to \$393,040 as at 31 October 2023 (2022: \$186,177).
- h) During the year there have been other transactions between Canterbury Bankstown Bulldogs Rugby League Club Limited and the Company, such as purchases of merchandise and game tickets. All transactions have been executed on commercial terms.
- i) On 30 September 2023, an agreement was signed to provide Canterbury Bankstown Bulldogs Rugby League Club funding not to exceed \$25 million in support of the delivery of the Canterbury Bankstown Bulldogs Centre of Excellence project at Belmore Sportsground.
- j) The Company provides Canterbury Bankstown Bulldogs Rugby League Club with services of \$727,300 (2022: \$710,365) not at a commercial rate. These transactions are treated as an 'in-kind' contribution.

# Notes to the Financial Statements

For the year ended 31 October 2023

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	2023	2022
<b>Note 23 Auditors' remuneration</b>	\$	\$
<b>AUDIT AND REVIEW SERVICES</b>		
Auditors of the Club - KPMG		
- Audit and review of financial statements	100,000	100,000
<b>OTHER SERVICES</b>		
Auditor of the Club - KPMG		
Taxation and compliance services	28,000	22,750
Compilation of financial reports	12,500	12,500

## Note 24 Subsequent events

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Club, to affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

## Directors' Declaration

In the opinion of the Directors of Canterbury League Club Limited (the 'Company' or the 'Club'):

- a) The Company is not publicly accountable;
- b) The financial statements and notes that as set out on pages 11 to 37 are in accordance with the *Corporations Act 2001*, including:
  - i) giving a true and fair view of the Company's financial position as at 31 October 2023 and of its performance, for the financial year ended on that date; and
  - ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Corporations Regulations 2001*.
- c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated at Canterbury League Club this 12th day of December 2023.



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Peter Winchester  
Chairman



# Independent Auditor's Report

To the members of Canterbury League Club Limited

## Opinion

We have audited the **Financial Report** of Canterbury League Club Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 October 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures Framework* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statements of financial position as at 31 October 2023.
- Statement of profit or loss and other comprehensive income, Statement of changes in members' funds, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.



## Other Information

Other Information is financial and non-financial information in Canterbury League Club Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Simplified Disclosures Framework* and the *Corporations Act 2001*
- implementing necessary internal control 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
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the 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: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)  
This description forms part of our Auditor's Report.



KPMG



Cameron Roan

*Partner*

Sydney

12 December 2023