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St George Leagues Club Limited  
ABN 77 000 151 020  
and its Controlled Entity

Annual Financial Report  
31 October 2021

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# St George Leagues Club Limited and its Controlled Entity

## Directors' Report

The directors present their report, together with the financial statements of St George Leagues Club Limited (the company) and its controlled entity (the consolidated entity) for the year ended 31 October 2021.

### Directors

The directors of the company in office at any time during or since the end of the financial year are:

Ralph Gordon Piggott  
Peter Lawrence Doust  
Brian Stuart Johnston  
Bruce William Spaul  
Peter Ernest Black  
Michelle Maree McClelland  
Craig Stephen Young  
Martin Newman  
Matthew David A'Court Horton

### Information on directors

The information on directors is as follows:

Ralph Gordon Piggott	<ul style="list-style-type: none"><li>• Chairman</li><li>• Company Director</li><li>• Director, St George District Rugby League Football Club Limited</li><li>• Director, St George Illawarra Rugby League Football Club Pty Limited</li></ul>
Peter Lawrence Doust	<ul style="list-style-type: none"><li>• Deputy Chairman</li><li>• Director, St George District Rugby League Football Club Limited</li><li>• Director, St George Illawarra Rugby League Football Club Pty Limited</li></ul>
Brian Stuart Johnston	<ul style="list-style-type: none"><li>• Business Consultant in lieu of Company Director</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>
Bruce William Spaul	<ul style="list-style-type: none"><li>• Chartered Accountant</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>
Peter Ernest Black	<ul style="list-style-type: none"><li>• Sales Manager</li><li>• Director, St George District Rugby League Football Club Limited</li><li>• Director, St George Illawarra Rugby League Football Club Pty Limited</li></ul>
Michelle Maree McClelland	<ul style="list-style-type: none"><li>• School Teacher</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>
Craig Stephen Young	<ul style="list-style-type: none"><li>• Chairman and Chief Executive Officer, St George District Rugby League Football Club Limited</li><li>• Director, St George Illawarra Rugby League Football Club Pty Limited</li></ul>
Martin Newman	<ul style="list-style-type: none"><li>• Company Director</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>
Matthew David A'Court Horton	<ul style="list-style-type: none"><li>• Specialist Medical Practitioner</li><li>• Director, St George District Rugby League Football Club Limited</li></ul>

# St George Leagues Club Limited and its Controlled Entity

## Directors' Report (continued)

### Directors' meetings

The number of directors' meetings of the company's Board of Directors (the Board) held during the year ended 31 October 2021 and the number of meetings held during the financial year were:

Director	Number of meetings attended	Number of meetings held *
Ralph Gordon Piggott	11	11
Peter Lawrence Doust	10	11
Brian Stuart Johnston	10	11
Bruce William Spaul	11	11
Peter Ernest Black	11	11
Michelle Maree McClelland	11	11
Craig Stephen Young	11	11
Martin Newman	11	11
Matthew Horton	6	11

\* Number of meetings held during the time the director held office during the year.

### Membership

The company is a company limited by guarantee and is without share capital. The number of members as at 31 October 2021 was 19,076 (2020: 22,979).

### Members' limited liability

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company during the time that they are a member or within one year thereafter. The total amount that the members of the company are liable to contribute if the company is wound up is \$38,152 (2020: \$45,958).

### Operating Result

The table below shows a reconciliation of St George Leagues Club and its Controlled Entity's earnings before finance costs, income tax, depreciation, amortisation and grants and community development expenditure to football clubs (referred to as EBITDAG).

	2021 \$	2020 \$
Net profit after income tax benefit attributable to members	2,775,182	2,735,362
Add/(less) back:		
Depreciation and amortisation expense	2,355,004	2,592,591
Finance costs	-	516
Income tax benefit	(21,166)	-
Grants to football clubs and community development and support expenditure	359,684	1,202,969
<b>EBITDAG</b>	<b>5,468,704</b>	<b>6,531,438</b>

# St George Leagues Club Limited and its Controlled Entity

## Directors' Report (continued)

### Short and long term objectives

The principal short and long term objectives of the consolidated entity are to operate a licensed social Club for the use of the members and their guests and to promote and foster the playing of Rugby League Football in the St George district and elsewhere.

### Strategy for achieving the objectives

The Board and Management regularly address cash flow forecasts and apply budgetary controls to ensure that the objectives are achieved.

### Principal activities

The principal activities of the company during the financial year were that of a licensed social Club and controlling the operations of the St George District Rugby League Football Club Limited.

There have been no significant changes in the nature of these activities during the year.

### How these activities assist in achieving the objectives

These activities generate funds to achieve the objectives of providing facilities and promoting and fostering the playing of rugby league football.

### Performance measurement and key performance indicators

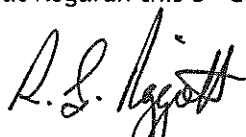
A number of performance indicators are employed by the company in order to measure and improve the company's performance. The company uses gross profit percentage and wages to sales percentage to measure the financial performance of each department.

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 4.

Signed in accordance with a resolution of the directors.

Dated at Kogarah this 8<sup>th</sup> day of February 2022.



Ralph Gordon Piggott  
Director

**DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF ST GEORGE LEAGUES CLUB LIMITED AND ITS CONTROLLED ENTITY**

As lead auditor of St George Leagues Club Limited and its Controlled Entity for the year ended 31 October 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

This declaration is in respect to St George Leagues Club Limited and the entities it controlled during the year.



Clayton Eveleigh  
Director

**BDO Audit Pty Ltd**

Kogarah, 8 February 2022

## INDEPENDENT AUDITOR'S REPORT

To the members of St George Leagues Club Limited and its Controlled Entity

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of St George Leagues Club Limited (the Company) and its Controlled Entity (the consolidated entity), which comprises the consolidated statement of financial position as at 31 October 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in members' funds and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of St George Leagues Club Limited and its Controlled Entity, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 31 October 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Consolidated Entity 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the 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 the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf). This description forms part of our auditor's report.

BDO Audit Pty Ltd

*BDO*



Clayton Eveleigh  
Director

Kogarah, 8 February 2022

# St George Leagues Club Limited and its Controlled Entity

## Directors' Declaration

The directors of St George Leagues Club Limited and its Controlled Entity declare that:

- (a) In the Directors' opinion the financial statements and notes set out on pages 8 to 29, are in accordance with the *Corporations Act 2001*, including:
  - (i) Giving a true and fair view of the consolidated entity's financial position as at 31 October 2021 and of its performance, for the financial year ended on that date; and
  - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and *Corporations Regulations 2001* and other professional reporting requirements;
- (b) There are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

Dated at Kogarah this 8<sup>th</sup> day of February 2022.



Ralph Gordon Figgott  
Director



St George Leagues Club Limited and its Controlled Entity  
Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 31 October 2021

	Note	2021 \$	2020 \$
<b>Revenue</b>			
Sale of goods		1,526,597	2,239,033
Rendering of services		16,529,105	22,083,972
Other income		1,607,168	1,175,139
		<hr/>	<hr/>
Total revenue and other income	1	19,662,870	25,498,144
		<hr/>	<hr/>
<b>Expenses</b>			
Raw materials and consumables used		(778,946)	(1,088,782)
Employee benefits expense	2	(5,284,768)	(5,864,168)
Poker machine duty and CMS expense		(3,363,297)	(5,683,676)
Occupancy expenses		(3,078,558)	(3,454,915)
Marketing and promotional expenses		(711,453)	(1,678,842)
Depreciation and amortisation expense		(2,355,004)	(2,592,591)
Finance costs		-	(516)
Football clubs and community development and support expenditure	3	(359,684)	(1,202,969)
Loss on disposal of financial assets		-	(161,666)
Other expenses		(977,144)	(1,034,657)
		<hr/>	<hr/>
Total expenses		(16,908,854)	(22,762,782)
		<hr/>	<hr/>
Profit before income tax benefit		2,754,016	2,735,362
Income tax benefit	4(a)	21,166	-
		<hr/>	<hr/>
Net profit after income tax benefit attributable to members		2,775,182	2,735,362
		<hr/>	<hr/>
<b>Other comprehensive income</b>			
Other comprehensive income for the year, net of tax		6,098	24,835
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		2,781,280	2,760,197
		<hr/>	<hr/>

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 12 to 29.

St George Leagues Club Limited and its Controlled Entity  
Consolidated Statement of Financial Position  
As at 31 October 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	12,401,075	19,718,274
Trade and other receivables		602,577	25,209
Inventories		141,546	135,068
Prepayments		434,250	501,799
Current tax assets	4(a)	5,550	-
<b>Total Current Assets</b>		<b>13,584,998</b>	<b>20,380,350</b>
<b>Non-Current Assets</b>			
Financial Assets	6	11,684,486	2,691,747
Interest in Joint Venture	18(h)	100	100
Property, plant and equipment	7	39,557,345	40,795,613
Deferred tax assets	4(b)	424,083	461,100
<b>Total Non-current Assets</b>		<b>51,666,014</b>	<b>43,948,560</b>
<b>Total Assets</b>		<b>65,251,012</b>	<b>64,328,910</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	1,144,029	2,784,777
Employee benefits	9	2,764,652	2,831,954
Deferred revenue		201,604	269,055
<b>Total Current Liabilities</b>		<b>4,110,285</b>	<b>5,885,786</b>
<b>Non-Current Liabilities</b>			
Employee benefits	9	87,163	99,545
Deferred tax liabilities	4(c)	124,798	177,431
Deferred revenue		78,167	96,829
<b>Total Non-Current Liabilities</b>		<b>290,128</b>	<b>373,805</b>
<b>Total Liabilities</b>		<b>4,400,413</b>	<b>6,259,591</b>
<b>Net Assets</b>		<b>60,850,599</b>	<b>58,069,319</b>
<b>Members' Funds</b>			
Revaluation reserve		30,933	24,835
Retained profits		60,819,666	58,044,484
<b>Total Members' Funds</b>		<b>60,850,599</b>	<b>58,069,319</b>

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 12 to 29.

St George Leagues Club Limited and its Controlled Entity  
Consolidated Statement of Changes in Members' Funds  
For the Year Ended 31 October 2021

	Retained Profits \$	Revaluation Reserve \$	Total Member Funds \$
Balance at 1 November 2019	55,309,122	-	55,309,122
Net profit after income tax benefit for the year	2,735,362	-	2,735,362
Other comprehensive income for the year, net of tax	-	24,835	24,835
Total comprehensive income for the year	2,735,362	24,835	2,760,197
Balance at 31 October 2020	58,044,484	24,835	58,069,319
Net profit after income tax benefit for the year	2,775,182	-	2,775,182
Other comprehensive income for the year, net of tax	-	6,098	6,098
Total comprehensive income for the year	2,775,182	6,098	2,781,280
Balance at 31 October 2021	60,819,666	30,933	60,850,599

The Consolidated Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 12 to 29.

St George Leagues Club Limited and its Controlled Entity  
Consolidated Statement of Cash Flows  
For the Year Ended 31 October 2021

	Note	2021 \$	2020 \$
<b>Cash flow from operating activities</b>			
Receipts from customers (inclusive of GST)		19,782,428	26,852,818
Payments to suppliers and employees (inclusive of GST)		(17,720,189)	(23,360,458)
Receipts from government grants		606,887	2,362,500
Grants to football clubs	3	-	(1,000,000)
Community development and support expenditure	3	(359,684)	(202,969)
Rent received (inclusive of GST)		587,376	565,608
Finance costs		-	(516)
Interest received	1	121,846	339,612
Dividends from investments		267,514	23,838
<b>Net cash inflow from operating activities</b>		<b>3,286,178</b>	<b>5,580,433</b>
<b>Cash flow from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	221,276
Purchase of financial assets	6	(8,986,641)	(3,414,753)
Proceeds from sale of financial assets	6	-	586,174
Payment for property, plant and equipment		(1,116,736)	(2,558,944)
<b>Net cash outflows from investing activities</b>		<b>(10,103,377)</b>	<b>(5,166,247)</b>
<b>Cash flow from financing activities</b>			
Finance lease payments		-	(62,040)
Payments to St George Illawarra RLFC		(500,000)	-
<b>Net cash outflow from financing activities</b>		<b>(500,000)</b>	<b>(62,040)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(7,317,199)</b>	<b>352,146</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>19,718,274</b>	<b>19,366,128</b>
<b>Cash and cash equivalents at the end of the financial year</b>	5	<b>12,401,075</b>	<b>19,718,274</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 12 to 29.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements

### For the Year Ended 31 October 2021

#### About this report

St George Leagues Club Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for St George Leagues Club Limited and its Controlled Entity. The financial statements were authorised for issue on 8 February 2022, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial report.

The financial statements are general purpose financial statements which:

- Have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for not-for-profit orientated entities;
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 November 2020; and
- Have been prepared on a going concern basis.

#### Standards and Interpretations issued but not yet effective

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

This standard is applicable to annual reporting periods beginning on or after 1 November 2021. AASB 1060 provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of Australian Accounting Standards for SMEs. Given that the company already prepares financial statements under the reduced disclosure requirements there is not likely to be an impact on the company's financial statements on adoption of this standard.

#### Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Recoverability of deferred tax assets	Note 4
Fair value measurement	Note 6
Estimated useful lives of assets	Note 7
Long service leave provision	Note 9

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

1 Revenue and other income

	2021 \$	2020 \$
<b>Sale of goods</b>		
Bar sales	562,873	785,011
Catering sales	921,024	1,449,432
Merchandise sales	42,700	4,590
	<hr/> 1,526,597	<hr/> 2,239,033
<b>Rendering of services</b>		
Poker machine - net clearances	15,775,676	21,381,310
Members' subscriptions	482,499	143,072
Commission received	176,770	245,407
Other rendering of services revenue	94,160	314,183
	<hr/> 16,529,105	<hr/> 22,083,972
<b>Other income</b>		
Interest received	121,846	339,612
Rent received	533,978	514,189
Government grants - COVID-19 stimulus	606,887	100,000
Other income	344,457	221,338
	<hr/> 1,607,168	<hr/> 1,175,139
<b>Total revenue and other income</b>	<hr/> 19,662,870	<hr/> 25,498,144

**Recognition and Measurement**

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.



St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

1 Revenue and other income (continued)

**Recognition and measurement (continued)**

Revenues are recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the taxation authority. Transfer of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

**Sale of goods**

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and is recognised (net of rebates, returns, discounts and other allowances) at a point in time when the performance obligation is satisfied that is on delivery of goods to the customer.

**Rendering of services**

Revenue from rendering services comprises revenue from gaming facilities together with other services to members and other patrons of the club and is recognised at a point in time when the services are provided.

**Interest Revenue**

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

**Rental Revenue**

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**Government Grant Income**

Government grants are recognised as income when it is reasonably certain that the consolidated entity complies with the conditions attached to them and when the right to receive payment is established.

The consolidated entity has elected to recognise grant income relating to Jobkeeper as an offset to the directly attributable expenditure in the financial statements where relevant. The consolidated entity has elected to recognise grant income relating to JobSaver in other income.

**Other income**

**Sale of Property, Plant and Equipment and Poker Machine Entitlements**

The gain or loss on disposal of property, plant and equipment and poker machine entitlements is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

## 2 Expenses

	2021 \$	2020 \$
Profit before income tax benefit includes the following specific items:		
Defined contribution superannuation expense	429,895	605,301

Employee benefits expense for the 31 October 2021 year is net of \$nil (2020: \$2,362,500) in Government Grants which was received for the Jobkeeper scheme resulting from the COVID-19 pandemic.

### Recognition and measurement

#### Superannuation Plans

The company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The consolidated entity has no legal or constructive obligation to fund any deficit. The company's contribution is a rate of 10% of ordinary time earnings.

## 3 Football Clubs and Community Development and Support Expenditure

	2021 \$	2020 \$
Community development and support expenditure	359,684	202,969
Grant to St George Illawarra Rugby League Football Club Pty Ltd	-	1,000,000
	<u>359,684</u>	<u>1,202,969</u>

### Recognition and measurement

Football club grants and community development and support expenditure is recognised at the fair value of consideration paid or payable net of the amount of goods and services tax (GST) payable to the taxation authority.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

4 Income Tax

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.

The controlled entity, St George District Rugby League Football Club Limited, is exempt from income tax under Section 50-45 of the Income Tax Assessment Act (1997).

a) Income Tax Benefit

	2021 \$	2020 \$
The amount set aside for income tax in the statement of profit or loss and other comprehensive income has been calculated as follows:		
Portion of income attributable to non-members	1,855,022	3,607,442
Less: Portion of expenses attributable to non-members	(1,389,911)	(2,939,558)
	<u>465,111</u>	<u>667,884</u>
Add: Other assessable income	1,185,820	1,479,564
Less: Other deductible expenses	(1,567,594)	(1,019,906)
Dividends grossed up	97,695	10,216
Withholding tax	5,550	-
Utilisation of tax losses	-	(1,137,758)
	<u>186,582</u>	<u>-</u>
Current income tax applicable to above at 26% (2020: 26%)	48,511	-
Less: Utilisation of franking credits	(48,511)	-
Less: Withholding tax (refundable)	(5,550)	-
	<u>(5,550)</u>	<u>-</u>
Current tax receivable	(5,550)	-
	<u>37,017</u>	<u>-</u>
Add: Decrease in deferred tax asset	37,017	-
Less: Increase in deferred tax liability	(52,633)	-
	<u>(21,166)</u>	<u>-</u>
Income tax benefit	(21,166)	-

Recognition and measurement

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

4 Income Tax (continued)

	2021 \$	2020 \$
(b) Deferred Tax Assets		
Employee benefits	52,262	66,627
Tax losses	388,784	394,473
	<hr/>	<hr/>
Net deferred tax assets	424,083	461,100
	<hr/>	<hr/>
<b>Movements</b>		
Opening balance	461,100	461,100
Decrease in deferred tax asset	(37,017)	-
	<hr/>	<hr/>
Closing balance	424,083	461,100
	<hr/>	<hr/>
(c) Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Depreciation	124,798	177,431
	<hr/>	<hr/>
Net deferred tax liabilities	124,798	177,431
	<hr/>	<hr/>
<b>Movements</b>		
Opening balance	177,431	177,431
Decrease in deferred tax liabilities	(52,633)	-
	<hr/>	<hr/>
Closing balance	124,798	177,431
	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

#### 4 Income Tax (continued)

##### Recognition and measurement

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities settled, based on those tax rates that are enacted or substantively enacted. Deferred tax assets are recognised for deductible temporary differences if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle the claim simultaneously.

##### Key Estimate and Judgement: Recoverability of Deferred Tax Assets

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

##### Mutuality Principle

The company calculates its income in accordance with the mutuality principle which excludes from income, any amounts of subscriptions and contributions from members, and payments received from members for particular services provided by the club or association, e.g. poker machines, bar and dining room service in the case of social clubs. The Commissioner of Taxation accepts this method of calculating income as appropriate for recognised clubs and associations.

Amendments to the Income Tax Assessment Act 1997 ensure social clubs continue not to be taxed on receipts from contributions and payments received from members.

#### 5 Cash and Cash Equivalents

##### Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2021 \$	2020 \$
Cash at bank and on hand	7,001,075	3,418,274
Term deposits	5,400,000	16,300,000
	<hr/>	<hr/>
	12,401,075	19,718,274
	<hr/>	<hr/>

##### Recognition and measurement

Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

## 6 Financial Assets

	2021 \$	2020 \$
Financial assets	11,684,486	2,691,747
<i>Reconciliation</i>		
Opening fair value	2,691,747	-
Additions	9,054,276	3,414,753
Disposals	-	(586,174)
Revaluation	(61,537)	(136,832)
	<hr/>	<hr/>
Closing fair value	11,684,486	2,691,747
	<hr/>	<hr/>

### Recognition and measurement

Financial assets are recognised at fair value through other comprehensive income, which includes equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Financial assets are initially recognised at cost. These assets are subsequently measured at fair value with any incremental gains or losses being recognised through other comprehensive income. This classification is determined based on the business model within which such assets are held.

### Key Estimate and Judgement: Fair value measurement

The company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets that the company can access at the measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of the financial assets disclosed above use a level 1 fair value measurement as the assets are quoted priced prices in an active market that the company can access at its financial year end date.



St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

7 Property, Plant and Equipment

	2021 \$	2020 \$
<b>Land and Buildings</b>		
At cost	38,649,409	38,359,904
Less: Accumulated depreciation	(7,953,634)	(7,314,034)
	<hr/> 30,695,775	<hr/> 31,045,870
<b>Poker Machines</b>		
At cost	11,413,920	12,149,909
Less: Accumulated depreciation	(8,272,293)	(8,151,866)
	<hr/> 3,141,627	<hr/> 3x,998,043
<b>Plant and Equipment</b>		
At cost	21,385,325	21,120,524
Less: Accumulated depreciation	(15,694,505)	(15,430,998)
	<hr/> 5,690,820	<hr/> 5,689,526
<b>Motor Vehicles</b>		
At cost	99,440	126,713
Less: Accumulated depreciation	(70,317)	(67,039)
	<hr/> 29,123	<hr/> 59,674
<b>Total Plant and Equipment</b>	<hr/> 8,861,570	<hr/> 9,747,243
<b>Work-in-progress</b>	-	2,500
<b>Total Property, Plant and Equipment</b>	<hr/> 39,557,345	<hr/> 40,795,613

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

7 Property, Plant and Equipment (continued)

Valuation

An independent valuation of the company's land and buildings was carried out by Andrew Nock Pty Limited at 28 May 2019 on the basis of open market value for existing use. This resulted in a valuation of land and buildings at \$29,880,000 and \$21,500,000 respectively. The directors are of the opinion that there has been no decline in the market value of the company's land and buildings at 31 October 2021. As land and buildings are recorded at cost the valuation has not been brought to account.

Properties

The following are core properties:

124 Princes Highway, Kogarah NSW 2217

The following are non-core properties:

There is no non-core property held by the Club.

Reconciliations

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year are set out below:

	2021 \$	2020 \$
<b>Land and Buildings</b>		
Carrying amount at beginning of year	31,045,870	30,904,452
Additions	287,615	793,318
Depreciation expense	(637,710)	(651,900)
	<hr/>	<hr/>
Carrying amount at end of year	30,695,775	31,045,870
	<hr/>	<hr/>
<b>Poker Machines</b>		
Carrying amount at beginning of year	3,998,043	4,356,474
Additions	114,670	920,279
Disposals	(45,392)	(160,469)
Depreciation expense	(925,694)	(1,118,241)
	<hr/>	<hr/>
Carrying amount at end of year	3,141,627	3,998,043
	<hr/>	<hr/>

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

7 Property, Plant and Equipment (continued)

	2021 \$	2020 \$
Reconciliations (continued)		
<b>Plant and Equipment</b>		
Carrying amount at beginning of year	5,689,526	5,739,839
Additions	714,451	793,495
Disposals	(28,513)	(45,698)
Depreciation expense	(684,644)	(798,110)
	<hr/>	<hr/>
Carrying amount at end of year	5,690,820	5,689,526
	<hr/>	<hr/>
<b>Motor Vehicles</b>		
Carrying amount at beginning of year	59,674	49,771
Additions	-	49,352
Disposals	(6,725)	(15,109)
Depreciation expense	(23,826)	(24,340)
	<hr/>	<hr/>
Carrying amount at end of year	29,123	59,674
	<hr/>	<hr/>
<b>Work-in-progress</b>		
Carrying amount at beginning of year	2,500	-
Additions	-	2,500
Write off	(2,500)	-
	<hr/>	<hr/>
Carrying amount at end of year	-	2,500
	<hr/>	<hr/>

**Leased assets**

The net book value of leased assets included in the property, plant and equipment is \$nil (2020: \$nil).

**Recognition and measurement**

Freehold land and buildings are shown at historic cost less subsequent depreciation for buildings and accumulated impairment losses for land and buildings.

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

7 Property, Plant and Equipment (continued)

**Recognition and measurement (continued)**

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated using the straight line or diminishing value methods to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

	2021	2020
Buildings	40 years	40 years
Plant and equipment	10 years	10 years
Poker machines	5 years	5 years
Motor vehicles	6 years	6 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of the 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 carrying amount. These are included in the profit or loss. When revalued assets are sold the amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

**Key Estimate and Judgement: Estimated Useful Lives of Assets**

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

8 Trade and Other Payables

	2021 \$	2020 \$
<b>Current</b>		
Trade creditors	418,308	591,565
Goods and Services Tax (GST) payable	(2,142)	212,781
Sundry creditors and accruals	727,863	1,980,431
	<hr/>	<hr/>
	1,144,029	2,784,777
	<hr/>	<hr/>

**Recognition and measurement**

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. Liabilities for wages and salaries, including non-monetary benefits are recognised in accruals.

# St George Leagues Club Limited and its Controlled Entity

## Notes to the Financial Statements For the Year Ended 31 October 2021

### 9 Employee Benefits

	2021 \$	2020 \$
Current	2,764,652	2,831,954
Non-Current	87,163	99,545

#### Recognition and measurement

##### Annual Leave and Sick Leave

Annual leave expected to be settled within twelve months of the reporting date is recognised in employee benefits with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

##### Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

##### Key Estimate and Judgement: Long Service Leave Provision

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

The present values of employee benefits not expected to settle within the next 12 months of reporting date has been calculated using the following rates:

	2021	2020
Assumed rate of increase in wage and salary rates	0.9%	1.6%
Discount rate	3.3%	3.2%

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

## 10 Commitments

### Capital Commitments

At 31 October 2021, St George Leagues Club and its Controlled Entity had not entered into any contractual commitments for the acquisition of property, plant and equipment (2020: Nil).

## 11 Contingent Liabilities

Estimates of the potential financial effect of contingent liabilities that may become payable:

Contingent liabilities with respect to bank guarantees given to third parties	50,000	50,000
	<hr/>	<hr/>

## 12 Key Management Personnel

### (a) Directors

The following persons were non-executive directors of the company during the financial year:

Ralph Gordon Piggott  
Peter Lawrence Doust  
Brian Stuart Johnston  
Bruce William Spaul  
Peter Ernest Black  
Michelle Maree McClelland  
Craig Stephen Young  
Martin Newman  
Matthew Horton

### (b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Danny Robinson	General Manager
Michael Derrig	Assistant General Manager
Jarrad Schwarze	Operations Manager
Laura Skinner	Gaming Operations Manager

### (c) Key Management Personnel Compensation

	2021 \$	2020 \$
Benefits and payments made to other Key Management Personnel	1,100,326	1,179,270
	<hr/>	<hr/>



St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

### 13 Related Parties

#### Key Management Personnel

Disclosures relating to key management personnel are set out in Note 13.

	2021 \$	2020 \$
Related Party Transactions		
Grants paid to St George Illawarra Rugby League Football Club Pty Ltd	<u>-</u>	<u>1,000,000</u>

#### Balance with Entities Within the Group

The balances of St George Illawarra Rugby League Football Club Pty Ltd with the parent company at reporting date:

Trade and other receivables	500,000	-
Sundry debtors	<u>-</u>	<u>4,396</u>
Trade payables	<u>(29,075)</u>	<u>(29,075)</u>

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

### 14 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee.

The registered office of the company is:

St George Leagues Club Limited  
124 Princes Highway  
Kogarah NSW 2217

### 15 Controlled Entity

Subsidiary: St George District Rugby League Football Club Ltd  
Country of Incorporation: Australia

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

16 Events Subsequent to Reporting Date

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.

17 Parent Entity Financial Information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts.

	2021 \$	2020 \$
<b>Statement of Financial Position</b>		
Current assets	13,426,007	20,182,310
Total assets	65,008,333	64,077,035
Current liabilities	4,053,107	5,747,111
Total liabilities	4,343,235	6,120,915
<b>Members' funds</b>		
Total members' funds	60,665,098	57,956,120
<b>Profit for the year</b>	2,702,878	2,891,232
<b>Total comprehensive income for the year</b>	2,708,978	2,754,400

(b) Contingent liabilities of the parent entity

Refer to Note 11 for details of the contingent liabilities of the parent entity.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
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18 Summary of Other Significant Accounting Policies

(a) Goods and Services Tax

Revenues, 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 Australian Taxation Office. 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 in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office 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, except for the GST component of investing and financing activities which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

(b) Poker Machine Entitlements

Poker machine entitlements are not amortised as they are deemed to have an indefinite useful life. They have an indefinite useful life as they do not expire and under current government legislation there is no plan to remove such entitlements. As a result, poker machine entitlements are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. Poker machine entitlements are carried at cost less accumulated impairment losses.

(c) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(d) Finance Costs

Finance costs include interest, premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges.

(e) Trade and Other Receivables

Trade debtors and other receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, any unearned income and provisions for doubtful accounts.

(f) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on the basis of weighted average costs.

St George Leagues Club Limited and its Controlled Entity  
Notes to the Financial Statements  
For the Year Ended 31 October 2021

18 Summary of Other Significant Accounting Policies (continued)

(g) Customer Loyalty Program

The consolidated entity operates a loyalty program where customers accumulate points for dollars spent. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed.

(h) Interest in Joint Venture

The joint venture is jointly controlled by the controlled entity and another entity. The controlled entity's interest is accounted for by using the equity accounting principles in the consolidated financial statements. Under the constitution of the joint venture, any surplus funds remaining from the joint venture on wind up are not able to be distributed back to members. The liability of the Company is also limited to the interest it holds in the joint venture. On this basis, the company does not record its share of the net assets or net liabilities that are disclosed below.