



St George Leagues Club

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY
ABN 77 000 151 020

FINANCIAL REPORT - 31 OCTOBER 2022

CONTENTS

Directors' Report	1
Auditor's Independence Declaration	4
Statement of Financial Position	5
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Changes in Funds	7
Statement of Cash Flows	8
Notes to the Financial Statements	9
Directors' Declaration	22
Independent Auditor's Report	23

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY
ABN 77 000 151 020

FINANCIAL REPORT - 31 OCTOBER 2022

DIRECTORS' REPORT

The parent entity, St George Leagues Club Limited (the company) is registered as a company limited by guarantee and not having share capital under the provisions of the *Corporations Act 2001*.

The Directors present the financial report on the parent entity and its controlled entity St George District Rugby League Football Club Limited which are together referred to in this report as the group, for the year ended 31 October 2022 and report as follows:

DIRECTORS

The names of the Directors in office during or since the end of the year are as follows. The Directors were in office for this entire period unless otherwise stated.

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE & OTHER INFORMATION
Ralph Gordon Piggott	Chairman Director
Qualifications and experience:	Company Director Director, St George District Rugby League Football Club Limited Director, St George Illawarra Rugby League Football Club Pty Limited
Peter Lawrence Doust	Deputy Chairman Director
Qualifications and experience:	Company Director Director, St George District Rugby League Football Club Limited Director, St George Illawarra Rugby League Football Club Pty Limited
Brian Stuart Johnston	Director
Qualifications and experience:	Business Consultant Director, St George District Rugby League Football Club Limited
Bruce William Spaul	Director
Qualifications and experience:	Chartered Accountant Director, St George District Rugby League Football Club Limited
Peter Ernest Black	Director
Qualifications and experience:	Sales Manager Director, St George District Rugby League Football Club Limited Director, St George Illawarra Rugby League Football Club Pty Limited (retired October 2022)
Michelle Maree McClelland	Director
Qualifications and experience:	School Teacher Director, St George District Rugby League Football Club Limited
Craig Stephen Young	Director
Qualifications and experience:	Chairman & CEO, St George District Rugby League Football Club Limited Director, St George Illawarra Rugby League Football Club Pty Limited (resigned October 2022)

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY
ABN 77 000 151 020

FINANCIAL REPORT - 31 OCTOBER 2022

DIRECTORS' REPORT

DIRECTOR'S NAME	QUALIFICATIONS, EXPERIENCE & OTHER INFORMATION
Martin Newman	Director
Qualifications and experience:	Company Director Director, St George District Rugby League Football Club Limited Director, St George Illawarra Rugby League Football Club Pty Limited (appointed November 2022)
Matthew David A'Court Horton	Director
Qualifications and experience:	Specialist Medical Practitioner Director, St George District Rugby League Football Club Limited (resigned October 2022)
Justin Bosilkovski	Director
Qualifications and experience:	Investment Banker Director, St George District Rugby League Football Club Limited (appointed November 2022)

PRINCIPAL ACTIVITIES

The principal activities of the group during the reporting period were that of a licensed social Club and controlling the operations of the St George District Rugby League Football Club Limited. These activities generate funds to achieve the objectives of providing facilities and promoting and fostering the playing of rugby league football.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes to the state of affairs of the group during the financial year.

OPERATING RESULT AND REVIEW OF OPERATIONS

The net result of the group for the financial year after providing for income tax was a profit of \$5,699,690 (2021: \$2,775,180 profit).

The table below shows a reconciliation of St George Leagues Club Limited 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).

	2022	2021
	\$	\$
Net profit after income tax benefit attributable to members	5,699,690	2,775,180
<i>Add (less)</i>		
Depreciation and amortisation expense	2,186,913	2,355,269
Finance costs	-	-
Income tax benefit	(315,384)	(21,167)
Grants to football clubs and community development and support expenditure	695,000	359,684
EBITDAG	<u>8,266,219</u>	<u>5,468,966</u>

SHORT AND LONG TERM OBJECTIVES

The principal short and long term objectives of the consolidated group 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. To achieve these objectives, the consolidated group's Board and Management regularly address cash flow forecasts and apply budgetary controls.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY
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FINANCIAL REPORT - 31 OCTOBER 2022

DIRECTORS' REPORT

KEY PERFORMANCE MEASURES

The group employs a number of key performance indicators to measure and improve their performance and outcomes. These include the use of gross profit percentage and wages, to sales percentage to measure the financial performance of each department.

AFTER BALANCE DATE EVENTS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

MEETINGS OF DIRECTORS

The number of meetings each Director was eligible to attend and actually attended during the financial year is summarised as follows:

	Board Meetings*	CRAIC Meetings**	PCG Meetings***	Sports Council Meetings	NREC Meetings****
MEETINGS HELD:	9	6	4	7	1
MEETING ATTENDANCE:					
Ralph Gordon Piggott	9	6	4	-	1
Peter Lawrence Doust	9	6	4	-	1
Brian Stuart Johnston	9	1	-	-	-
Bruce William Spaul	8	6	3	-	1
Peter Ernest Black	9	-	-	4	-
Michelle Maree McClelland	8	-	-	-	-
Craig Stephen Young	9	6	4	-	-
Martin Newman	8	6	4	-	1
Matthew David A'Court Horton	3	-	-	-	-

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

** CRAIC: Compliance, Regulatory, Audit & Investment Committee

*** PCG: Project Control Group

**** NREC: Nominations, Remuneration, Employment Committee

LIMITATION OF MEMBERS' LIABILITY

St George Leagues Club Limited is a company limited by guarantee and is without share capital. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$2 each toward meeting any outstanding obligations of the company. As at 31 October 2022, the total amount that members of the company are liable to contribute if the company is wound up in \$38,814 (2021: \$38,152).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* for the year ended 31 October 2022 has been received and can be found on the following page, which forms part of the Directors' report.

Signed in accordance with a resolution of the Board of Directors:



Ralph Gordon Piggott
Chairman

24 February 2023

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY
ABN 77 000 151 020

FINANCIAL REPORT - 31 OCTOBER 2022

AUDITOR'S INDEPENDENCE DECLARATION UNDER
s307C OF THE CORPORATIONS ACT 2001 TO THE MEMBERS OF
ST GEORGE LEAGUES CLUB LIMITED AND CONTROLLED ENTITY

I declare that, to the best of my knowledge and belief, during the year ended 31 October 2022 there have been:

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



StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

24 February 2023

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2022

	Note	2022 \$	2021 \$
Revenue	4	28,684,000	18,658,538
Other income	4	<u>1,478,870</u>	<u>1,004,332</u>
		<u>30,162,870</u>	<u>19,662,870</u>
Expenses			
Administrative expenses		(2,609,976)	(1,658,583)
Centenary and museum expenses		(127,878)	(50,997)
Consultancy expenses		(559,952)	(392,611)
Depreciation expense	5	(2,186,913)	(2,355,269)
Football club development and support		(264,526)	(232,711)
Insurance expenses		(445,084)	(421,760)
Loss on disposal of property, plant and equipment		(694,678)	(26,457)
Marketing and promotional costs		(639,214)	(309,224)
Occupancy and restructuring costs		(644,100)	(546,890)
Poker machine duty and CMS expense		(6,592,351)	(3,363,297)
Raw materials and consumables used		(1,217,454)	(842,133)
Repairs and maintenance		(1,015,379)	(851,177)
Salaries and employee benefits		(6,813,000)	(5,066,214)
Security services		(906,043)	(776,248)
Sponsorship costs		(16,349)	(3,418)
Other expenses		<u>(45,667)</u>	<u>(11,868)</u>
		<u>(24,778,564)</u>	<u>(16,908,857)</u>
Profit before income tax		5,384,306	2,754,013
Income tax benefit	6	<u>315,384</u>	<u>21,167</u>
Profit for the year		5,699,690	2,775,180
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Fair value gain on financial assets		<u>334,433</u>	<u>6,098</u>
Other comprehensive income for the year		<u>334,433</u>	<u>6,098</u>
Total comprehensive income for the year		<u><u>6,034,123</u></u>	<u><u>2,781,278</u></u>

The accompanying notes form part of these financial statements

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY
ABN 77 000 151 020

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2022

	Note	2022 \$	2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	17,758,587	11,697,655
Trade and other receivables	8	2,154,170	1,768,866
Inventories	9	145,095	114,681
Current tax assets	6	-	5,550
<i>Total current assets</i>		<u>20,057,852</u>	<u>13,586,752</u>
Non-current assets			
Financial assets	10	13,165,927	11,684,486
Interest in joint venture		100	100
Property, plant and equipment	11	38,860,286	39,584,209
Deferred tax assets	6	831,980	424,083
<i>Total non-current assets</i>		<u>52,858,293</u>	<u>51,692,878</u>
TOTAL ASSETS		<u>72,916,145</u>	<u>65,279,630</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	3,209,288	1,374,255
Employee benefits	13	2,502,648	2,776,813
<i>Total current liabilities</i>		<u>5,711,936</u>	<u>4,151,068</u>
Non-current liabilities			
Trade and other payables	12	-	78,167
Employee benefits	13	102,180	75,002
Deferred tax liabilities	6	217,310	124,797
<i>Total non-current liabilities</i>		<u>319,490</u>	<u>277,966</u>
TOTAL LIABILITIES		<u>6,031,426</u>	<u>4,429,034</u>
NET ASSETS		<u><u>66,884,719</u></u>	<u><u>60,850,596</u></u>
EQUITY			
Retained earnings		66,519,353	60,819,663
Revaluation reserve		365,366	30,933
TOTAL EQUITY		<u><u>66,884,719</u></u>	<u><u>60,850,596</u></u>

The accompanying notes form part of these financial statements

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2022

	Retained Earnings	Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 November 2020	58,044,483	24,835	58,069,318
Comprehensive income			
Profit for the year	2,775,180	-	2,775,180
Other comprehensive income	-	6,098	6,098
Total comprehensive income	<u>2,775,180</u>	<u>6,098</u>	<u>2,781,278</u>
Balance at 31 October 2021	<u>60,819,663</u>	<u>30,933</u>	<u>60,850,596</u>
Balance at 1 November 2021	60,819,663	30,933	60,850,596
Comprehensive income			
Profit for the year	5,699,690	-	5,699,690
Other comprehensive income	-	334,433	334,433
Total comprehensive income	<u>5,699,690</u>	<u>334,433</u>	<u>6,034,123</u>
Balance at 31 October 2022	<u><u>66,519,353</u></u>	<u><u>365,366</u></u>	<u><u>66,884,719</u></u>

The accompanying notes form part of these financial statements

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		31,167,948	19,677,439
Receipts from government grants		103,765	606,887
Payments to suppliers and employees		(22,814,779)	(18,620,041)
Rent received		585,502	533,978
Interest and investment income received		808,218	389,359
Income tax refunded (paid)		5,550	-
<i>Net cash flows from operating activities</i>		<u>9,856,204</u>	<u>2,587,622</u>
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		304,766	56,673
Proceeds from sale of financial assets		94,904	-
Purchase of property, plant and equipment		(2,464,934)	(1,116,736)
Purchase of financial assets		(1,230,008)	(9,048,178)
<i>Net cash flows from investing activities</i>		<u>(3,295,272)</u>	<u>(10,108,241)</u>
Cash flows from financing activities			
Loans to/from St George Illawarra RLFC		(500,000)	(500,000)
<i>Net cash flows from financing activities</i>		<u>(500,000)</u>	<u>(500,000)</u>
Net increase (decrease) in cash and cash equivalents		6,060,932	(8,020,619)
Cash and cash equivalents at the beginning of the financial year		<u>11,697,655</u>	<u>19,718,274</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>17,758,587</u></u>	<u><u>11,697,655</u></u>

The accompanying notes form part of these financial statements

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 1 - Corporate information

The consolidated financial report includes the consolidated financial statements and notes of St George Leagues Club Limited and its controlled entity (group). St George Leagues Club Limited is registered as a company limited by guarantee under the *Corporations Act 2001* and is domiciled in Australia.

St George Leagues Club is a licensed social club and controls the operations of the St George District Rugby League Football Club Limited.

The registered address and principal place of business of the group is:

124 Princes Highway
Kogarah NSW 2217

The financial statements were approved by the Board of Directors on 24 February 2023.

Note 2 - Basis of preparation

Statement of compliance

These general purpose financial statements have been prepared in compliance with the requirements of the *Corporations Act 2001* and *Australian Accounting Standards - Simplified Disclosures*. The group is a not-for-profit entity for the purposes of preparing these financial statements.

Other than the change in disclosure requirements, the adoption of *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* has had no significant impact on the financial statements because the group's previous financial statements complied with *Australian Accounting Standards - Reduced Disclosure Requirements*.

Basis of measurement

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year. Where the group has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

Critical accounting estimates and judgements

The Directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the group.

Key estimates

Impairment

The Directors assess impairment at the end of each reporting period by evaluation of conditions and events specific to the group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties. In addition, the condition of assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 2 - Basis of preparation (continued)

New and revised standards that are effective for these financial statements

Several amendments to Australian Accounting Standards and interpretations are mandatory for the 31 October 2022 reporting period. These include:

- *AASB 1060: General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (effective for the year ending 31 October 2022)
- *AASB 2020-2: Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities* (effective for the year ended 31 October 2022)

AASB 1060 and AASB 2020-2 act to mandate that the group prepare a general purpose financial report under a new Simplified Disclosure Standard. The application of AASB 1060 and AASB 2020-2 have not had a material impact on the carrying values of the group's asset, liability or equity balances; nor a material impact on the recognition and measurement of the group's revenue or expenses.

New standards and interpretations not yet adopted

Certain new accounting standards, amendments and interpretations have been published that are not mandatory for 31 October 2022 reporting periods and have not been early adopted by the group. These include:

- *AASB 2020-1: Amendments to AASs - Classification of Liabilities as Current or Non-current* (effective for the year ending 31 October 2023)
- *AASB 2021-2: Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates* (effective for the year ending 31 October 2023)

It is not expected that AASB 2020-1 or AASB 2021-2 will have a material impact on the group in future reporting periods.

Note 3 - Significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Principles of Consolidation

The controlled entity is consolidated with St George Leagues Club Limited as the parent entity as it has the capacity to dominate the decision making of the entity and the consolidated entity operates for the benefit of the parent entity. All inter-company balances and transactions have been eliminated or consolidated.

The financial statements of the subsidiary are prepared using accounting policies consistent with those used by the parent entity.

Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 3 - Significant accounting policies (continued)

Income tax (continued)

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date.

Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Revenue recognition

Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes including goods and services tax (GST). Revenue is recognised for the major business activities as follows:

Sale of goods

Revenue from the sale of goods comprises of revenue earned from the provision of food, beverage and other goods and are recognised upon the delivery of the goods to the customer.

Rendering of services

Revenue from the rendering of services comprises of revenue from gaming facilities together with other services to members and other patrons of the club and are recognised upon the delivery of the service.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 3 - Significant accounting policies (continued)

Revenue recognition (continued)

Government grants

Government grant revenue is recognised in the statement of comprehensive income when the group obtains control of the grant, and it is probable that the economic benefits gained from the grant will flow to the group and the amount of the grant can be measured reliably.

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.

Membership, partnership and sponsorship fees

Revenue from membership, partnership and sponsorship fees are recognised when the amount of revenue can be measured reliably, and it is probable that it will be received by the group. Revenue in advance is accounted for when invoices are raised, or funds are received in respect of events occurring in the subsequent financial year.

Interest

Interest revenue is recognised as it accrues using the effective interest method.

Investment revenue

Investment revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Rental income

Rental income is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. The group had no bank overdraft at balance date.

Trade receivables

For all sources of recurrent income, trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of receivables.

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost, such as freight and customs duties, assigned to inventory are assigned on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less the costs necessary to make the sale.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 3 - Significant accounting policies (continued)

Property, plant and equipment

Recognition and measurement

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and 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.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Subsequent costs

Subsequent costs are included in the asset's 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 group and the cost of the item can be measured reliably.

Property

Freehold land and buildings are carried at fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in funds. Revaluation decreases that offset previous increases in the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Freehold land and buildings that have been contributed at no cost or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all property, plant and equipment including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the group commencing from the time the asset is held ready for use.

The depreciation effective life used for each class of depreciable assets are:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 3 - Significant accounting policies (continued)

Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions to the instrument. For financial assets this is equivalent to the date that the group commits itself to either purchase or sell the asset. Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are expensed to profit or loss immediately. Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component.

Classification and subsequent measurement

Financial assets

Financial assets other than those designated and effective as hedging instruments are classified upon initial recognition into the following categories:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income or finance costs, except for impairment of trade receivables which are disclosed with other expenses.

Measurement is on the basis of two primary criteria:

- The contractual cash flow characteristics of the financial asset
- The business model for managing the financial asset

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meets the following conditions (and are not designated as FVPL):

- The financial asset is managed solely to collect contractual cash flows
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Fair value through other comprehensive income

Investments that are not held for trading are eligible for an irrevocable election at inception to be measured at fair value through other comprehensive income. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss unless the dividend clearly represents return of capital.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than to “hold and collect” or “hold to collect and sell” are categorised at fair value through profit or loss. The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 3 - Significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

The impairment requirements as applicable under AASB 9 use more forward looking information to recognise expected credit losses. Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due, and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Directors considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and the credit risk is not low
- Financial assets that have objective evidence of impairment at reporting date

The loss allowance for the first category is measured as “12-month expected credit loss” and for the second category is measured as “lifetime expected credit losses”.

Impairment of assets

At the end of each reporting period, the Directors review the carrying values of the tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the assets fair value less the costs to sell the value-in-use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is recognised in the statement of profit or loss and other comprehensive income.

Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the group during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. The carrying amount of trade and other payables is deemed to reflect fair value.

Income received in advance

Income, other than government contract income, that is received before the service to which the payment relates has been provided is recorded as a liability until such time as the service has been provided, at which time it is recognised in the statement of profit or loss and other comprehensive income.

Fair value of assets and liabilities

The group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 3 - Significant accounting policies (continued)

Fair value of assets and liabilities (continued)

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the group at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use. The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

	2022	2021
	\$	\$
<u>Note 4 - Revenue and other income</u>		
Revenue		
Sale of goods	2,316,408	1,526,597
Service fees - events and functions	25,362,566	15,775,676
Government grants	38,000	-
Government support - COVID-19	65,765	606,887
Membership, partnership and sponsorship fees	419,104	478,447
Other operating revenue	482,157	270,931
	<u>28,684,000</u>	<u>18,658,538</u>
Other income		
Gain on disposal of financial assets	11,904	-
Interest income	37,138	121,845
Investment income	771,080	267,514
Rental income	585,502	533,978
Other income	73,246	80,995
	<u>1,478,870</u>	<u>1,004,332</u>
<i>Total revenue and other income</i>	<u>30,162,870</u>	<u>19,662,870</u>
<u>Note 5 - Expenses</u>		
Depreciation		
Land and buildings	640,682	639,865
Property, plant & equipment	1,546,231	1,715,404
<i>Total depreciation</i>	<u>2,186,913</u>	<u>2,355,269</u>
Loss on disposal of property, plant and equipment	694,678	26,457
<u>Note 6 - Income tax</u>		
(a) Income tax expense		
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 operating income attributable to non-members	3,345,000	1,855,022
Less: Portion of operating expenses attributable to non-members	<u>(4,107,866)</u>	<u>(1,389,911)</u>
	(762,866)	465,111
<i>Add (less) tax effect of permanent differences:-</i>		
Other assessable income	1,744,307	1,185,820
Other deductible expenses	<u>(1,358,877)</u>	<u>(1,567,594)</u>
Dividends grossed up - franking credit	309,365	97,695
Withholding tax	-	5,550
<i>Net income subject to tax</i>	<u>(68,071)</u>	<u>186,582</u>
Current income tax applicable at 25% (2021: 26%)	-	48,511
Less: Utilisation of franking credits	-	(48,511)
Less: Withholding tax refundable	-	(5,550)
<i>Current tax receivable</i>	<u>-</u>	<u>(5,550)</u>
<i>Add (less)</i>		
Decrease (increase) in deferred tax asset	(407,897)	37,017
Increase (decrease) in deferred tax liability	92,513	(52,633)
<i>Income tax expense (benefit)</i>	<u>(315,384)</u>	<u>(21,166)</u>
(b) Assets		
<u>Current</u>		
Income tax receivable	<u>-</u>	<u>5,550</u>

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

	2022	2021
	\$	\$
<u>Note 6 - Income tax (continued)</u>		
<i>(b) Assets (continued)</i>		
<u>Non-current</u>		
Deferred tax assets		
Opening balance	424,083	461,100
Provisions	58,434	(19,921)
Accruals	5,185	-
Tax losses	344,278	-
Other	-	(17,096)
Closing balance	<u>831,980</u>	<u>424,083</u>
Deferred tax assets comprise:-		
Provisions	108,686	50,252
Accruals	5,185	-
Other	718,109	373,831
	<u>831,980</u>	<u>424,083</u>
<i>(c) Liabilities</i>		
<u>Non-current</u>		
Deferred tax liabilities		
Opening balance	124,797	177,431
Prepayments	9,226	-
Other	83,287	(52,634)
Closing balance	<u>217,310</u>	<u>124,797</u>
<u>Note 7 - Cash and cash equivalents</u>		
Cash at bank and on hand	3,258,587	6,297,655
Term deposits	14,500,000	5,400,000
<i>Total cash and cash equivalents</i>	<u>17,758,587</u>	<u>11,697,655</u>
<u>Note 8 - Trade and other receivables</u>		
<u>Current</u>		
Trade receivables	40,945	80,929
Other receivables	618,607	453,687
Loan - St George Illawarra RLFC	1,000,000	500,000
Prepayments	494,618	734,250
<i>Total trade and other receivables</i>	<u>2,154,170</u>	<u>1,768,866</u>
<u>Note 9 - Inventories</u>		
Stock on hand	145,095	114,681
<i>Total inventories</i>	<u>145,095</u>	<u>114,681</u>
<u>Note 10 - Financial assets</u>		
<u>Non-current</u>		
Financial assets at fair value through other comprehensive income		
Shares	13,165,927	11,684,486
<i>Total non-current financial assets</i>	<u>13,165,927</u>	<u>11,684,486</u>
<i>Movements in carrying amounts</i>		
Opening net carrying amount	11,684,486	2,691,747
Additions	1,230,008	9,048,178
Disposals	(83,000)	-
Reclassification	-	(61,537)
Fair value movement	334,433	6,098
Closing net carrying amount	<u>13,165,927</u>	<u>11,684,486</u>

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 11 - Property, plant and equipment

	Land	Buildings	Plant and Equipment	Motor Vehicles	Poker Machines	Work in Progress	Total
	\$	\$	\$	\$	\$	\$	\$
At 31 October 2021							
Cost	-	34,917,659	21,378,190	99,440	11,413,920	2,500	67,811,709
Valuation	3,763,250	-	-	-	-	-	3,763,250
Accumulated depreciation	-	(7,953,899)	(15,694,242)	(70,317)	(8,272,292)	-	(31,990,750)
<i>Net carrying amount</i>	<u>3,763,250</u>	<u>26,963,760</u>	<u>5,683,948</u>	<u>29,123</u>	<u>3,141,628</u>	<u>2,500</u>	<u>39,584,209</u>
Movements in carrying amounts							
Opening net carrying amount	3,763,250	26,963,760	5,683,948	29,123	3,141,628	2,500	39,584,209
Additions	-	393,666	683,428	15,721	1,372,119	-	2,464,934
Disposals	-	-	(653,795)	(16,370)	(329,279)	-	(999,444)
Reclassification	-	-	-	-	-	(2,500)	(2,500)
Depreciation charge for the year	-	(640,682)	(731,765)	(6,513)	(807,953)	-	(2,186,913)
Closing net carrying amount	<u>3,763,250</u>	<u>26,716,744</u>	<u>4,981,816</u>	<u>21,961</u>	<u>3,376,515</u>	<u>-</u>	<u>38,860,286</u>
At 31 October 2022							
Cost	-	35,311,325	16,615,859	65,809	10,926,873	-	62,919,866
Valuation	3,763,250	-	-	-	-	-	3,763,250
Accumulated depreciation	-	(8,594,581)	(11,634,043)	(43,848)	(7,550,358)	-	(27,822,830)
<i>Net carrying amount</i>	<u>3,763,250</u>	<u>26,716,744</u>	<u>4,981,816</u>	<u>21,961</u>	<u>3,376,515</u>	<u>-</u>	<u>38,860,286</u>

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

	2022	2021
	\$	\$
<u>Note 12 - Trade and other payables</u>		
<u>Current</u>		
Trade payables	2,839,946	1,128,576
Income in advance	-	96,615
Other payables	369,342	149,064
<i>Total current trade and other payables</i>	<u>3,209,288</u>	<u>1,374,255</u>
<u>Non-current</u>		
Income in advance	-	78,167
<i>Total non-current trade and other payables</i>	<u>-</u>	<u>78,167</u>
<u>Note 13 - Employee benefits</u>		
<u>Current</u>		
Annual leave	1,647,501	1,648,559
Long service leave	855,147	1,128,254
<i>Total current employee benefits</i>	<u>2,502,648</u>	<u>2,776,813</u>
<u>Non-current</u>		
Long service leave	102,180	75,002
<i>Total non-current employee benefits</i>	<u>102,180</u>	<u>75,002</u>
<u>Note 14 - Auditor's remuneration</u>		
Fees paid to StewartBrown, Chartered Accountants (2021: BDO Audit Pty Ltd):		
Audit of the financial report	73,000	52,300
Preparation of the financial report	5,000	4,000
Taxation services	12,000	10,230
<i>Total auditor's remuneration</i>	<u>90,000</u>	<u>66,530</u>
<u>Note 15 - Related party transactions</u>		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions between related parties during the year consisted of:-		
Loans receivable - St George Illawarra Rugby League Football Club Pty Limited	1,000,000	500,000
Director expense reimbursements	46,680	27,959
<u>Note 16 - Key management personnel</u>		
<i>Remuneration of key management personnel</i>		
The aggregate amount of compensation paid to key personnel during the year was:	<u>1,523,020</u>	<u>1,100,326</u>
<u>Note 17 - Contingent liabilities</u>		
Contingent liabilities with respect to bank guarantees given to third parties amounted to \$50,000 (2021: \$50,000).		
There were no other contingent liabilities as at 31 October 2022.		

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2022

Note 18 - Limitation of members' liability

The group is registered with the *Corporations Act 2001* as a company limited by guarantee. If the group is wound up, its Constitution states that each member is required to contribute a maximum of \$2 each towards meeting any outstanding obligations. At 31 October 2022 the number of members was 19,407 (2021: 19,076) and the outstanding obligation was \$38,814 (2021: \$38,152).

Note 19 - Events occurring after balance date

Subsequent to the end of the financial year, there remains a degree of uncertainty in relation to future economic and other impacts of the COVID-19 pandemic.

At the date of signing the financial statements the Directors are unable to determine what financial effects the outbreak of the virus could have on the group in the coming financial period.

The Directors acknowledge their responsibility to continuously monitor the situation and evaluate this impact including its ability to pay its debts as and when they become due and payable.

There were no other significant events occurring after balance date.

Note 20 - Parent entity information

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Australian Accounting Standards.

Statement of Financial Position	2022	2021
	\$	\$
Assets		
Current assets	18,942,107	12,452,484
Non-current assets	52,625,386	51,582,325
Total assets	<u>71,567,493</u>	<u>64,034,809</u>
Liabilities		
Current liabilities	4,629,346	3,091,748
Non-current liabilities	319,490	277,966
Total liabilities	<u>4,948,836</u>	<u>3,369,714</u>
Net assets	<u>66,618,657</u>	<u>60,665,095</u>
Equity		
Retained earnings	66,253,291	60,634,162
Reserves	365,366	30,933
Total equity	<u>66,618,657</u>	<u>60,665,095</u>
Statement of Profit or Loss and Other Comprehensive Income		
Profit for the year	5,619,129	2,702,877
Other comprehensive income	334,433	6,098
Total comprehensive income	<u>5,953,562</u>	<u>2,708,975</u>

Note 21 - Controlled entity

Controlled Entity Consolidated	Country of Incorporation	Percentage Owned (%) 2022	2021
<i>Parent Entity</i>			
St George Leagues Club Limited	Australia	n/a	n/a
<i>Controlled Entities</i>			
St George District Rugby League Football Club Limited	Australia	100%	100%

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY
ABN 77 000 151 020

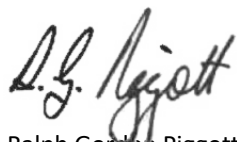
FINANCIAL REPORT - 31 OCTOBER 2022

DIRECTORS' DECLARATION

The Directors of St George Leagues Club Limited and controlled entity declare that:

1. The financial statements, which comprises the statement of financial position as at 31 October 2022, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes are in accordance with the *Corporations Act 2001* and:
 - (a) comply with *Australian Accounting Standards - Simplified Disclosures* (including Australian Accounting Interpretations) and the *Corporations Regulation 2001*; and
 - (b) give a true and fair view of the financial position of the group as at 31 October 2022 and of its performance for the year ended on that date.
2. In the opinion of the Directors, there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

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



Ralph Gordon Piggott
Chairman

24 February 2023

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY
ABN 77 000 151 020

FINANCIAL REPORT - 31 OCTOBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST GEORGE LEAGUES CLUB LIMITED AND CONTROLLED ENTITY

Opinion

We have audited the financial report of St George Leagues Club Limited (the parent entity) and its controlled entity (the group) which comprises the statement of financial position as at 31 October 2022, the statement of profit or loss and other comprehensive income, the statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the consolidated group comprising the parent entity and the entity it controlled during the year.

In our opinion, the accompanying financial report of St George Leagues Club Limited (the parent entity) and its controlled entity (the group) is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the parent entity's and consolidated group's financial position as at 31 October 2022 and of its financial performance for the year then ended, and
- b) complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulation 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 Responsibility for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of 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 group, 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.

Directors' Responsibility for the Financial Report

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

In preparing the financial report, the Directors are responsible for assessing the parent entity's and the consolidated group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the parent entity or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the parent entity's and consolidated group's financial reporting process.

ST GEORGE LEAGUES CLUB LIMITED
AND CONTROLLED ENTITY
ABN 77 000 151 020

FINANCIAL REPORT - 31 OCTOBER 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST GEORGE LEAGUES CLUB LIMITED AND CONTROLLED ENTITY

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* and the website address is <http://www.auasb.gov.au/Home.aspx>.

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

StewartBrown

StewartBrown
Chartered Accountants



S.J. Hutcheon
Partner

24 February 2023