



ANNUAL REPORT

Eastern Suburbs Leagues Club Ltd
ABN 63 000 249 490



A NEW ERA IS *coming*

EXCITING 2021 UPGRADES TO EASTS LEAGUES

STAGE

01

JANUARY - MARCH

SPRING STREET RECEPTION
BISTRO
BONDI ROOM AND BAR
ENTER VIA BRONTE ROAD

STAGE

02

MARCH - MAY

UPPER GROUND FLOOR
ENTER VIA SPRING STREET

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EXECUTIVE REPORT

It is our pleasure to present the 61st Annual Report of the Eastern Suburbs Leagues Club Ltd (Easts Group) for the Financial Year Ending 31 October 2020.

THE FINANCIAL YEAR IN REVIEW

The underlying Group operating profit for the year is \$5.2m which is comparable with \$5.4m in 2019 before the Football Club Grant. This underlying profit includes JobKeeper receipts of \$2.8m which helped to offset the COVID shutdown, and is before an impairment of \$2m to our property investments that were revalued downward due to COVID conditions.

Being a not-for-profit organisation, these funds are re-invested back into improving or developing new Member facilities. The 2021 refurbishment of Easts Leagues is one such project, where we will upgrade facilities and deliver a new hospitality experience to Members and guests. The Easts Group is also focused on supporting the Sydney Roosters in their pursuit of Premiership success, as well as strategically investing in strong income earning assets that secure the future for our Group.

State and Federal Governments have received \$6,433,735 in various taxation payments from the Easts Group while ClubGRANTS and donations to the communities of Bondi Junction, Kingswood, Berkeley, Waverley and Woy Woy amounted to \$1,320,082 in the last ClubGRANTS period.

COMMUNITY

Despite the obstacles and setbacks in a tumultuous year, the Easts Group has continued its long and proud tradition of providing support to multiple programs and charities throughout our communities.

The Easts Group staff have also made valuable and positive contributions to some notable charities, including:

- Bush Fire Appeal;
- Pink Ribbon Day;

- Jeans 4 Genes Day;
- R U OK Day;
- Salvation Army Toy and Food Drive.

A highlight for the year was the support shown to *'Lids for Kids'* with employees collecting and donating 37,226 drink lids that helped to build 74 prosthetic limbs for young amputees.

The Easts Group also continues to support staff volunteering to a number of charitable causes through our *'Make a Difference'* volunteering program and the *'Choose Your Charity'* initiative, where staff elect various causes to which they direct their fundraising efforts.

The Organisations and Charities that Easts Group has assisted in the 2020 financial year, include:

Charitable & Community Causes

- Life Education Illawarra
- Creating Chances Trust
- Berkeley Neighbourhood Centre
- Learning Links
- Ted Noffs Foundation
- The Haven – Nepean's Women's Shelter
- Community Kitchen
- Ocean Beach SLSC

Sub-Clubs & Sporting Groups

- Berkeley Darts Club
- Berkeley Fishing Club
- Berkeley Junior Rugby League Club
- Berkeley Men's Bowling Club
- Berkeley Rugby League Football Club
- Berkeley Senior & Junior Football [Soccer] Clubs
- Berkeley Tennis Club
- Easts Leagues Ladies Hockey Club
- Easts Leagues Men's Hockey Club

- Easts Leagues Photographic Club
- Easts Leagues Rostrum Club
- Easts Leagues Bridge Club
- Easts Leagues Cricket Club
- Eastern Suburbs Women's Cricket Club
- Emu Plains District Hockey Association
- Emu Plains Hockey Club
- Kingswood Euchre Club
- Kingswood Ladies' Bowling Club
- Kingswood Men's Bowling Club

- Kingswood Travelling Bowlers Club
- St Mary's Convent Soccer Club
- Kingswood Junior Bowlers Development Grant
- Waverley Bowling Club (combined Women's & Men's)
- Western Sydney Bream and Bass Club
- Woy Woy Circle Golf Club
- Woy Woy Junior Rugby League Club
- Woy Woy Senior Rugby Club
- Woy Woy Social Club

SYDNEY ROOSTERS



NRL

The Sydney Roosters created history in February 2020 by becoming the first ever team to win **back-to-back World Club Challenges**. The 20-12 defeat of St Helens saw the Roosters overtake Wigan Warriors as the most successful rugby league club in the world, with a total of five World Club Challenges won.

The 2020 COVID-19 affected season will forever be remembered as one of the most extraordinary in history. It is important to recognise our Head Coach **Trent Robinson**, and our players and staff, who made incredible personal sacrifices to meet the NRL's strict Project Apollo guidelines, and made it possible for us all to enjoy a season of rugby league.

While it was disappointing to end the season with a loss in the Semi Final, it's important that we recognise and celebrate the success we've all enjoyed in recent years including two consecutive NRL Premierships and World Club Challenge wins.

Finally, congratulations to **Mitchell Aubusson** who became the **most capped Sydney Roosters player in history** when he took to the field for his **303rd match** on 19 September. Mitchell passed fellow Club legends Anthony Minichiello (302) and Luke Ricketson (301) and went on the play 306 games before retiring at the end of the 2020 season.

NRLW

Our Sydney Roosters NRL Women's team performed strongly throughout the season with two wins from their three Premiership matches, qualifying for their second **Grand Final** appearance in their three year existence. The team were defeated 20-10 in a thrilling match by the undefeated Brisbane Broncos. Congratulations to Coach **Jamie Feeney** and our players and staff who performed admirably.

AROUND OUR CLUBS

It was a challenging year for Members, staff and our local communities with the COVID-19 global pandemic impacting every aspect of our way of life. Nobody could have foreseen that our Clubs would be temporarily closed in March. The outlook was bleak and difficult decisions were necessary to ensure the future of our Clubs. We asked Members to be patient not knowing if or when our doors would reopen. When the government allowed hospitality venues across the state to re-open ten weeks later, we were delighted to welcome everyone back with strict social distancing, hygiene practices and venue capacity limitations, implemented to ensure the safety of our Members, staff and guests.

Despite the unprecedented COVID-19 challenges, it's been a productive time for the Easts Group, with many social activities resuming and exciting projects announced or delivered for Members.

EASTS LEAGUES

- In February 2020, CEO Scott Bennetts departed the Easts Group after 8-years for a new opportunity. We would like to take this opportunity to thank Scott for his incredible service to the Easts Group.
- Waverley Council completed the Spring Street redevelopment in November 2020. Parking has returned and the footpath upgrades and greenery have dramatically enhanced the streetscape.
- In December we were thrilled to announce the Bondi Junction Development. The first stage of the renovation will commence from mid-January and see some much-improved spaces for all Members to enjoy. Across two stages, improvements will be made on both the Ground Floor and Level 1, including the reception, bistro and bar. The entire project is expected to be finished by late May.

BERKELEY

- Thank you to Linda Ward and Jenny Crawford who both retired after more than 30 years of service to Berkeley Sports Club. We wish Linda and Jenny all the best in their retirement.
- It was fantastic to see our bowlers return in June following the enforced COVID-19 Club closure.
- Of all our sub-clubs, only Berkeley Sports Football Club was able to recommence their season. Thank you to the coaches, the regular committee and players who supported the Club throughout the year. Congratulations to those that won District Awards including Tye White, Kiara Teama and Adam White.
- 2021 will see the refurbishment of the ground floor and the Terrace Lounge bathrooms.

KINGSWOOD

- The COVID-19 Club closure allowed us to complete upgrades, including: extending the dance floor, replacing ceiling lighting, updating the audio system and installing new closed-circuit cameras in the carpark.
- Further improvements will be made to the outdoor areas of the Club throughout 2021, with a focus on improving and increasing the shade options.
- It was pleasing to see our Kingswood Men's and Women's Bowling Clubs resume play in the later stages of 2020. Congratulations to those that won through to State events including Chris Gillespie, Grahame Betts, Jack McEwen Gillespie and Lyn Hickey.

WOY WOY

- In an effort to revitalise our Woy Woy Leagues Club for the benefit of our Members, the Board of Directors embarked on a vision to redevelop the site. Unfortunately, in January 2020, our Woy Woy Site Compatibility Certificate Proposal was rejected by the State Government's Joint Regional Planning Panel.
- Facing the challenging COVID-19 situation, the Easts Group Board of Directors made the difficult decision to permanently close the Woy Woy Leagues Club in April 2020.
- The Board understand how disappointing this decision was for our Woy Woy Members and staff. The Easts Group transferred Member benefits to the Everglades Country Club and where possible attempted to seek alternative employment for Club staff.
- Despite the Woy Woy Leagues Club being closed, the Easts Group continue to support Rugby League on the Central Coast. The Sydney Roosters have been actively and financially supporting the Country Rugby League and Central Coast JRLFC Representative.



WAVERLEY REDEVELOPMENT

Junior Players. Our affiliation with the Tuggerah Lakes Secondary Collage, The Entrance Campus has led to an upgrade of their football fields and facilities to provide a 1st Class Training Facility for Central Coast Rooster Representative Players. We have also given a three-year funding commitment to Woy Woy Junior Rugby League Club.

Waverley Club site is prepared to be developed in 2021.

- Despite the temporary decommissioning of the Waverley Bowling Club greens, our mens and womens bowling clubs have continued playing pennants matches with the support of neighbouring Clubs at Bronte, Clovelly and Randwick.
- In December 2020, we were pleased to announce the appointment of the Mirvac Group to redevelop the Waverley Bowling Club site. The Easts Group will retain ownership of a new, modern bowling club featuring one championship bowling green and one synthetic green, a cafe, and member parking. Waverley Bowling Club has a long and rich history, and it's exciting to know that our Members and local community will have a contemporary club to call home when it opens in mid-2023, coinciding with the Club's 130th anniversary.

WAVERLEY

- Waverley Bowling Club brought forward its planned closure by 4-months on account of COVID-19. This enabled management to accelerate the Club redevelopment.
- All historical bowling club memorabilia and historical items have been relocated and stored safely as the

AWARDS

Congratulations to our high-performing staff for their valuable contributions throughout the year and in particular, those that achieved the following awards:

EASTS LEAGUES PLAYER'S PLAYER

Pum Kumphong

EASTS LEAGUES PLAYER'S PLAYER

Peter Weekes

GROUP SUPPORT CLUB CHAMPION

Amy Shoulder

GROUP SUPPORT CLUB CHAMPION

Sarah Hallam

BERKELEY SPORTS CLUB CHAMPION

Nicole Deaman

BERKELEY SPORTS CLUB PLAYER'S PLAYER

Emily Vudmaska

KINGSWOOD SPORTS CLUB CHAMPION

Kiriana Pugh

The Human Resources team introduced several initiatives to improve our customer service across the Group, which is a core focus of the management team. The mystery shopper program helps to identify areas of excellence and improvement. The Engagement Survey aims to improve our workplace by reviewing our internal policies and procedures to enhance our culture. Finally, we partnered with Torrens University to provide a scholarship to one high performing Group staff member. Congratulations to Kiriana Pugh who was the inaugural scholarship winner.

THANK YOU

We would like to thank our Members for the continued support and patience you have shown throughout the year. Members are the lifeblood of our Clubs and without whom we would not exist. The COVID-19 pandemic is arguably the greatest challenge our Clubs have faced. We were buoyed by the enormous amount of support we received which was comforting for our staff who, like many of you, were facing difficult times. While we are not through this pandemic just yet, hopefully (at the time of writing) we are well on our way, and we look forward to seeing our Clubs operating at full capacity in the near future.

We would like to thank our wonderful Easts Group staff comprising our Licensed Clubs and Sydney Roosters. We are fortunate to have an incredible management team and staff that are committed to supporting our Members, sponsors and supporters. In March we made the difficult decision to stand down staff at the height of the pandemic, not knowing when or if they would return. Staff conducted themselves in the most admirable and professional manner and it was pleasing to see the vast majority return to employment within months.

We would also like to sincerely thank our Board of Directors. The Board have shown incredible leadership through the most challenging period in recent history, which included making some extremely difficult decisions to ensure the future of the entire Easts Group. Further, we acknowledge Sporting Director Brien Samphier for his commitment to our Club Sporting Bodies and Chairing our Membership Committee. Brien's commitment, efforts and expertise in steering and guiding these affiliated Clubs is second to none.

Finally, on behalf of the Board of Directors, thank you once again for your unwavering Membership support and we look forward to serving you throughout the year ahead.



Nick Politis AM

Chairman



Joe Kelly

Group CEO

NOTICE OF EXTRAORDINARY GENERAL MEETING

EASTERN SUBURBS LEAGUES CLUB LTD ABN 63 000 249 490

NOTICE is hereby given that the Extraordinary General Meeting of Eastern Suburbs Leagues Club Ltd ABN 63 000 249 490 (“the Club”) will be held on Thursday, 25 February 2021 at 5:30pm at The Arthur Morris Room, Sydney Cricket Ground, Moore Park (access via Gate E, Driver Avenue, Moore Park).

BUSINESS

The business of the Extraordinary General Meeting is to consider, and if thought fit, pass the Ordinary Resolution.

ORDINARY RESOLUTION

That for the purpose of section 21(4) of the Gaming Machines Act 2001 (NSW) (“the Gaming Machines Act”), the members hereby approve in principle the transfer of the final 10 gaming machine entitlements (“GMEs”) held in respect of the Club’s premises located at 82-90 Blackwall Road, Woy Woy (Woy Woy Leagues Club Premises).

Explanatory notes regarding the Resolution

1. The Club holds club licences under the Liquor Act 2007 (NSW) for its premises at Bondi Junction, Waverley, Berkeley, Kingswood and Woy Woy.
2. The Woy Woy Leagues Club Premises ceased trading in March 2020. The Club has been unable to obtain a financially feasible development approval for the site and the viability of registered club premises from the site has been untenable particularly since the COVID-19 pandemic. Therefore, the Woy Woy Leagues Club Premises will be sold. The club licence attached to the Woy Woy Leagues Club Premises will therefore be surrendered following the sale of the Woy Woy Leagues Club Premises.
3. Pursuant to section 21(4) of the Gaming Machines Act, if for the time being the number of “GMEs” allocated in respect of the premises of a registered club is 10 or less (the remaining entitlements), the club cannot transfer any of those remaining entitlements unless the transfer has been approved in principle at an extraordinary general meeting of the ordinary members of the club (being an approval supported by a majority of the votes cast at the meeting).
4. “GMEs” are required for a registered club to keep gaming machines at any of its premises and the number of machines cannot exceed the “GMEs” held at those premises.
5. “GMEs” can be transferred between related premises of a registered club or to another registered club pursuant to the Gaming Machines Act, subject to the approval of the Independent Liquor and Gaming Authority (“the Authority”).
6. The number of “GMEs” issued in relation to the premises and club licence for the Woy Woy Leagues Club premises is 75 “GMEs”.
7. So that the Authority can approve the transfer of all “GMEs” when an application is lodged with the Authority, the Ordinary Resolution is to put to members for the purpose of section 21(4) of the Gaming Machines Act. The Authority will require compliance with the section in order to approve a transfer to another club licence in respect of the last 10 “GMEs” attached to the club licence for the Woy Woy Leagues Club Premises.
8. The club licence attached to the Woy Woy Leagues Club Premises will be surrendered once all the “GMEs” held for the club licence are sold and transferred.
9. If the Ordinary Resolution is passed, then the Club can arrange for the sale and transfer of the “GMEs” attached to the club licence for the Woy Woy Leagues Club Premises, and ultimately the surrender of the club licence attached to the Woy Woy Leagues Club Premises.

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTICE OF EXTRAORDINARY GENERAL MEETING (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

General notes regarding the Ordinary Resolution

1. In accordance with section 21(4) of the Gaming Machines Act all Ordinary (and Life) Members are eligible to attend the Extraordinary General Meeting and vote on the Ordinary Resolution.
2. To be passed, the Ordinary Resolution requires votes from a simple majority of those members who, being eligible to do so, are presented and vote on the Ordinary Resolution at the meeting.
3. Under the Registered Clubs Act 1976 (NSW) and the Club's Constitution:
 - a) members who are employees of the Club are not entitled to vote; and
 - b) proxy voting is prohibited.
4. The Board of the Club recommends the Ordinary Resolution to members.

By order of the Board of Directors.



Joe Kelly

Company Secretary

Dated 22 January 2021

NOTICE OF ANNUAL GENERAL MEETING

EASTERN SUBURBS LEAGUES CLUB LTD ABN 63 000 249 490

NOTICE is hereby given that the Annual General Meeting of Eastern Suburbs Leagues Club Ltd (“the Club”) will be held on Thursday, 25 February 2021 at 5.35pm* at The Arthur Morris Room, Sydney Cricket Ground, Moore Park (access via Gate E, Driver Avenue, Moore Park).

BUSINESS TO BE CONDUCTED

ORDINARY BUSINESS

1. Apologies.
2. To confirm the Minutes of the previous Annual General meeting held on Thursday, 27 February 2020.
3. To receive and consider the financial report, directors’ report and auditors’ report for the year ended 31 October 2020.
4. For the purposes of clause 4(4) of the Registered Clubs Regulation 2015 (NSW), the Chairman will give notice of any expressions of interest in an amalgamation along with any unsolicited merger offers received by the Club from other registered clubs in the previous 12 months.
5. General business.

*The Club will be holding an Extraordinary General Meeting at 5:30pm on Thursday, 25 February 2021 (separate notice of which has been given) to consider an ordinary resolution for the transfer of gaming machine entitlements attached to the club license for the Woy Woy Leagues Club premises. If the Extraordinary General Meeting is still in progress at 5.35pm, the commencement of the Annual General Meeting will be delayed and will commence immediately upon the conclusion of the Extraordinary General Meeting.

NOTE: Members who wish to raise any queries or seek information at the meeting about the financial report, directors’ report and auditors’ report, are asked to give the Chief Executive Officer notice in writing of their queries or requests **at least 7 days before the Annual General Meeting**. This will enable properly researched replies to be prepared for the benefit of Members.

By Order of the Board of Directors.



Joe Kelly

Company Secretary

Dated: 22 January 2021

DIRECTORS REPORT

EASTERN SUBURBS LEAGUES CLUB - YEAR ENDED 31 OCT 2020

The directors present their report together with the financial report of Eastern Suburbs Leagues Club Limited (the Company), for the financial year ended 31 October 2020 and the auditor's report thereon.

1. Directors

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

Name, qualifications and independence status	Experience, special responsibilities and other directorships
N G Politis, AM, B. Comm. & Eco. Chairman	Twenty-eighth year of Directorship. Executive Chairman of WFM Motors Pty Ltd
P J Newton Director	Twentieth year of Directorship Chairman of Metals X Limited, Director of All States Finance Pty Ltd
B A Samphier Director	Nineteenth year of Directorship Managing Director of B&B Electrical and Consulting Services Pty Ltd East's Group Sports Director & Chair of Membership Committee
M L Bouris, AM Director	Seventeenth year of Directorship Executive Chairman of Yellow Brick Road
M Fennessy, AM Director	Fourteenth year of Directorship Founder and former CEO of Fremantlemedia and Endemol Shine Australia
L A Ricketson Director	Eleventh year of Directorship Sports and Leisure Executive GSA Insurance Brokers Pty Limited
A C Crawford Director	Fourth year of Directorship Founder and CEO of Trackmaster Apparel

2. Company secretary

Mr Joe Kelly was appointed to the position of Company Secretary on 27 February 2020.

3. Directors' meetings

Director	Board Meetings		Special Meetings	
	A	B	A	B
N G Politis AM	12	12	1	1
P J Newton	12	12	1	1
B A Samphier	12	12	1	1
M L Bouris AM	11	12	1	1
M Fennessy AM	11	12	1	1
L A Ricketson	11	12	1	1
A C Crawford	12	12	1	1

A – Number of meetings attended

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

EASTERN SUBURBS LEAGUES CLUB LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

4. Company strategy, objectives and principal activities

Objectives

Short term

The Company's objectives emanate from its stated purpose which is to assist generally in the promotion, conduct and propagation of Rugby League Football in the Rugby League Football District of the Eastern Suburbs of Sydney or elsewhere.

Further short term objectives in conjunction with the above is to provide for the use of members and their guests a great community club with a commitment to ensuring each club is community focused with service orientated employees continuously seeking to improve our clubs for all to enjoy.

Long term

To consciously seek to improve our club's social and sporting facilities for all to enjoy ensuring that the pursuit of its mission/vision can be achieved via existing and future business segments maintaining sustained growth and financial strength such as good cash flow, creditworthiness, earnings growth and an acceptable return on investment in an ever changing environment.

The club values are; Club First, Respect and Team Work.

Strategy for achieving the objectives

The Company conducts a Strategic Review of its operations annually and undertakes a number of strategic pillars to achieve these objectives such as:

- Football Operations
- Leadership and Finance
- Community Engagement
- Commercial Operations
- People and Culture

Principal activities

The principal activities of the Company during the course of the financial year was to provide members and their guests with the amenities and facilities usually associated with social clubs. Further, the Company assists generally in the promotion, conduct and propagation of rugby league football in the Eastern Suburbs.

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

5. Operating and financial review and performance measurement

Overview of the Company

The profit before tax of the Company from continuing operations for the year ended 31 October 2020 was \$3,237,866 (2019 profit: \$3,334,835).

The net operating result was impacted by:

- Decrease in gain on disposal of property, plant and equipment and investment property of \$2,403,922.
- Fair value loss on investment property of \$2,000,000.
- Decrease in gaming revenue by \$7,745,924.
- Decrease in catering revenue by \$1,680,269.
- Decrease in beverages revenue by \$1,895,532.
- Decrease in grants paid of \$2,100,000.
- Decrease in employee benefits expenses of \$2,793,427.
- Receipt of Job Keeper government grants of \$2,785,500.

EASTERN SUBURBS LEAGUES CLUB LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

5. Operating and financial review and performance measurement (continued)

On 22 March 2020, the Federal and State Governments announced new Stage 1 restrictions on social gatherings with all Registered Clubs closed from midday Monday 23 March 2020. The Registered Clubs were able to re-open from 1 June 2020.

As a result of the closure of our Clubs, the Company stood down most of its employees. Many of these stood down employees were subsequently eligible for the JobKeeper subsidy and able to return to work in a reduced capacity. During the stand down period, staff were able to draw upon accrued leave entitlements and where considered appropriate alongside welfare considerations, able to go into limited negative annual leave balances.

Assistance and support by governments and others

During the financial year, the Company received government support through the JobKeeper Payment Scheme ('JobKeeper'). JobKeeper is a temporary subsidy for businesses significantly affected by COVID-19, where eligible employers are entitled to receive a JobKeeper payment to support the business in ongoing payments to employees.

In addition to JobKeeper, the Company received payment deferrals of State and other taxes in line with publicised practices. Amounts owed to the NSW OSR were all repaid in the financial year, and amounts owed to the ATO have been agreed post year end to be repaid over a period to November 2022.

6. Performance measurement and key performance indicators

The Company's strategic plans are reviewed on a regular basis to ensure relevance.

A number of KPIs are employed by the club in order to measure, monitor and hence improve the club's performance and to achieve the clubs objectives through sound financial management. Business activities are managed in a pro-active manner to ensure that the goals, objectives and business strategies are achieved. Our KPI's are:

- Adapt to an ever changing and challenging environment
- Business trends analysis
- Market Analysis
- Competitive analysis
- SWOT analysis

Continual Analysis of KPIs using SMART criteria (this means the measure has a Specific purpose for the business, it is Measurable to really get a value of the KPI, the defined norms have to be Achievable, the improvement of a KPI has to be Relevant to the success of the organisation, and finally it must be Time phased, which means the value or outcomes are shown for a predefined and relevant period).

7. Membership

The Company is a company limited by guarantee and without share capital. The numbers of members as at 31 October 2020 and the comparison with last year is as follows:

	2020	2019
Life	13	11
Ordinary	46,473	42,094
	46,486	42,105

In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. Total amount that members are liable as at 31 October 2020 is \$185,944 (2019: \$168,476).

EASTERN SUBURBS LEAGUES CLUB LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

8. Events subsequent to reporting date

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

9. Lead auditor's independence declaration

The Lead auditor's independence declaration under s307C is set out on page 16 and forms part of the directors' report for financial year ended 31 October 2020.

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



N G Politis AM

Chairman

Dated at Sydney this 18th day of December 2020.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the Directors of Eastern Suburbs Leagues Club Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Eastern Suburbs Leagues Club Ltd for the financial year ended 31 October 2020 there have been:

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



KPMG



Cameron Roan

Partner

Sydney

18 December 2020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2020

<i>In AUD</i>	Note	2020	2019
Revenue	4	33,696,743	45,374,237
JobKeeper government grants received		2,785,500	-
Gain on disposal of property, plant and equipment and investment property		15,905	2,419,827
Changes in inventories		(83,435)	(85,896)
Materials and consumables used		(1,920,692)	(3,281,861)
Poker machine licences and taxes		(5,498,558)	(7,940,734)
Employee benefits expense	5	(11,499,934)	(14,293,361)
Occupancy expenses		(4,057,858)	(4,893,371)
Entertainment, marketing and promotional costs		(2,124,368)	(3,838,154)
Other expenses		(2,470,868)	(4,346,065)
Earnings before financing income/costs, depreciation, impairment, grants paid and income tax		8,842,445	9,114,621
Depreciation expense		(3,642,706)	(3,670,206)
Grants expense	6	-	(2,100,000)
Results from operating activities		5,199,739	3,344,416
Fair value loss on investment property		(2,000,000)	-
Results from operating activities after fair value loss on investment property		3,199,739	3,344,416
Finance income	7	54,482	21,413
Finance costs	7	(16,355)	(30,994)
Net finance costs	7	38,127	(9,581)
Profit before income tax		3,237,866	3,334,835
Income tax benefit	8	306,121	6,378,968
Profit from continuing operations		3,543,987	9,713,803
Discontinued operations			
Loss from discontinued operations, net of tax		(651,693)	(574,607)
Profit for the period		2,892,294	9,139,196
Other comprehensive income			
Revaluation of property, plant and equipment, net of income tax		(1,045,378)	48,298,860
Other comprehensive income for the period, net of income tax		(1,045,378)	48,298,860
Total comprehensive income for the year		1,846,916	57,438,056

The notes on pages 21 to 40 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2020

<i>In AUD</i>	Note	2020	2019
Assets			
Cash and cash equivalents	9	23,683,785	13,264,023
Trade and other receivables	10	360,197	717,254
Inventories	11	179,182	262,607
Other current assets	12	546,241	623,973
Assets held for sale	22	5,100,000	-
Total current assets		29,869,405	14,867,857
Investment property	13	11,150,000	13,150,000
Property, plant and equipment	15	115,832,873	125,023,645
Right of use assets	21	89,212	-
Intangible assets	17	940,000	940,000
Total non-current assets		128,012,085	139,113,645
Total assets		157,881,490	153,981,502
Liabilities			
Trade and other payables	18	9,949,648	6,570,207
Other current liabilities		146,728	187,730
Current tax payable		746,141	645,130
Employee benefits	19	1,684,712	2,212,756
Lease liabilities	21	37,245	-
Total current liabilities		12,564,474	9,615,823
Employee benefits	19	155,968	231,350
Deferred tax liabilities	14	14,307,587	15,185,257
Lease liabilities	21	57,473	-
Total non-current liabilities		14,521,028	15,416,607
Total liabilities		27,085,502	25,032,430
Net assets		130,795,988	128,949,072
Members' funds			
Amalgamation reserve		4,390,953	4,390,953
Asset revaluation reserve		47,253,482	48,298,860
Retained surplus		79,151,553	76,259,259
Total members' funds		130,795,988	128,949,072

The notes on pages 21 to 40 are an integral part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' FUNDS

AS AT 31 OCTOBER 2020

In AUD

	Amalgamation reserve	Asset revaluation reserve	Retained surplus	Total
Balance at 1 November 2018	4,390,953	-	67,120,063	71,511,016
Profit for the year	-	-	9,139,196	9,139,196
Other comprehensive income	-	48,298,860	-	48,298,860
Total comprehensive income for the year	-	48,298,860	9,139,196	57,438,056
Balance at 31 October 2019	4,390,953	48,298,860	76,259,259	128,949,072
Balance at 1 November 2019	4,390,953	48,298,860	76,259,259	128,949,072
Profit for the year	-	-	2,892,294	2,892,294
Other comprehensive income	-	(1,045,378)	-	(1,045,378)
Total comprehensive income for the year	-	(1,045,378)	2,892,294	1,846,916
Balance at 31 October 2020	4,390,953	47,253,482	79,151,553	130,795,988

The notes on pages 21 to 40 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

AS AT 31 OCTOBER 2020

<i>In AUD</i>	<i>Note</i>	2020	2019
Cash flows from operating activities			
Cash receipts from customers		38,741,024	53,034,584
Cash receipts from government grants		2,785,500	-
Cash paid to suppliers and employees		(29,952,207)	(45,746,613)
Grants paid to Eastern Suburbs District Rugby League Football Club Limited		-	(2,100,000)
Cash generated from operations		11,574,317	5,187,971
Interest paid		(12,628)	(30,994)
Interest received		54,482	21,413
Income tax paid		(13,153)	(97,716)
Net cash from operating activities		11,603,018	5,080,674
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		515,785	7,322,228
Acquisition of property, plant and equipment		(1,659,237)	(3,204,868)
Net cash from/(used in) investing activities		(1,143,452)	4,117,360
Cash flows from financing activities			
Payment of finance lease liabilities		(39,804)	-
Repayment of borrowings		-	(1,000,000)
Net cash (used in) financing activities		(39,804)	(1,000,000)
Net increase in cash and cash equivalents		10,419,762	8,198,034
Cash and cash equivalents at beginning of year		13,264,023	5,065,989
Cash and cash equivalents at end of year	9	23,683,785	13,264,023

The notes on pages 21 to 40 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Reporting entity

Eastern Suburbs Leagues Club Limited (the Company) is a company incorporated and domiciled in Australia. The financial statements of the Company are as at and for the year ended 31 October 2020.

The Company is a company limited by guarantee and without share capital. In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter.

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

2 Basis of preparation

(a) Statement of compliance

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

The financial statements were approved by the Board of Directors and authorised for issue on 17 December 2020 and signed on 18 December 2020 per the Directors Declaration.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for Investment Properties and Land and Building asset classes within property, plant and equipment which are on a revaluation ('fair value') basis.

(c) Functional and presentation currency

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

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest million unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 13 Investment property
- Note 15 Property, plant and equipment
- Note 17 Intangible assets
- Note 24 Contingent asset and contingent liabilities

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

(a) Financial instruments

(i) Non-derivative financial assets

Financial assets are recognised initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the consolidated entity manages such investments and makes purchase and sale decisions based on their fair value in accordance with the consolidated entity's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company has the following categories of non-derivative financial assets: cash and cash equivalents and trade and other receivables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any impairment losses (see note 3(h)).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

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

The Company has the following categories of non-derivative financial liabilities: payables, loans and borrowings.

Payables, loans and borrowings are financial liabilities with fixed or determinable payments that are not quoted in an active market. Such liabilities are recognised initially at fair value. Subsequent to initial recognition payables, loans and borrowings are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Property, plant and equipment

(i) Recognition and measurement

Land and building assets are measured at fair value, which reflects market conditions at the statement of financial position date. All other classes of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation is recognised in profit or loss over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated.

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

	Depreciation rates
Buildings	2.50%
Plant and equipment	20 - 30%
Poker machines	20 - 40%
Leasehold improvements	20 - 40%
Motor Vehicles	20 - 40%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(c) Intangible assets

Poker machine entitlements

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

Subsequent expenditure

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

Amortisation

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

(d) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at fair value, which reflects market conditions at the statement of financial position date. Gains or losses arising from changes in fair values of investment properties are recognised in the statement of profit or loss comprehensive income in the year in which they arise including the corresponding tax effect.

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

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

(e) Leases

(i) Determining whether an arrangement contains a lease

Policy applicable from 1 November 2019

The Company has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 and AASB Interpretation 4.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16. This policy is applied to contracts entered into, on or after 1 November 2019.

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

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

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

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

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

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

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

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

Policy applicable before 1 November 2019

Assets held by the Company under leases, which transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased asset is measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

(f) Inventories

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

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

(g) Impairment

(i) Financial assets

Trade and other receivables are held at amortised cost less life time expected credit losses. The company's receivables are short-term in nature and as such no discounting is performed for the company's receivables.

Doubtful debts provision

The company has adopted the simplified approach for all trade and other receivables, given the company's receivables do not have a significant financing component. The company analyses the age of outstanding balances and applies historical default percentages adjusted for other current observable data as a means to estimate lifetime expected credit losses. The impact of the change to measuring the doubtful debts provision on the basis of expected credit losses is not material and has not resulted in an adjustment to opening retained earnings on transition.

Impairment

AASB 9 applies a forward-looking 'expected credit loss' (ECL) model. This requires considerable judgement about how changes in economic factors affect ECLs, which is determined on a probability weighted basis. Under AASB 9, loss allowances are measured on either of the following issues:

- 12-month ECLs: there are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: there are ECLs that result from all possible default events over the expected life of a financial instrument.

(ii) Non-financial assets

The carrying amounts of the consolidated entity's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite life intangible assets are tested annually for impairment.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (a "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets are remeasured in accordance with the consolidated entity's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less cost to sell and recognised as a current asset on the Statement of financial position.

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

(h) Non-current assets held for sale (continued)

Impairment losses on initial classification as held for sale and subsequent gains or losses on measurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Once classified as held for sale, intangible assets and property, plant and equipment are not amortised or depreciated.

(i) Employee benefits

(i) Defined contribution plans

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

(ii) Other long-term employee benefits

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

(iii) Short-term benefits

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

(j) Provisions

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

(k) Revenue

Policy applicable from 1 November 2019

The Company adopted AASB 15 *Revenue from contracts with customers* and AASB 1058 *Income of Not-For-Profit Entities* from 1 November 2019, the below reflects the accounting policies under the adopted standards. There was no impact to previously recognised revenues upon adoption of the standards and accordingly no adjustment was made to opening retained earnings upon adoption.

(i) Provision of services

Revenue from the provision of services includes membership subscriptions and commissions. Revenue from the provision of services is recognised in the period over which the Company satisfies its performance obligations or series of performance obligations to its customers. Revenue is recognised to the extent that recovery of the contract consideration is considered probable and the amount of revenue can be measured reliably. Revenue is deferred to the extent that the Company has not met its performance obligations to its customers. Revenue is recognised using the output method under the terms of each contractual arrangement with customers.

(ii) Revenue from gaming

Revenue from gaming is recognised at a point-in-time being the net difference between gaming wins and losses for the day and is recognised at the close of business each day.

(iii) Revenue from beverages and catering

Beverages and catering revenue is recognised at the point in time in which the goods are provided to customers payment is collected.

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

(k) Revenue (continued)

(iv) Grant revenue

Grants are initially recognised as deferred income at fair value if there is reasonable assurance that the grants will be received, and that the Company will satisfy the performance obligations associated with the grant. Grant revenue is recognised on a systematic basis over the period to which the grant relates.

(v) Rent revenue

Rental income is recognised on a straightline basis over the term of the lease, except where an alternative basis is more representative of the parrent of services rendered through the provision of the leased premises. Tenants are invoiced per contractual arrangements and revenue is recognised over the period.

(vi) Other revenue

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

(vii) JobKeeper government grant

JobKeeper government grant revenue is recognised on a gross basis when there is reasonable assurance that the Group is able to comply with the conditions attached to the program, receipt of monies is considered probable and related employee expenses are incurred.

Policy applicable prior to 31 October 2019

Goods sold and services rendered

Revenue from the sale of goods comprises revenue earned from the provision of food and beverage and other goods, and is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered comprises revenue from gaming facilities, together with other services provided to members and patrons of the Company, and is recognised through profit or loss when the services are provided. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due or the reliable measurement of costs incurred or to be incurred, there is risk of return of goods or there is continuing management involvement with the goods.

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.

Commissions

When the consolidated entity acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission payable to the consolidated entity.

Grant revenue

Grants are recognised as income when there is reasonable assurance they will be received by the Company and the Company has complied with the conditions associated with the grant.

(l) Finance income and finance costs

Finance income comprises interest income on cash and cash equivalents. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on loans and borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or productions of a qualifying asset are recognised in profit or loss using the effective interest method.

(m) Tax

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

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

(m) Tax (continued)

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that could follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(ii) Tax exposure

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

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

(n) Goods and services tax

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

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

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

(o) Amalgamation reserve

An amalgamation reserve in members' funds is utilised for amalgamations with other registered clubs. The amount presented is equal to the accumulated fair values of the net assets of the clubs acquired. The individual assets and liabilities acquired are presented in the statement of financial position. This policy is effective for amalgamations occurring after 1 November 2012.

(p) Grant payments

Grant payments are recognised through profit or loss at the time the grants are awarded by the Company, thereby crystallising an obligation to make payment to the other parties.

(q) Discontinued Operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company and which:

- represents a separate major line of business or geographical area of operations; or
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

(q) Discontinued Operations (continued)

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year.

The discontinued operation generated a net operating cash outflow of \$716,863 for the year ended 31 October 2020 (31 October 2019: operating cash outflow of \$632,067).

(r) New standards and interpretations adopted during the year

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-For-Profit Entities

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services which may be at a point in time or over time - determining this requires judgement.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Company. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The Company has adopted AASB 15 and AASB 1058 using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application being 1 November 2019. Accordingly, the information presented for 2019 has not been restated as previously reported under AASB 118.

AASB 16 Leases

The Company has initially applied AASB 16 Leases from 1 November 2019. The Company applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 November 2019. Accordingly, the comparative information presented for the year ended 31 October 2019 is not restated – i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements in AASB 16 have not generally been applied to comparative information.

(i) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation Determining whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 3(e).

On transition to AASB 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Company applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and AASB Interpretation 4 were not reassessed for whether there is a lease under AASB 16. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 November 2019.

(ii) As a lessee

As a lessee, the Company leases many assets including property, equipment and vehicle. The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under AASB 16, the Group recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

(r) New standards and interpretations adopted during the year (continued)

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

However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

(ii) Leases classified as operating leases under AASB 117

Previously, the Company classified property leases, motor vehicle and equipment as operating leases under AASB 117. On transition, for these leases, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate as at 1 November 2019. Right-of-use assets are measured at their carrying amount as if AASB 16 had been applied since the commencement date, discounted using the Company's incremental borrowing rate at the date of initial application: the Company applied this approach to all its leases.

The Company has tested its right-of-use assets for impairment on the date of transition and has concluded that there is no indication that the right-of-use assets are impaired.

(iv) Impact on financial statements

Impact on transition

The Company recognised the following right-of-use assets and lease liabilities on transition at 1 November 2019:

	Company
	\$
Right-of-use assets	122,034
Lease liabilities	(122,034)

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 November 2019. The weighted-average rate applied is 3.295%. The difference between the operating lease commitments as disclosed in the 31 October 2019 financial statements and the lease liabilities recognised above is due to discounting.

(iii) As a lessor

As a lessor, the Company leases has entered into operating leases in relation to its investment properties, there is no significant change in the Company's accounting for its lease arrangements as a Lessor.

New standards and interpretation not yet adopted

A number of new standards are effective for annual periods beginning after 1 November 2019 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of Business (Amendments to AASB 3).
- Definition of Material (Amendments to AASB 101 and AASB 108).
- AASB 17 Insurance Contracts.

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

4. Revenue

<i>In AUD</i>	2020	2019
Revenue from catering	1,426,351	3,106,620
Revenue from beverages	2,733,927	4,629,459
Revenue from gaming	24,945,688	32,691,612
Property rental income	2,089,175	3,144,982
Subscriptions and joining fees	110,761	142,656
Commision revenue	195,936	317,464
Other revenue	2,194,905	1,341,444
	<u>33,696,743</u>	<u>45,374,237</u>

5. Employee benefits expense

<i>In AUD</i>	2020	2019
Wages and salaries	8,952,329	10,332,112
Other associated personnel expenses	2,377,473	2,307,842
Contributions to defined contribution plans	773,558	1,028,377
Change in liability for annual leave	(269,036)	596,227
Change in liability for long service leave	(334,390)	28,803
	<u>11,499,934</u>	<u>14,293,361</u>

6. Grants expense

<i>In AUD</i>	2020	2019
Grants to Eastern Suburbs District Rugby League Football Club Limited (Refer note 25)	-	2,100,000
	<u>-</u>	<u>2,100,000</u>

7. Finance income and finance costs

<i>In AUD</i>	2020	2019
Interest income	54,482	21,413
Finance income	<u>54,482</u>	<u>21,413</u>
Interest expense – bank loans	(11,978)	(30,994)
Interest expence other	(4,377)	
Finance costs	<u>(16,355)</u>	<u>(30,994)</u>
Net finance income / (costs) recognised in profit or loss	<u>38,127</u>	<u>(9,581)</u>

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

8. Tax expense / (benefit)

	2020	2019
Current tax expense / (benefit)		
Current year	57,919	204,709
Utilisation of tax losses	-	(31,071)
Under / (Over) provision for prior periods	56,247	(271,820)
	114,166	(98,182)
Deferred tax benefit		
Origination and reversal of temporary differences	6,460	(1,448)
Utilisation of tax losses	-	31,071
Recognition of previously unrecognised temporary differences to offset deferred tax liabilities recognised on revaluation of property, plant and equipment	-	(6,310,409)
Over provision for prior periods	(426,747)	-
	(420,287)	(6,280,786)
Total tax benefit	(306,121)	(6,378,968)

Numerical reconciliation between tax (benefit) and pre-tax accounting profit

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

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

<i>In AUD</i>	2020	2019
Apportionable net taxable income	5,138,608	7,188,699
Add: Other deductible expenses	(381,926)	(381,006)
	4,756,682	6,807,693
Less: Member portion of net taxable income	(4,563,620)	(6,125,330)
Net income subject to tax	193,062	682,363
Income tax using the Company's statutory income tax rate of 30% (2019: 30%)	57,919	204,709
Movement in deferred tax liabilities in respect of temporary differences	6,460	(1,448)
Recognition of previously unrecognised temporary differences to offset deferred tax liabilities recognised on revaluation of property, plant and equipment	-	(6,310,409)
Over provision for prior periods	(370,500)	(271,820)
	(306,121)	(6,378,968)

9. Cash and cash equivalents

<i>In AUD</i>	2020	2019
Cash at bank and on hand	23,683,785	13,264,023
Cash and cash equivalents in the statement of cash flows	23,683,785	13,264,023

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

10. Trade and other receivables

<i>In AUD</i>	2020	2019
Current		
Trade receivables	87,584	235,571
Less: Provision for expected credit losses	(18,138)	(4,675)
	<u>69,446</u>	<u>230,896</u>
Other receivables	290,751	486,358
	<u>360,197</u>	<u>717,254</u>

11. Inventories

<i>In AUD</i>	2020	2019
Finished goods - at cost	179,182	262,607
	<u>179,182</u>	<u>262,607</u>

12. Other current assets

<i>In AUD</i>	2020	2019
Prepayments	546,241	623,973
	<u>546,241</u>	<u>623,973</u>

13. Investment property

<i>In AUD</i>	2020	2019
Balance at 1 November	13,150,000	13,150,000
Fair value loss during the year	(2,000,000)	-
Balance at 31 October	<u>11,150,000</u>	<u>13,150,000</u>

Investment property represents land and building holdings in Bondi NSW and is stated at fair value.

The latest independent valuations of the Club's investment property were carried out in July 2020 by Hymans Assets Management (Registered Valuer No. AM 4779). This fair value under capitalisation of net income approach for these properties is \$11,150,000.

14. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

<i>In AUD</i>	Assets		(Liabilities)		Net deferred tax assets / (Liabilities)	
	2020	2019	2020	2019	2020	2019
Employee benefits	61,789	107,829	-	-	61,789	107,829
Other	39,530	52,186	-	-	39,530	52,186
Investment property	-	-	(275,886)	(925,098)	(275,886)	(925,098)
Property, plant and equipment	-	-	(14,133,021)	(14,420,174)	(14,133,021)	(14,420,174)
Net deferred tax liabilities	<u>101,319</u>	<u>160,015</u>	<u>(14,408,907)</u>	<u>(15,345,272)</u>	<u>(14,307,588)</u>	<u>(15,185,257)</u>

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

15. Property, plant and equipment

In AUD

		Land and buildings at revaluation	Plant and equipment at cost
Revaluation and cost basis			
Balance at 1 November 2019		115,525,000	23,740,897
Additions		-	169,746
Transfer to asset held for sale	21	(5,260,000)	-
Transfer in / (out)		-	471,204
Disposals		-	(3,267,153)
Revaluation gain / (loss)		(2,589,689)	-
Balance at 31 October 2020		107,675,311	21,114,694
Accumulated depreciation and impairment			
Balance at 1 November 2019		940,000	20,528,757
Depreciation for the year		644,756	778,262
Disposals		-	(3,192,314)
Transfer to asset held for sale	21	(160,000)	-
Revaluation gain / (loss)		(949,445)	-
Balance at 31 October 2020		475,311	18,114,705
Carrying amounts			
At 1 November 2019		114,585,000	3,212,140
At 31 October 2020		107,200,000	2,999,989

Valuation of land and buildings

The latest independent valuations of the Company's land and buildings, carried out in July 2020 by Hymans Assets Management on the basis of fair value under depreciated replacement cost, resulted in a valuation of land and buildings of \$107,200,000. Any additions or transfers since the valuations are expected to be reflected in an equivalent increase in the recoverable amount of the Company's land and buildings.

Poker machines at cost	Motor Vehicles at cost	Leasehold improvements at cost	Work in progress at cost	Total
22,729,804	254,483	127,678	2,659,321	165,037,183
566,455	-	-	923,036	1,659,237
-	-	-	-	(5,260,000)
-	-	-	(471,204)	-
(3,068,836)	(47,811)	-	(79,300)	(6,463,100)
-	-	-	-	(2,589,689)
20,227,423	206,672	127,678	3,031,853	152,383,631
18,259,526	158,328	126,927	-	40,013,538
2,165,243	21,624	-	-	3,609,885
(2,730,732)	(40,174)	-	-	(5,963,220)
-	-	-	-	(160,000)
-	-	-	-	(949,445)
17,694,037	139,778	126,927	-	36,550,758
4,470,278	96,155	751	2,659,321	125,023,645
2,533,386	66,894	751	3,031,853	115,832,873

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

16. Core and non-core properties

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

Core properties are located at:

Bondi Junction

93-97 Spring Street
 Strata Tower #17320 Lot 1, 9-13 Bronte Road

80A Ebley Street
 Bondi Junction NSW 2022

Kingswood

2 Santley Crescent
 Kingswood NSW 2747

Berkeley

5 Wilkinson Street
 Berkeley NSW 2506

Part core and part non-core properties held by the company are located at:

Waverley

163 Birrell Street
 Waverley NSW 2024

Non-core properties are located at:

5A Bronte Road

Bondi Junction NSW 2022

124 Avoca Street

Randwick NSW 2031

99 Spring Street

Bondi Junction NSW 2022

Woy Woy

82-90 Blackwall Road
 Woy Woy NSW 2256

17. Intangible assets

<i>In AUD</i>	Poker machine entitlements	Total
<i>Cost</i>		
Balance as at 1 November 2019	940,000	940,000
Acquisitions	-	-
Balance as at 31 October 2020	<u>940,000</u>	<u>940,000</u>

Poker machine entitlements are stated at cost less accumulated impairment losses. Poker machine entitlements have an indefinite useful life given they have no expiry date, and accordingly are not amortised but are to be assessed annually for impairment.

18. Trade and other payables

<i>In AUD</i>	2020	2019
Current		
Trade payables	2,672,143	1,121,357
Goods and services tax (GST) payable	714,147	352,822
Other payables and accrued expenses	6,563,358	5,096,028
	<u>9,949,648</u>	<u>6,570,207</u>

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

19. Employee benefits

<i>In AUD</i>	2020	2019
Current		
Liability for long service leave	641,189	900,197
Liability for annual leave	1,043,523	1,312,559
	<u>1,684,712</u>	<u>2,212,756</u>
Non-current		
Liability for long service leave	155,968	231,350
	<u>155,968</u>	<u>231,350</u>

20. Loans and borrowings

<i>In AUD</i>	2020	2019
The Company has nil drawn down loan balances as at 31 October 2020 (31 October 2019: \$nil)		
The Company has access to the following lines of credit:		
Bank guarantees	200,000	200,000
Multi-option commercial bill facility	10,000,000	10,000,000
Corporate Mastercard credit card facility	23,000	23,000
	<u>10,223,000</u>	<u>10,223,000</u>
Facilities utilised at reporting date		
Bank guarantees	-	-
Multi-option commercial bill facility	-	-
Corporate Mastercard credit card facility	10,392	10,392
	<u>10,392</u>	<u>10,392</u>
Facilities not utilised at reporting date		
Bank guarantees	200,000	200,000
Multi-option commercial bill facility	10,000,000	10,000,000
Corporate Mastercard credit card facility	12,608	12,608
	<u>10,212,608</u>	<u>10,212,608</u>

Security

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

(a) First registered fixed and floating charge over the assets and undertaking of Eastern Suburbs Leagues Club Limited.

(b) First registered real property mortgage by Eastern Suburbs Leagues Club Limited over the property located at 93-97 Spring Street, Bondi Junction NSW 2022 and property located at 9-13 Bronte Road, Bondi Junction NSW 2022.

(c) First registered real property mortgage by Eastern Suburbs Leagues Club Limited over the property located at 2-10 Santley Crescent, Kingswood NSW 2747.

(d) First registered real property mortgage by Eastern Suburbs Leagues Club Limited over the property located at 5A - 7 Bronte Road, Bondi Junction NSW 2022.

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

20. Loans and borrowings (continued)

(e) First registered fixed and floating charge over the assets and undertakings of Eastern Suburbs Leagues Club Limited ("Club"), including without limitation a floating charge over the rights and interests of the Club in gaming machines and all of the interests and rights of the Club as a registered club under the Registered Clubs Act" given by Eastern Suburbs Leagues Club Limited.

(f) Negative pledge by Eastern Suburbs Leagues Club Ltd to not offer securities to other financiers without prior written consent of St George Bank.

21. Quantitative lease disclosure

As Lessee

a) Right-of-use assets

<i>In AUD</i>	2020	2019
Balance at 1 November 2019	-	-
Recognition of right-of-use asset on initial application of AASB 16	122,034	-
Depreciation charge for the year	(32,822)	-
Balance at 31 October 2020	89,212	-

b) Lease liabilities included in the statement of financial position

<i>In AUD</i>	2020	2019
Current	37,245	-
Non-current	57,473	-
	94,718	-

c) Amounts recognised in profit or loss

<i>In AUD</i>	2020	2019
Non-current	3,727	-
	3,727	-

d) Amounts recognised in statement of cash flows

<i>In AUD</i>	2020	2019
Total cash outflow for leases	39,804	-
	39,804	-

As lessor

The Company leases out its investment property. At 31 October, the future minimum lease payments under non-cancellable leases were receivable as follows.

<i>In AUD</i>	2020	2019
Less than one year	1,083,486	1,176,823
One to five years	3,320,018	3,775,555
More than five years	868,714	1,496,664
	5,272,218	6,449,042

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

22. Assets held for sale

During the year, the Company closed its Woy Woy club, accordingly the premises is presented as an asset held for sale.

<i>In AUD</i>	2020	2019
Land and building assets classified as held for sale	5,100,000	-
	<u>5,100,000</u>	<u>-</u>

23. Commitments

<i>In AUD</i>	2020	2019
Capital works		
Capital works contracted for but not yet completed	-	-
Later than five years	<u>-</u>	<u>-</u>

24. Contingent assets and contingent liabilities

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

<i>In AUD</i>	2020	2019
Contingent liabilities not considered remote		
Guarantee		
(i) Bank performance guarantees	<u>219,000</u>	<u>219,000</u>

25. Related parties

Parent and ultimate controlling party

The parent and the ultimate controlling party of the Company is Eastern Suburbs District Rugby League Football Club Limited, a company limited by guarantee incorporated in Australia.

Key management personnel compensation

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

<i>In AUD</i>	2020	2019
Director honorariums and other related expenses	<u>-</u>	<u>-</u>

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

<i>In AUD</i>	2020	2019
Short-term and long-term employee benefits and termination payments	<u>733,893</u>	<u>757,718</u>

Key management personnel and director transactions

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

EASTERN SUBURBS LEAGUES CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

25. Related parties (continued)

Transactions with parent entity - Eastern Suburbs District Rugby League Football Club Limited

During the year, the Company had the following transactions with its parent entity.

- a) Grants amounting to \$nil (2019: \$2,100,000) were provided to the parent entity.
- b) An amount of \$61,850 (2019: \$124,540) was paid as corporate hospitality to the parent entity.
- c) At year end, an amount of \$2,723,000 was payable to the parent entity (2019: \$2,723,000 payable to the parent).
- d) An amount of \$369,500 (2019: \$368,350) was paid, in regards to various sponsorship arrangements.

During the year there have been other transactions between the parent entity and the Company, such as purchases of merchandise and game tickets. All transactions have been executed on commercial terms.

26. Impact of COVID-19

The onset of the Coronavirus (COVID-19) pandemic has had a broad global social and economic impact. Due to government restrictions Registered Clubs were closed from 23 March 2020. The Registered Clubs were able to re-open from 1 June 2020. As a result of the closure of the Clubs, the Company stood down most of its employees. Many of these stood down employees were subsequently eligible for the JobKeeper subsidy and able to return to work in a reduced capacity. The Clubs have continued since 1 June 2020 with limited services and facilities bearing in mind COVID safe protocols, including a reduction in the number of machines and patrons, which has impacted revenue. The Company is committed to prioritising the health, safety and wellbeing of its people, partners, customers and the community.

27. Events after the reporting period

There have been no events subsequent to reporting date which would have a material effect on the Company's financial statements at 31 October 2020.

DIRECTORS' DECLARATION

EASTERN SUBURBS LEAGUES CLUB - YEAR ENDED 31 OCT 2020

In the opinion of the directors of Eastern Suburbs Leagues Club Limited (the Company):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 17 to 40, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 October 2020 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors



N G Politis AM

Chairman

Dated at Sydney this 18th day of December 2020.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EASTERN SUBURBS LEAGUES CLUB LIMITED

Opinion

We have audited the **Financial Report** of Eastern Suburbs Leagues Club Limited (the Company).

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

- giving a true and fair view of the Company's financial position as at 31 October 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 31 October 2020
- Statement of profit or loss, Statement of comprehensive income, Statement of changes in members' funds, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for opinion

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

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

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

Other Information

Other Information is financial and non-financial information in Eastern Suburbs Leagues Club's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information. The Other Information we obtained prior to the date of this Auditor's Report was the Director's report.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

EASTERN SUBURBS LEAGUES CLUB LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our Auditor's Report.



KPMG



Cameron Roan

Partner

Sydney

18 December 2020

MITCHELL AUBUSSON

M. AUBUSSON
AUBUSSON

One Club Man

MOST CAPPED ROOSTER IN HISTORY



PLAYER #1067