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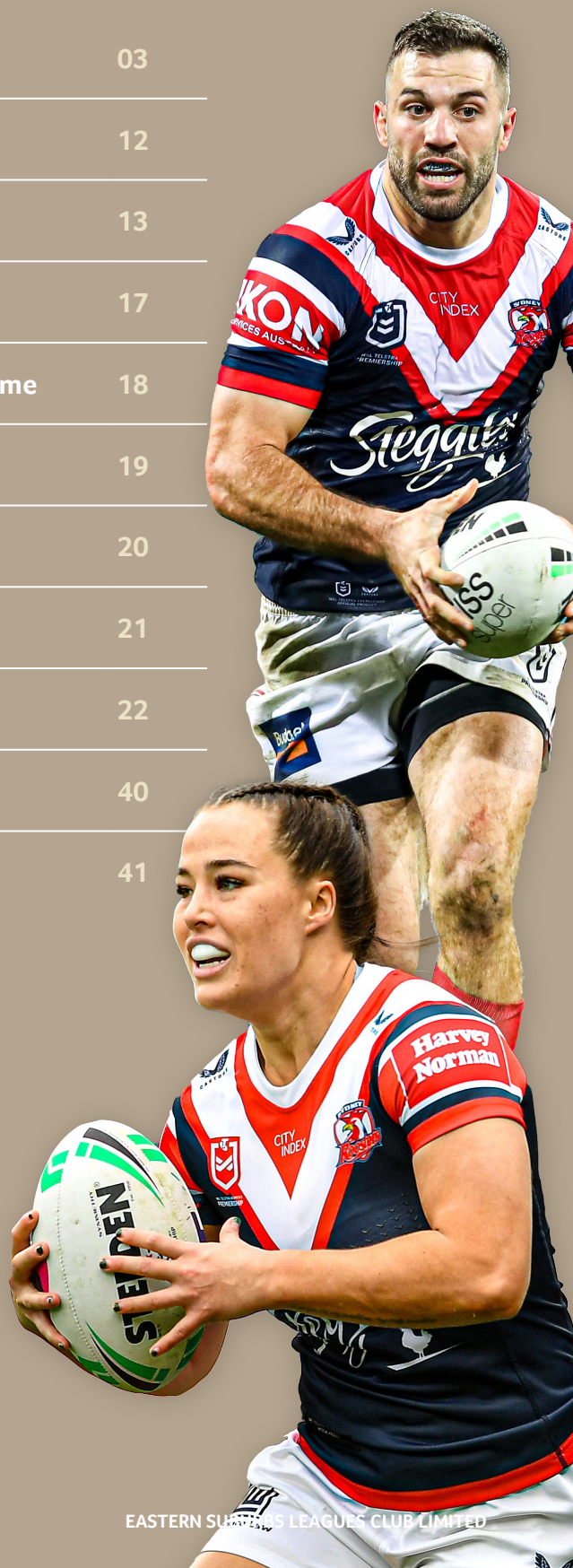
ANNUAL REPORT

Eastern Suburbs Leagues Club Ltd

ABN 63 000 249 490

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EXECUTIVE REPORT

It is our pleasure to present the 63rd Annual Report of the Eastern Suburbs Leagues Club Ltd (Easts Group) for the Financial Year Ending 31 October 2022.

THE FINANCIAL YEAR IN REVIEW

The underlying Group operating profit (excluding asset sales) for the year is \$6.1m, which is \$5.4m higher than the comparable figure from 2021. This increase is reflective of a full 12 months trading with no mandated club closures through financial year 2022. The financial result is inclusive of \$0.3m in JobSaver support, down from \$0.7m in 2021.

In 2022 the Club is continuing the redevelopment of Waverley Bowling Club, progressing extremely well under the management of Mirvac as our development partner. Additionally, the Club repaid \$10m of borrowings via funds returned from the Sydney Roosters.

During the year no grant was made to the Sydney Roosters, with no cash grant being made to the Roosters since 2019. \$3.8m was lent to the Roosters in support of its construction of the Club's new Centre of Excellence in the newly constructed Allianz Stadium at Moore Park, which will be the home of the Roosters for the next 25 years.

Easts profits are re-invested back into the Clubs for the benefit of our Members. In 2022 ongoing refurbishment of Easts Bondi Junction continued, in addition to the construction of the new Waverley Bowling Club which is scheduled to re-open in mid-2023. Further, the Club continues to investigate additional income generating financial investments to further diversify our revenue streams, providing greater financial security to the Group for years to come, so that we can continue with projects for the benefit of our Members, and with our ongoing support of the Sydney Roosters in its pursuit of further Premiership success.

State and Federal Governments have or will receive \$10,156,188 in various taxation payments from the Easts Group while ClubGRANTS, Junior Rugby League funding and donations to the communities of Bondi Junction, Kingswood, Berkeley, Woy Woy and Waverley amounted to \$1,712,699 in the last ClubGRANTS period.

COMMUNITY

The Easts Group has continued its long and proud tradition of providing support to multiple programs and charities throughout our communities. Across the year, our staff contributed to several charity fundraisers including:

- The annual Salvation Army Toy and Food Drive in the lead up to Christmas where staff from all venues donated gifts and food parcels.
- Mullumbimby Flood Relief campaign to aid the community after the disastrous floods in March. Mullumbimby has a special connection to the Easts Group, being the location of the Sydney Roosters pre-season training camp in the weeks before the floods devastated the local community.

THE ORGANISATIONS AND CHARITIES THAT EASTS GROUP HAS ASSISTED IN THE 2022 FINANCIAL YEAR, INCLUDE:

CHARITABLE & COMMUNITY CAUSES

- Ted Noffs Foundation
- Lifeline South Coast
- Berkeley Neighbourhood Centre
- Learning Links
- Caresouth Homework Hub
- Nepean Multicultural Access
- Zonta Club of Nepean Valley
- Supported Accommodation & Homelessness Services Shoalhaven Illawarra

SUB-CLUBS & SPORTING GROUPS

- Berkeley Darts 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 Men's Hockey Club
- Easts Women's Hockey Club

- Easts Photographic Club
- Easts Rostrum 15 Club
- Eastern Suburbs Men's Cricket Association
- Eastern Suburbs Women's Cricket Association
- Emu Plains Hockey Association
- Greater Western Warriors Baseball Club
- Kingswood Darts Club
- Kingswood Euchre Club
- Kingswood Ladies' Bowling Club

- Kingswood Men's Bowling Club
- Kingswood Travelling Bowlers Club
- Kingswood Junior Bowlers Development Grant
- MacKillop Baseball Club
- St Mary's Convent Soccer Club
- Waverley Men's Bowling Club
- Waverley Women's Bowling Club
- Western Sydney Bream and Bass Club
- Woy Woy Junior Rugby League Football Association



SYDNEY ROOSTERS

2022 will be considered as a year of significant change for the Sydney Roosters. We said farewell to the SCG after calling it home for four years. The SCG has always held a special place in Roosters history, and it served us well once again during our Allianz Stadium hiatus. During this period, our NRL team won 22 of 31 matches and went on to win the 2019 NRL Premiership. It was also our home when the COVID pandemic struck and the season was brought to a surreal halt in early 2020. We're incredibly grateful to our Members and Sponsors for supporting us over the past four years.

In a major coup for the Club, our NRL and NRLW teams were fortunate to host the first ever matches in our new Allianz Stadium home in front of a capacity crowd in September 2022, and they didn't disappoint with both teams securing strong wins. Allianz Stadium is the best rectangular stadium in the country, with incredible facilities for Members and Supporters.

Our administration also moved from our facility at the Entertainment Quarter (EQ) to a new Centre of Excellence on the eastern side of Allianz Stadium. The new headquarters are state-of-the-art and designed with every consideration to support our professional football programs, and conveniently located adjacent to our Kippax Lake training facilities that will soon undergo an upgrade.

We continue to invest heavily in our men's and women's pathways with several major acquisitions. The Club purchased an apartment block in Kingsford to house some of our emerging talent, and we also retained our office and training facility in EQ to accommodate the first ever standalone NRLW Centre of Excellence within our game and to also provide additional facilities for our ever expanding junior pathways programs for both boys and girls.



NRLW

2022 will go down in the history books as the year we celebrated our first ever NRLW Premiership. After two agonising Grand Final defeats in 2019 and 2020, our Sydney Roosters 2021 NRL Women's squad completed one of the greatest turnarounds in the Club's history to claim their inaugural title in emphatic circumstances. With the competition expanding to six teams in the COVID delayed fourth season, the Tricolours suffered a hefty player turnover, with incoming Head Coach John Strange enlisting a number of young players from his Central Coast Roosters outfit, who would ultimately prove to be pivotal to the side's success.

In incredible scenes, our Roosters overpowered the previously unbeaten Brisbane Broncos in the Semi Final, before going on to defeat St George Illawarra in the 2021 Grand Final. Captain Corban Baxter celebrated her 28th birthday in the best possible fashion, holding the Premiership Trophy aloft as the Club claimed its inaugural NRL Women's title.

There were high expectations for the 2022 season following their Grand Final win, and they did not disappoint, remaining undefeated throughout the regular season. Unfortunately, the season would end abruptly with a Semi Final loss to the Parramatta Eels. Despite the disappointment, our Sydney Roosters Women's team did the Club incredibly proud, cementing themselves in the Club's history as our first ever NRLW Premiership winning team and laying the platform for future success.

Congratulations to Raecene McGregor who was crowned the 2022 NRLW Dally M and Golden Boot winner capping an incredible year, as well as Sam Bremner who Co-Captained the Jillaroos to a World Cup win.



NRL

We saw new talent emerge following the retirements of Boyd Corder, Jake Friend and Brett and Josh Morris in the preceding year. Joseph Sua'ali'i is cementing himself as one of the most exciting talents seen in rugby league, while Sam Walker continues his incredible development and his natural ability is thrilling to watch. Egan Butcher and Fletcher Baker are also stars in the making and will be pressing to secure starting roles this season.

Joseph Manu capped off an amazing year being crowned as the Golden Boot winner. James Tedesco led admirably in his new position as Club Captain, securing a record fifth Jack Gibson Medal. James also went on to Captain Australia to a World Cup win following the 2022 season.

A new chapter was written into our history books when we returned to Allianz Stadium on Friday 2 September 2022. A frenzied sell-out crowd of Members and Supporters witnessed a Roosters win over fierce rivals the South Sydney Rabbitohs. Unfortunately, a week later we were defeated in an Elimination Final that was coincidentally played at the same venue against the same team.

We farewelled Premiership players Sio Siua Taukeiaho and Sam Verrills, as well as Kevin Naiqama and Adam Keighran. All leave with our best wishes and will always be considered as Sydney Roosters.

AROUND OUR CLUBS

Life returned to normal across the Easts Group venues this past year, with Members, Staff and the local community eager to put the pandemic behind them.

The Easts Group remain committed to regularly upgrading our venues and this year we invested in works at our Berkeley and Kingswood Sports Clubs, with further investment planned for both Easts Bondi Junction and Berkeley Sports Club in 2023.

The construction of Waverley Greens continues and is on schedule to be completed by mid-2023 in time for the 130th anniversary of Waverley Bowling Club.

Some of the year's highlights are provided below for each of our Clubs.

EASTS

- This year we launched a new loyalty program, Signature Rewards Program. Available to all Members, the new Signature Rewards Program provides access to more discounts, benefits and rewards by using your membership card to earn points on all eligible transactions. Following on from the successful launch of our Signature Rewards Program, Easts Bondi Junction also introduced a new and exciting weekly promotions schedule. The new daily, weekly and monthly promotions have been very well received by our Members and we continue to give away more than \$15,000 per week in cash and prizes to our Members.
- We are currently in the process of updating our Member and visitor sign-in terminals for easier and more efficient entry to the venue. Members will soon notice the upgraded self-serve models in the Spring Street Reception. Our friendly door staff will still be on hand to assist you when necessary.
- Upgrades are planned for the Bondi Room and gaming areas in early 2023. We will be replacing our event and function furniture in time for the launch of the Sydney Roosters 2023 NRL season, as well as remodelling our gaming room bars and service areas.



BERKELEY

- Over the past year our first-floor events area has been given a face lift with painting, new carpet and new furniture. Works will continue on the first floor in the new year, with the veranda being resurfaced as well as new lighting and furniture installed. These upgrades will transform this into a contemporary event space and ensure it's ideal for celebrations all year round.
- New carpet, floor layout and increased height in ceiling will transform the outdoor gaming area when works are completed in the first half of 2023.
- In exciting news, a major upgrade of the Club's façade and foyer is planned for 2023. The works will transform these areas of the venue into contemporary spaces full of natural light and modern aesthetics that we are sure our Members will love.
- Thank you and congratulations to all our sporting teams over the last year, including: Berkeley Rugby League Club, Berkeley Men's Bowling Club and the Berkeley Senior & Junior Football Clubs.

KINGSWOOD

- The La Nina weather caused unprecedented levels of rain at Kingswood and the surrounding Nepean community in April 2022. While the Club certainly wasn't the hardest hit by flooding, water rose beyond our safety measures and half of the Club and bowling greens were submerged. With the help of the Bowling Committee and its Members, who organised working bees to help remove the damaged carpet and furniture, we were able to reopen all areas of the Club earlier than anticipated.
- Planned work to enhance the reception area was brought forward and we would like to thank all of the Kingswood staff who assisted in the renovations. A special mention to Nathan Lowe and Mark Luckett for their incredible effort.
- It was great to see the return of our sporting groups and sub-clubs once the COVID restrictions ended. We thank the following organisations for their ongoing support: Men's Bowling Club, Ladies Bowling Club, Junior Bowling Members, Western Sydney Bream and Bass Club, St Mary's Convent Soccer Club, Emu Plains Hockey Club, Euchre Club and the Darts Clubs. We also welcome the MacKillop Baseball Club who have joined the Kingswood sports club community.

WAVERLEY

- The construction of Waverley Greens and the wider Mirvac residential development, 'The Langlee' is progressing well, and is on track for completion in 2023. With a topping-out ceremony celebrating the completion of the roof on the Palmerston building, we should start to see the rapid transformation of the site into one of Sydney's, and the Eastern Suburbs', premier hospitality venues.
- The team at Easts, along with Members of Waverley Bowling Club, are excited to celebrate the 130th birthday of the Waverley Bowling Club in 2023. Formed in 1893 and with a proud history of championship and social bowling, as well as being well-known as the Eastern Suburbs' most welcoming hospitality venue, the Easts Group are proud to be delivering a spectacular new venue to carry on those traditions and the Club itself, into the next 130 years.
- As part of our mission to deliver a first-class hospitality venue, the Easts Group is currently in the process of selecting a catering partner to complement the Club's new look, feel and design. Having recently gone to market, the selection process is well underway at the time of writing, and we are hopeful that we will be able to announce the successful tenderer very soon. Along with bowls, delivering quality food and beverage to our Members and the wider Eastern Suburbs community are the cornerstones of Waverley Greens.



AWARDS

Congratulations to our high-performing staff for their valuable contributions throughout the year and in particular, those that achieved the following employee acknowledgement awards (noting that the Player's Player is voted by colleagues of the winning Staff Member and the Club Champion is voted by Club Management):

EASTS PLAYER'S PLAYER

Jonathan Tesoriero

EASTS PLAYER'S PLAYER

Jeremiah Vunich

EASTS CLUB CHAMPION

Cain Price

EASTS CLUB CHAMPION

Vivian Adamlu

BERKELEY SPORTS CLUB CHAMPION

Paula Oliveira

BERKELEY SPORTS CLUB CHAMPION

Marris Coles

KINGSWOOD SPORTS CLUB CHAMPION

Tracey Wasson

ROOSTERS PLAYER'S PLAYER

Patrick Brown

James Hanson

ROOSTERS CLUB CHAMPION

Clare Vanzino

PEOPLE & CULTURE

During the last 12 months, the department has been changed from 'Human Resources' to 'People and Culture' – a name that better reflects the activities and interests in what the team does on a daily basis for our hospitality venues and the Sydney Roosters.

Along with the name change, Samantha Barrett was promoted to Group People and Culture Manager. Samantha has proven her professionalism during her time with the Easts Group and her knowledge in this field has been imperative in not only the day-to-day, but also the long-term strategy of the Group.

The department has been busy during 2022, with the following staff initiatives implemented:

- Jeans for Genes Day, R U OK Day, Gotcha 4 Life, Flood Appeal – good 360 for Mullumbimby Community, Salvation Army's Christmas Toy and Food Drive, and the Community Spirit Foundation.
- The implementation of new HR software to streamline vocational learning, policies and procedures.

THANK YOU

On behalf of Management and our Board of Directors, we would like to thank Members for their ongoing support of our Easts Group Clubs and Sydney Roosters. It was incredibly pleasing to service our Members for the entire year following lengthy disruptions throughout 2020 and 2021, and we're incredibly grateful to all Members that have returned and continue to frequent our venues and games.

To our Staff, thank you for your incredible efforts delivering outstanding customer service to our Clubs, Members and Sponsors. The past three years have been arguably the most difficult in decades, and while we were fortunate to remain open, the challenging labour market meant there was greater demand on everybody. A sincere thankyou to every Staff Member for representing the Easts Group with dedication and professionalism.

To our Board of Directors, thank you for your commitment and passion. Your expertise and leadership have ensured the stability of the Easts Group and positioned it for long term success. Further, we acknowledge Sporting Director Brien Samphier for his commitment to our Club Sporting Bodies and chairing our Membership Committee.

We look forward to a successful 2023 across the Group.

Nick Politis AM
Chairman

Joe Kelly
Group CEO



BERKELEY SPORTS CLUB



EASTS BONDJ JUNCTION



KINGSWOOD SPORTS CLUB

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, 23 February 2023 at 4.30pm at Premier North Lounge, Gate 5, Level 2, Allianz Stadium, Moore Park Road, Moore Park NSW 2021.

It is possible that the Annual General Meeting will need to be either postponed or held using technology because of COVID-19 related restrictions which may be imposed by Government authorities. Members should regularly check for updates on the Club's website prior to the date of the Annual General Meeting. In the event that a COVID-19 lockdown and/or restrictions prevent the Club holding a physical meeting, the meeting will be held by using technology, or the meeting may need to be postponed pursuant to rule 76B(a) of the Club's Constitution. If the Annual General Meeting will be held using technology, information about how to attend the meeting virtually (using technology) will be given via the Club's website. Unless, the Club's website provides any additional information, Members should assume the physical meeting at the above venue on the above date and time will be proceeding.

BUSINESS TO BE CONDUCTED

ORDINARY BUSINESS

1. Apologies.
2. To confirm the Minutes of the previous Annual General Meeting held on Thursday 24 February 2022.
3. To receive and consider the Financial Report, Directors' Report and Auditors' Report for the year ended 31 October 2022.
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. To consider the nomination of Ray New for Life Membership of the Club as endorsed by the Board of Directors.
6. General Business.

NOTE: Members who wish to raise any queries or seek information at the meeting about the Financial Report, Directors' Report or Auditor's 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.

LIFE MEMBERSHIP RESOLUTION[S]

1. That Ray New #502060 is elected to Life Membership of the Club under rule 28(a) of the Constitution of Eastern Suburbs Leagues Club Ltd.

EXPLANATORY MESSAGE REGARDING THE LIFE MEMBERSHIP RESOLUTIONS

1. The Life Membership resolutions are proposed pursuant to rule 28(a) of the Club's Constitution.
2. To be passed, a majority of two thirds of those eligible Members present and voting at the Annual General Meeting is required. In accordance with rules 22 and 27(b), only Life Members, financial Foundation Members and financial Executive Members are eligible to vote on the Life Membership resolutions.
3. Proxy voting is not permitted under the Registered Clubs Act.
4. The Board recommends that Members vote in favour of the Life Membership resolution.
5. Members who are employees of the Club are not entitled to vote as this is prohibited by the Registered Clubs Act.

By Order of the Board of Directors.



Joe Kelly

Company Secretary

Dated at Sydney this 23rd day of January 2023

DIRECTORS' REPORT

The directors present their report, together with the financial statements of Eastern Suburbs Leagues Club Limited (the Company) for the year ended 31 October 2022.

DIRECTORS

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

Director	Experience, special responsibilities, and other directorships
N G Politis, AM B. Comm. & Eco Chairman	Thirtieth year of Directorship Executive Chairman of WFM Motors Pty Ltd and NGP Investments Pty Ltd
P J Newton Director	Twenty-second year of Directorship Chairman of All States Finance Pty Ltd
B A Samphier Director	Twenty-first 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	Nineteenth year of Directorship Executive Chairman of Yellow Brick Road, Director of Mentored Platform Pty Ltd
M Fennessy, AM Director	Sixteenth year of Directorship Founder and CCO of HELIUM, Board Member Sony Foundation
L A Ricketson Director	Thirteenth year of Directorship Principle of Ricketson Insurance Pty Ltd
A C Crawford Director	Sixth year of Directorship Founder and CEO of Trackmaster Apparel

Mr Joe Kelly held the position of Company Secretary throughout the year ended 31 October 2022.

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors (the Board) and of each board committee held during the year ended 31 October 2022, and the number of meetings attended by each director were:

Director	Board Meetings		Special Meetings	
	Number of Meetings Attended	Number of Meetings Held*	Number of Meetings Attended	Number of Meetings Held*
N G Politis, AM	11	12	1	2
P J Newtown	12	12	2	2
B A Samphier	11	12	2	2
M L Bouris, AM	12	12	2	2
M Fennessy, AM	10	12	2	2
L A Ricketson	10	12	1	2
A C Crawford	11	12	2	2

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

MEMBERSHIP

The Company is a company limited by guarantee and is without share capital. The number of Members as at 31 October 2022 and the comparison with last year is as follows:

	2022	2021
Life	16	13
Ordinary	41,839	41,542
	<u>41,855</u>	<u>41,555</u>

MEMBERS' LIMITED LIABILITY

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/she is a Member or within one year thereafter. The total liability in the event of winding up is \$167,420 (2021: \$166,220).

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.

OPERATING AND FINANCIAL REPORT AND PERFORMANCE MEASUREMENT

Overview of the Company

The profit before tax of the Company from continuing operations for the year ended 31 October 2022 was \$6,151,282 (2021: \$8,074,143). The net operating result was impacted by;

- Gain on disposal of property, plant and equipment of \$88,025 (2021: \$7,408,786);
- Increase in gaming revenue by \$10,714,654;
- Increase in beverages revenue by \$1,431,857; and
- Increase in employee benefits expense by \$1,917,815.

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).

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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 17.

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



N G Politis, AM

Chairman

Dated at Sydney this 15th day of December 2022

LEAD AUDITOR'S INDEPENDENCE DECLARATION

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF EASTERN SUBURBS LEAGUES CLUB LIMITED

As lead auditor of Eastern Suburbs Leagues Club Limited for the year ended 31 October 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Clayton Eveleigh

Director

BDO Audit Pty Ltd

Sydney, 15TH December 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 October 2022

	Note	2022 \$	2021 \$
Revenue	2	39,743,719	26,124,832
Other income		346,948	702,332
Gain on disposal of property, plant and equipment		88,025	7,408,786
Changes in inventories		38,526	(8,531)
Materials and consumables used		(2,076,471)	(1,365,746)
Poker machine licenses and taxes		(6,603,932)	(4,099,292)
Employee benefits expense	3	(10,876,602)	(8,958,787)
Occupancy expenses		(4,952,939)	(3,739,485)
Entertainment, marketing and promotional costs		(3,464,212)	(2,152,421)
Other expenses		(3,057,393)	(2,447,718)
Earnings before financing income/costs, depreciation, impairment and income tax		9,185,669	11,463,970
Depreciation expense		(3,154,598)	(3,463,436)
Results from operating activities		6,031,071	8,000,534
Fair value gain/(loss) on investment property		-	-
Results from operating activities after fair value loss on investment property		6,031,071	8,000,534
Finance income	4	287,614	122,906
Finance costs	4	(167,403)	(49,297)
Net finance income		120,211	73,609
Profit before income tax		6,151,282	8,074,143
Income tax (expense)/benefit	5	(279,393)	217,408
Profit for the period		5,871,889	8,291,551
Other comprehensive income			
Revaluation of property, plant and equipment, net of income tax		-	-
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the year		5,871,889	8,291,551

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 22 to 39.

STATEMENT OF FINANCIAL POSITION

Statement of Financial Position as at 31 October 2022

	Note	2022 \$	2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	31,178,070	27,655,271
Trade and other receivables	7	13,817,853	7,973,450
Inventories		209,177	170,651
Other assets		548,489	493,915
Total Current Assets		45,753,589	36,293,287
Non-Current Assets			
Trade and other receivables	7	-	12,095,000
Investment properties	8	21,685,025	21,685,025
Property, plant and equipment	10	98,842,725	98,903,910
Right of use assets	15	24,409	51,509
Financial assets	20	10,000,000	10,000,000
Intangible assets	11	190,000	190,000
Total Non-Current Assets		130,742,159	142,925,444
Total Assets		176,495,748	179,218,731
LIABILITIES			
Current liabilities			
Trade and other payables	12	4,314,182	3,650,665
Deferred revenue		182,071	148,528
Current tax payable		703,763	15,999
Employee benefits	13	1,949,623	1,577,195
Lease liabilities	15	27,186	34,654
Total Current Liabilities		7,176,825	5,427,041
Non-Current Liabilities			
Loans and borrowings	14	10,000,000	20,000,000
Employee benefits	13	183,576	139,106
Deferred tax liabilities	9	14,175,919	14,544,078
Lease liabilities	15	-	20,967
Total Non-Current Liabilities		24,359,495	34,704,151
Total Liabilities		31,536,320	40,131,192
Net Assets		144,959,428	139,087,539
Members' Funds			
Amalgamation reserve		-	-
Asset revaluation reserve		38,592,690	38,592,690
Retained surplus		106,366,738	100,494,849
Total Member's Funds		144,959,428	139,087,539

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 22 to 39

STATEMENT OF CHANGES IN MEMBERS' FUNDS

Statement of Changes in Members' Funds for the Year Ended 31 October 2022

	Amalgamation Reserve \$	Asset Revaluation Reserve \$	Retained Earnings \$	Total Members' Funds \$
Balance at 1 November 2020	4,390,953	47,253,482	79,151,553	130,795,988
Profit for the year	-	-	8,291,551	8,291,551
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	8,291,551	8,291,551
Transfer of reserves	(4,390,953)	(8,660,792)	13,051,745	-
Balance at 31 October 2021	-	38,592,690	100,494,849	139,087,539
Profit for the year	-	-	5,871,889	5,871,889
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	5,871,889	5,871,889
Balance at 31 October 2022	-	38,592,690	106,366,738	144,959,428

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 22 to 39.

STATEMENT OF CASH FLOWS

Statement of Cash Flows as at 31 October 2022

	2022 \$	2021 \$
Cash flows from operating activities		
Cash receipts from customers	43,246,268	28,795,603
Cash paid to suppliers and employees	(33,077,170)	(29,871,282)
Cash receipts from government grants	-	702,332
Cash generated/(used in) operations	10,169,098	(373,347)
Interest paid	(167,403)	(45,570)
Interest received	287,614	122,906
Income tax refunded/(paid)	40,212	(276,243)
Net cash inflow/(outflow) from operating activities	10,329,521	(572,254)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	221,907	16,342,422
Proceeds from sale of intangible assets	-	1,100,000
Proceeds from sale of assets held for sale	-	4,941,315
Acquisition of financial assets	-	(10,000,000)
Acquisition of property, plant & equipment	(3,200,194)	(7,263,448)
Acquisition of investment properties	-	(10,535,025)
Net cash outflow from investing activities	(2,978,287)	(5,414,736)
Cash flows from financing activities		
Repayment of lease liabilities	(28,435)	(41,524)
Advances to controlling entity	-	(10,000,000)
Repayment of advances to controlling entity	6,200,000	-
Proceeds from loans and borrowings	-	20,000,000
Repayment of loans and borrowings	(10,000,000)	-
Net cash (outflow)/inflow from financing activities	(3,828,435)	9,958,476
Net increase in cash and cash equivalents	3,522,799	3,971,486
Cash and cash equivalents at the beginning of the year	27,655,271	23,683,785
Cash and cash equivalents at the end of the year	31,178,070	27,655,271

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 22 to 39.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements for the Year Ended 31 October 2022

ABOUT THIS REPORT

Eastern Suburbs Leagues Club Ltd is a Company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Eastern Suburbs Leagues Club Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 15th December 2022.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for not-for-profit orientated entities;
- Have been prepared under the historical cost convention, except for Investment Properties and Land and Building asset classes within Property, plant and equipment which are on a revaluation ('fair value') basis and financial assets held at fair value;
- Are presented in Australian dollars, which is also the Company's functional currency;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year; and
- Have been prepared on a going concern basis.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the Company:

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

The Company has adopted AASB 1060 from 1 November 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of AASB. The adoption of this standard has not had a significant impact on the Company's financial statements.

Critical Accounting Judgements, Estimates and Assumptions

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:

Investment properties	Note 8
Property, plant & equipment	Note 10
Intangible assets	Note 11
Contingent assets and contingent liabilities	Note 17
Financial assets	Note 20

1. 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

ii. *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 Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company'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, trade and other receivables and investments in property trusts.

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 1(g)).

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.

iii. *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

iii. 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.

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.

iv. 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.

v. 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:

Buildings	2.5%
Plant and equipment	10%-20%
Poker machines	25%
Leasehold improvements	10%
Motor vehicles	14%-15%

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.

e. Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16.

i. As a lessee

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

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

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

ii. *As a lessor*

As a lessor, the Company has entered into operating leases in relation to its investment properties. The Company recognises lease payments received under operating leases as income over a straight-line basis over the lease term as part of revenue.

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

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.

Provision for expected credit losses

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 of financial assets

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.

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. Employee benefits

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.

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.

Short-term benefits

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

i. 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.

j. Revenue

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer.

Details regarding the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies are set out below.

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.

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.

Revenue from beverages and catering

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

Rent revenue

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

Grant revenue

Grant revenue is recognised over time, as the Company satisfies its performance obligations as stated in the grant funding agreements. Where performance obligations are not sufficiently specific, or there are no performance obligations, the grant is recognised as income when the right to receive payment is established.

Other revenue

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

JobSaver and Jobkeeper government grants

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

k. 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.

I. 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.

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.

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

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.

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.

m. 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.

n. 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.

o. Grand 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.

2. REVENUE AND OTHER INCOME

	2022 \$	2021 \$
In AUD		
Revenue from catering	1,276,761	864,565
Revenue from beverages	3,284,934	1,853,077
Revenue from gaming	29,733,825	19,019,171
Property rental income	3,284,455	2,311,732
Distribution income	811,667	358,333
Commission revenue	229,647	190,487
Subscriptions and joining fees	130,515	96,468
Other revenue	991,915	1,430,999
	<u>39,743,719</u>	<u>26,124,832</u>

3. EMPLOYEE BENEFITS EXPENSE

	2022 \$	2021 \$
In AUD		
Wages and salaries	8,211,133	6,771,117
Other associated personnel expenses	1,458,691	1,685,102
Contributions to defined contribution plans	789,880	626,947
Change in liability for annual leave	281,712	(2,303)
Change in liability for long service leave	135,186	(122,076)
	<u>10,876,602</u>	<u>8,958,787</u>

4. FINANCE INCOME AND FINANCE COSTS

	2022 \$	2021 \$
In AUD		
Interest income	287,614	122,906
Finance income	<u>287,614</u>	<u>122,906</u>
Interest expense – bank loans	(166,065)	(46,777)
Interest expense - other	(1,338)	(2,520)
Finance costs	<u>(167,403)</u>	<u>(49,297)</u>
	<u>120,211</u>	<u>73,609</u>
Net finance income recognised in profit or loss		

5. TAX EXPENSE / (BENEFIT)

	2022 \$	2021 \$
In AUD		
Current tax expense/(benefit)		
Current year	757,349	125,997
(Over)/under provision for prior periods	(109,797)	(579,895)
	<u>647,552</u>	<u>(453,898)</u>
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	(61,247)	236,490
Recognition of prior periods' tax losses	(306,912)	-
	<u>(368,159)</u>	<u>236,490</u>
Total tax expense/(benefit)	<u>279,393</u>	<u>(217,408)</u>

Numerical reconciliation between tax expense/(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:

	2022 \$	2021 \$
In AUD		
Apportionable net taxable income	7,641,691	2,803,055
	<u>7,641,691</u>	<u>2,803,055</u>
Less:		
Member portion of net taxable income	(5,117,193)	(3,223,046)
	<u>2,524,498</u>	<u>(419,991)</u>
Income tax using the Company's statutory income tax rate of 30% (2021: 30%)	757,349	125,997
Recognition of prior periods' tax losses	(306,912)	-
Movement in deferred tax liabilities in respect of temporary differences	(61,247)	236,490
Over provision for prior periods	(109,797)	(579,895)
Total tax expense/(benefit)	<u>279,393</u>	<u>(217,408)</u>

6. CASH AND CASH EQUIVALENTS

	2022 \$	2021 \$
In AUD		
Cash at bank and on hand	31,178,070	27,655,271
Cash and cash equivalents in the statement of cash flows	<u>31,178,070</u>	<u>27,655,271</u>

7. TRADE AND OTHER RECEIVABLES

	2022 \$	2021 \$
In AUD		
Current		
Trade receivables	859,206	481,308
Less: provision for expected credit losses	(602,328)	(89,258)
	<u>256,878</u>	<u>392,050</u>
Intercompany receivables	1,077,000	7,277,000
Other receivables	<u>12,483,975</u>	<u>304,400</u>
	<u>13,817,853</u>	<u>7,973,450</u>
Non-current		
Other receivables	<u>-</u>	<u>12,095,000</u>

8. INVESTMENT PROPERTIES

	2022 \$	2021 \$
In AUD		
Balance at 1 November	21,685,025	11,150,000
Acquisitions	-	10,535,025
Balance at 31 October	<u>21,685,025</u>	<u>21,685,025</u>

Investment properties represent land and building holdings in Bondi and Lithgow and are stated at fair value. The latest independent valuations of the Company's investment properties at Bondi and Lithgow were carried out in July 2020 and June 2021 respectively by Hymans Asset Management (Registered Valuer No. AM 4779). The fair value under capitalisation of net income approach for the Investment Properties was \$21,685,025. The Directors have reviewed the carrying amounts of the land & building assets at 31 October 2022, and determined there to be no material change to the fair value derived in the financial year 2021.

9. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

	Assets		(Liabilities)		Net deferred tax assets/ (liabilities)	
In AUD	2022 \$	2021 \$	2022 \$	2021 \$	2022 \$	2021 \$
Employee benefits	97,069	62,756	-	-	97,069	62,756
Other receivables	-	-	(3,958,738)	(4,307,058)	(3,958,738)	(4,307,058)
Investment properties	-	-	(698,057)	(304,509)	(698,057)	(304,509)
Investments	-	-	(351,000)	(107,500)	(351,000)	(107,500)
Property, plant & equipment	-	-	(9,265,193)	(9,887,767)	(9,265,193)	(9,887,767)
Net deferred tax liabilities	<u>97,069</u>	<u>62,756</u>	<u>(14,272,988)</u>	<u>(14,606,834)</u>	<u>(14,175,919)</u>	<u>(14,544,078)</u>

10. PROPERTY, PLANT AND EQUIPMENT

<i>In AUD</i>	Land and buildings at revaluation \$	Plant and equipment at cost \$	Poker machines at cost \$	Motor vehicles at cost \$	Leasehold Improvements at cost \$	Work in progress \$	Total \$
Revaluation and cost basis							
Balance at 1 November 2021	91,056,980	25,571,432	20,497,715	206,672	127,678	303,496	137,763,973
Additions	-	469,873	1,385,215	38,243	-	1,306,863	3,200,194
Transfers between categories	92,773	431,393	19,690	-	-	(543,856)	-
Disposals	-	(86,960)	(1,744,647)	(1,655)	(751)	(51,625)	(1,885,638)
Balance at 31 October 2022	91,149,753	26,385,738	20,157,973	243,260	126,927	1,014,878	139,078,529
Accumulated depreciation and impairment							
Balance at 1 November 2021	1,338,445	18,554,850	18,680,981	158,860	126,927	-	38,860,063
Depreciation for the year	868,098	1,256,503	986,967	15,929	-	-	3,127,497
Disposals	-	(36,741)	(1,713,360)	(1,655)	-	-	(1,751,756)
Balance at 31 October 2022	2,206,543	19,774,612	17,954,588	173,134	126,927	-	40,235,804
Carrying amounts							
At 1 November 2021	89,718,535	7,016,582	1,816,734	47,812	751	303,496	98,903,910
At 31 October 2022	88,943,210	6,611,126	2,203,385	70,126	-	1,014,878	98,842,725

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 depreciation, additions or transfers since the valuations are expected to be reflected in an equivalent movement in the recoverable amount of the Company's land and buildings. The Directors have reviewed the carrying amounts of the land & building assets at 31 October 2022, and determined there to be no material change to the fair value during the period.

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

Core Properties:

Bondi Junction

93-97 Spring Street
Strata Tower#17320
9-13 Bronte Road, Bondi Junction NSW 2022
80A Ebley Street, Bondi Junction NSW 2022

Kingswood

2 Santley Crescent, Kingswood NSW 2747

Berkeley

5 Wilkinson Street, Berkeley NSW 2506

Part core and non-core properties:

Waverley

163 Birrell Street, Waverley NSW 2506

Non-core Properties:

5A Bronte Road

Bondi Junction NSW 2022

124 Avoca Street

Randwick NSW 2031

99 Spring Street

Bondi Junction NSW 2022

1129-1131 Great Western Highway

Lithgow NSW 2790

11. INTANGIBLE ASSETS

	Poker machine Entitlements	Total \$
In AUD		
Cost		
Balance at 1 November 2021	190,000	190,000
Balance at 31 October 2022	190,000	190,000

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.

Impairment of poker machine entitlements is recognised based on a value-in-use calculation and is measured at the present value of the estimated future cash flows available to the Company from the use of these entitlements. In determining the present value of the future cash flows, assumptions regarding growth rates and appropriate discount factors have been applied to the cash flows.

At the end of the reporting period the Company assessed the recoverable amount of poker machine entitlements based on the value-in-use methodology. The Company used pre-tax cash flows generated from the poker machines net revenues generated and calculated the present values of these future cash flows at the discount rate to arrive at the total value of these entitlements. The value-in-use for each entitlement is calculated by dividing the total value of the entitlements with the actual number of poker machines. The value-in-use calculated by management was in excess of the carrying value and accordingly no impairment losses were recognised.

12. TRADE AND OTHER PAYABLES

	2022 \$	2021 \$
In AUD		
Current		
Trade payables	1,957,889	1,647,432
Goods and services tax (GST) payable	261,263	192,333
Other payables and accrued expenses	2,095,030	1,810,900
	<u>4,314,182</u>	<u>3,650,665</u>

13. EMPLOYEE BENEFITS

	2022 \$	2021 \$
In AUD		
Current		
Provision for annual leave	1,322,932	1,041,220
Provision for long service leave	626,691	535,975
	<u>1,949,623</u>	<u>1,577,195</u>
Non-current		
Provision for long service leave	<u>183,576</u>	<u>139,106</u>

14. LOANS AND BORROWINGS

	2022 \$	2021 \$
In AUD		
Non-Current		
Multi-option commercial bill facility	10,000,000	20,000,000
	<u>10,000,000</u>	<u>20,000,000</u>
Financing Arrangements		
<i>The Company has access to the following lines of credit:</i>		
Multi-option commercial bill facility	10,000,000	20,000,000
Bank guarantee	256,490	256,490
Bank overdraft	200,000	200,000
Corporate credit card facility	45,000	20,000
	<u>10,501,490</u>	<u>20,476,490</u>
Facilities utilised at reporting date:		
Multi-option commercial bill facility	10,000,000	20,000,000
Bank guarantee	256,490	256,490
Bank overdraft	-	-
Corporate credit card facility	9,205	10,130
	<u>10,265,695</u>	<u>20,266,620</u>
Facilities not utilised at reporting date:		
Multi-option commercial bill facility	-	-
Bank guarantee	-	-
Bank overdraft	200,000	200,000
Corporate credit card facility	35,795	9,870
	<u>235,795</u>	<u>209,870</u>

Security

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

- First registered fixed and floating charge over the assets and undertaking of Eastern Suburbs Leagues Club Limited.
- General security agreement by Eastern Suburbs Leagues Club Limited over all existing and future assets and undertakings.
- 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.
- First registered real property mortgage by Eastern Suburbs Leagues Club Limited over the property located at 2-10 Santley Crescent, Kingswood NSW 2747.
- First registered real property mortgage by Eastern Suburbs Leagues Club Limited over the property located at 5A-7 Bronte Road, Bondi Junction NSW 2022.

- f. 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.
- g. Deed of priority by Eastern Suburbs Leagues Club Limited and Mirvac Residential (NSW) Developments Pty Ltd regarding the banks registered fixed charge and their proposed specific asset general security agreement in relation to the Waverly Development.
- h. Negative pledge by Eastern Suburbs Leagues Club Ltd to not offer securities to other financiers without prior written consent of St George Bank.
- i. Deed of Priority by Eastern Suburbs Leagues Club Ltd and Mirvac Residential (NSW) Developments Pty Ltd re: the Banks existing Registered Fixed Charge and their proposed 'specific asset' General Security Agreements (GSA) given by Eastern Suburbs Leagues Club Limited.
- j. Unlimited cross guarantee and indemnity by Eastern Suburbs Leagues Club Limited and Eastern Suburbs District Rugby League Football Club Limited.

15. LEASES

As lessee

Right of use assets

	2022 \$	2021 \$
In AUD		
Balance at 1 November	51,509	89,212
Additions	-	-
Depreciation charge for the year	(27,100)	(37,703)
Balance at 31 October	<u>24,409</u>	<u>51,509</u>

Lease liabilities

Current	27,186	34,654
Non-current	-	20,967
	<u>27,186</u>	<u>55,261</u>

Amounts recognised in profit or loss

Interest on lease liabilities	<u>1,338</u>	<u>2,427</u>
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Amounts recognised in statement of cash flows

Repayment on lease liabilities	<u>28,435</u>	<u>41,524</u>
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As lessor

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

	2022 \$	2021 \$
Due within 1 year	1,870,599	1,608,088
Due within 1-5 years	5,575,748	5,578,374
Due later than 5 years	2,321,150	3,129,693
	<u>9,767,497</u>	<u>10,316,155</u>

16. COMMITMENTS

Capital Expenditure Commitments

The Company has contracted the following amounts for capital expenditure at the end of reporting period, for which amounts have not been provided for in the financial statements.

	2022 \$	2021 \$
Less than 1 year	5,348,736	153,681
	<u>5,348,736</u>	<u>153,681</u>

17. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

Contingent liabilities

	2022 \$	2021 \$
Bank guarantees	256,490	256,490
	<u>256,490</u>	<u>256,490</u>

18. KEY MANAGEMENT PERSONNEL

Key Management Personnel Compensation

	2022 \$	2021 \$
Employee benefits paid to key management personnel	1,846,223	1,663,367

19. RELATED PARTIES

Key Management Personnel

Disclosures relating to key management personnel remuneration are set out in Note 18.

Transactions with Related Parties

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

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

Ultimate controlling party

The ultimate controlling party of the Company is Eastern Suburbs District Rugby League Football Club Limited, a company limited by guarantee incorporated in Australia. During the year, the Company had the following transactions with its controlling entity;

- Grants amounting to \$nil (2021: \$nil) were provided.
- An amount of \$125,979 (2021: \$52,360) was paid as corporate hospitality to the controlling entity.
- At year end, an amount of \$1,077,000 was receivable from the controlling entity (2021: \$7,277,000 receivable).
- An amount of \$400,000 (2021: \$380,000) was paid, in regards to various sponsorship arrangements.

20. FINANCIAL ASSETS

In AUD

Financial assets held at fair value through profit or loss

2022 \$	2021 \$
10,000,000	10,000,000
<u>10,000,000</u>	<u>10,000,000</u>

During the 2021 year, the Company acquired units in an unlisted property trust which are accounted for as Financial assets held at fair value through profit or loss. The determination of the fair value of these financial assets is considered to be a level 2 input in the fair value hierarchy.

Sensitivity analysis performed notes that a 1% change in the fair value at reporting date would have increased/ (decreased) the profit before tax by \$100,000 and net equity by \$70,000.

21. AUDITORS' REMUNERATION

During the financial year, the following fees were paid or payable for services provided by the auditor of the Company:

	2022 \$	2021 \$
BDO Audit Pty Ltd		
Audit services		
Audit of the financial statements	39,000	-
KPMG		
Audit of the financial statements	-	44,898
Statutory tax compliance services	-	38,538
Tax advisory services	-	141,382
	<u>39,000</u>	<u>224,818</u>

BDO was appointed as auditor for the financial year ended 31 October 2022 (2021: KPMG). Non-audit fees are disclosed for the period the audit firm was the Company's auditors.

22. COMPANY DETAILS

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 31 October 2022 there were 41,855 Members (2021: 41,555).

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/she is a Member or within one year thereafter.

The registered office of the Company is:

Eastern Suburbs Leagues Club Limited
93-97 Spring St
Bondi Junction NSW 2022

23. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to reporting date which would have a material effect on the Company's financial statements at 31 October 2022.

DIRECTORS' DECLARATION

The directors of the Company declare that:

- a. In the Directors' opinion the financial report and notes set out on pages 18 to 39 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 2022 and of its performance, for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards – Simplified Disclosures; the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



N G Politis, AM

Chairman

Dated at Sydney this 15th day of December 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Eastern Suburbs Leagues Club Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

OPINION

We have audited the financial report of Eastern Suburbs Leagues Club Limited (the Company), which comprises the statement of financial position as at 31 October 2022, the statement of profit or loss and other comprehensive income, the statement of changes in Members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Eastern Suburbs Leagues Club Limited, is 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 2022 and of its financial performance for the year ended on that date; and
- ii. Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

OTHER MATTER

The financial report of Eastern Suburbs Leagues Club Limited, for the year ended 31 October 2021 was audited by another auditor who expressed an unmodified opinion on that report on 16 December 2021.

OTHER INFORMATION

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONT.)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

This description forms part of our auditor's report.

BDO Audit Pty Ltd



Clayton Eveleigh

Director

Sydney, 15th December 2022

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