

easts
GROUP

2023

ANNUAL REPORT



EASTERN SUBURBS LEAGUES CLUB LTD

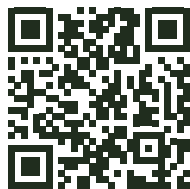
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Lindsay Collins, 2023 Jack Gibson Medallist

Tarryn Aiken, 2023 KARI Foundation Player of the Year



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EXECUTIVE REPORT

IT IS OUR PLEASURE TO PRESENT THE 64TH ANNUAL REPORT OF THE EASTERN SUBURBS LEAGUES CLUB LTD (EASTS GROUP)
FOR THE FINANCIAL YEAR ENDING 31 OCTOBER 2023.

The Group's total comprehensive income for the year rose by \$1.4m to \$7.3m in part due to a \$1.8m gain after tax on revaluation of the Group's land, buildings and investment properties and a \$3.1m increase in profits on disposal of property, plant and equipment coming from changes to the Group's asset portfolio and disposal of operating assets. These gains offset losses noted such as impairments to financial investments in property trusts and withdrawal of any remaining COVID support from government, rising staff and interest costs, and the broad challenges of sustained cost inflation in the hospitality industry.

As a result of ongoing profits in part used in asset purchases, the Group's net assets now stand in excess of \$152m, with the same value held in property which includes our licenced clubs and investment properties.

In 2023 the Group concluded the redevelopment of Waverley Greens, delivering 55 apartments for those aged over 55 or with a disability, with Mirvac as our development partner. Additionally, the Group purchased 3A Bronte Road in Bondi Junction, adjacent to Easts Leagues Club and other properties owned in the area. This was part funded by \$14m in additional borrowings.

During the year no grant was made to the Sydney Roosters, with no cash grant being made to the Roosters since 2019. \$1.4m 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 and training field upgrade at Kippax Lake, which will collectively 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 October 2023, our

Members experienced a notable benefit with the reopening of Waverley Greens, featuring a Club and two bowling greens for their use and enjoyment. Berkeley Sports Club has also been revitalised, featuring an improved gaming room and upgrades to the car park, entrance, and lobby areas—all of which have been enthusiastically embraced by our Members. 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 \$18,432,186 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, as well as other charities amounted to \$2,612,411 in the last ClubGRANTS period.



COMMUNITY

In May, the Easts Group appointed Anthony Brooks into a new role, General Manager - Community & Government Relations, to strengthen our community programs and engagement across our charitable causes, sub-clubs, sporting clubs, and government relations across our communities. This new role across both the Easts Group and Sydney Roosters is also complemented by additional resources in our community team.

Our staff continue to collaborate with junior league officials, NSWRL, NRL Game development staff, and local government partners to facilitate safe, inclusive, and enjoyable experiences, and grow the game of rugby league across our local communities.

We are incredibly proud that the first pillar of our new 2024–2028 Strategic Plan, is “We Give to Our Community”. We have a number of exciting strategic initiatives across this pillar with an objective to deliver over 10,000 hours in the community.

Our male and female players and coaches are equally committed to positively influencing local communities and inspiring participants to enjoy being a part of the Sydney Roosters community programs and charitable initiatives. They, along with our staff, continue to support multiple programs and charities throughout our communities, with highlights this year including:

- Australian Red Cross Lifeblood
- Ronald McDonald House Charities, including Home for Dinner and Walk Me Home events; and
- Smart Exposure Charity Network, supporting the McGrath Foundation and Heart of the Nation.

The Organisations and Charities that Easts Group has assisted in the 2023 Financial Year, include:

CHARITABLE & COMMUNITY CAUSES

- Berkeley Neighbourhood Centre
- Learning Links
- Ted Noffs Foundation
- Penrith Street University
- Zonta Club of Nepean Valley
- St Vincent De Paul Warrawong
- Lifeline South Coast
- Breakthrough Ltd
- Thornton Community Group
- St John Ambulance Australia

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
- 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 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
- Penrith Premier Darts League
- Lower Blue Mountains Darts Association
- 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

The Sydney Roosters marked a productive year starting with the official opening of the Nick Politis AM Centre of Excellence in Allianz Stadium, coinciding with the 115th anniversary of the day the Eastern Suburbs District Rugby League Football Club was formed at Paddington Town Hall. The Centre of Excellence runs along the entire eastern grandstand of Allianz Stadium, housing a state-of-the-art gym, lecture theatre, sauna, recovery pools, club museum, and administration area for staff.

Our professional women now call our Centre of Excellence in the Moore Park Entertainment Quarter (EQ) home, utilising the high-performance facility used during the redevelopment of Allianz Stadium. This is the first step of a longer-term strategy, with plans to develop the EQ Showring site into a new \$32m NRLW and Pathways Centre of Excellence with a playing field by 2027.

The Sydney Roosters reaffirmed their commitment to nurturing elite and pathways talent, with a newly forged partnership with the Ipswich Jets that strengthens the Roosters' presence in Queensland

and creates opportunities for aspiring players.

This is in addition to our significant investment and commitment to our Central Coast pathways program. A \$3.2m upgrade of the Kippax Lake training field will be complete in early 2024 and \$150k future contribution to new lighting at Matraville High School solidifies the Roosters' commitment to providing premier facilities for both current and future stars.

Our permanent return to Allianz Stadium coincided with a record-high 20,000 Sydney Roosters Membership milestone. This remarkable achievement was complemented by a best-ever home game attendance for a season, highlighting the incredible enthusiasm and dedication of our Roosters Members and supporters.





NRL

The Roosters' 2023 NRL campaign was a roller coaster ride, swinging from 14th on the ladder late-season to a gutsy Finals push. The team secured a brave win against the Sharks in the Elimination Final, setting the stage for a nail-biting Semi Final clash against the Melbourne Storm that was lost in the dying seconds of the game.

The highlight of the season was the emergence of new talent including Roosters Academy graduate Siua Wong, Terrell May, and Central Coast Academy pathway player Sandon Smith, injecting fresh energy into the squad. It was also fantastic to see the resurgence of Billy Smith, battling back from injuries to deliver a solid season.

Lindsay Collins clinched the 2023 Jack Gibson Medal for Sydney Roosters' Player of the Year. His standout performances weren't limited to the Roosters; he was a key player for Queensland in the State of Origin Series and later represented the Kangaroos in the 2023 Rugby League Pacific Championships.

NRLW

The Sydney Roosters NRLW season, under the guidance of Head Coach John Strange, showcased a formidable roster. The return of Brydie Parker and Corban Baxter added strength, complemented by fan favourites Isabelle Kelly and Jess Sergis. Outstanding recruits Millie Boyle, Tarryn Aiken and Keeley Davis further bolstered the team.

The Roosters delivered strong performances throughout the season, finishing in second-place on the NRLW ladder. Disappointingly, the team was denied a Grand Final appearance after being narrowly beaten by the Titans in a hard-fought Semi Final.

Tarryn Aiken's debut season with the club was exceptional, and she was recognised as the 2023 KARI Foundation NRLW Player of the Year.



AROUND OUR CLUBS

The most significant milestone this past year was the much-anticipated opening of Waverley Greens and The Langlee. The former Waverley Bowling Club site has been transformed into a contemporary hospitality venue, bowling greens and community hub, as well as a lifestyle and residential precinct featuring 55 luxury apartments for over 55s.

The Waverley Bowling Club was formed in 1893 and is the sixth oldest bowling club in Sydney. They now have one of the best facilities in Sydney, and we're thrilled to have played a small part in ensuring that they could celebrate their 130th year milestone this year.

We also used the past 12 months to develop our Strategic Plan for the next five years (2024-2028). The plan encompasses our entire Group, which comprises our four hospitality venues and the Sydney Roosters. The resulting plan focuses on enhancing and expanding facilities for Members and guests, bolstering our Group-wide community program, and plans to expand our men's and women's Sydney Roosters pathways programs and facilities.

It's been a busy year for our hospitality venues, with highlights as follows:



EASTS BONDI JUNCTION

- We were delighted to see our full Sydney Roosters NRL squad at Easts for a signing session following their first home match of the 2023 season. This was the first team appearance at Easts since pre-COVID and it proved very popular with Members and fans, with the club at near capacity.
- There were many fantastic promotions for Members throughout the year, with the highlight being our 'Car or Cash' giveaway where one Member would win a Hyundai i30 N Line or \$25,000 in cash. The lucky winner was ecstatic when her key opened the lock to win the major prize. We're grateful to Sydney Roosters partner Hyundai for their support of this promotion.
- Our Ultimate, Elite and Premier Members were treated to several fun experiences throughout the year as part of our easts Signature Rewards program, including a Sydney Harbour Christmas cruise, tickets to the Sydney Roosters Captain's Club, a trip to the Capitol Theatre to see Beauty and the Beast, and a visit to the cinema to watch My Big Fat Greek Wedding 3.
- We continue to provide free and affordable weekly entertainment and activities for Members including poker (now three times per week), trivia, bridge, raffles, live music, as well as live and loud sport on our big screens including NRL, AFL, pay-per-view boxing and UFC.



WAVERLEY GREENS

- Waverley Greens opened on Tuesday 10 October following a two-year build. Our newest venue is a contemporary hospitality venue and community hub with a beautiful restaurant, external café, lounge, alfresco dining, onsite parking and greens for competition and barefoot bowls.
- We partnered with Blond Catering to manage The Ambry and Henrietta St Café offerings. Blond Catering is renowned for its expertise in the hospitality industry and served the Cruising Yacht Club of Australia at Rushcutters Bay prior to their arrival at Waverley Greens.
- Our synthetic bowling green is now in action with the turf green planted and scheduled to open in February 2024. Barefoot, corporate, and competition bowls have proved very popular with young and old alike since opening.
- Our Waverley Greens club car park has 80 parking spaces available for Members and guests. The car park is located under the club and can be accessed from either Henrietta St or Langlee Ave.

BERKELEY SPORTS CLUB

- The past year has seen significant upgrades to club facilities for the benefit of Members and guests, including:
 - The extension and enhancement of the outdoor gaming room including heightened ceilings, increased natural air circulation, and greater comfort and privacy for players.
 - The new foyer looks fantastic following a refresh that included new carpet, painting, and tiling, as well as the installation of new entry doors.
 - The bitumen resurfacing of the car park has transformed the club's appearance and improved the experience and safety for Members and guests.
 - The first-floor outdoor deck looks amazing and is proving popular with modern flooring, furniture, and furnishings.
- Our sporting teams have benefited from an upgrade of our field lighting. The new LED lighting is more energy efficient and supports night-time training and competition games. The \$95k project was funded by Berkeley Sports Club in conjunction with Wollongong Council and the NSW Government's Female Friendly Community Sports Facilities and Lighting Upgrade Fund.
- Our lawn bowls, darts, football, and rugby league sporting clubs are an integral part of our community, and we thank them for their ongoing support and patronage. Special mentions to:
 - Michael King's outstanding service to the Berkeley Soccer Club, and he has deservedly been nominated for Life Membership of the Easts Group.
 - The growing Membership of the Berkeley Bowls Clubs, as well as the constitutional changes resulting in our men's and women's bowlers now competing together on all social occasions and zone pennants.
 - The Berkeley Sports 3rd Grade rugby league team went undefeated throughout the season and finished as Premiers.





KINGSWOOD SPORTS CLUB

- Numerous improvements have been made to club amenities over the past year, with the aim of elevating the experience for both Members and guests. These enhancements include:
 - Revamped beer garden with new shade sails and misters, creating an ideal summer socialising spot.
 - Enhanced function space with upgraded lighting, refreshed paint, and a new curtain feature wall.
 - Club-wide improvements including larger TVs, new paint and carpets, and an expanded dance floor to accommodate our increased live music offerings.
- We extend our heartfelt appreciation to our sub-clubs and sporting organisations for your unwavering support and continued utilisation of our club. Your commitment plays a pivotal role in fostering a vibrant Kingswood Sports community.
- This year we hosted a successful rink naming ceremony on our bowling greens, recognising the steadfast support of past and present Members who have contributed significantly to the Kingswood Sports Club over the years.
- Congratulations to our outstanding men's and women's bowlers on their remarkable achievements. Special recognition goes to Sue Davies and Chris Key for clinching the District Senior Pairs Title and reaching the Quarterfinals of the State Championship. Congratulations also to our Grade 6 and 7 Men's teams for securing victory in their Pennants division.
- A special shout-out to the Kingswood Bowlers for their commendable fundraising efforts throughout the year, benefiting notable charities including the Sydney Children's Hospital, Cancer Care Centre, WestCare Community Services, and Legacy.

AWARDS

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

BERKELEY SPORTS CLUB

Club Champion	Curtis Faughlin
Players Player	Blair Keusemann

KINGSWOOD SPORTS CLUB

Club Champion	Tiffenny Keen
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EASTS BONDI JUNCTION AND GROUP SUPPORT

Club Champion	Donna Cason
Club Champion	Thomas Baldwin
Players Player	Catherine Jones
Players Player	Sam Windshuttle

PEOPLE & CULTURE

Earlier this year, we welcomed Kiriana Pugh to our team as People & Culture Administrator.

The department has been busy during 2023, with the following staff initiatives implemented:

- Community volunteering - McDonald House Walk Me Home, Salvation Army Christmas Appeal, RUOK Day, Bondi Bathers SLSC 'Clean Up', Bronte Public School maintenance and painting, NAIDOC Footy Fest, Penrith Relay for Life (Cancer Council), Australia's Biggest Morning Tea.
- Creation of an Easts Group I Sydney Roosters lifeblood team which tied in with the opening of the Blood Donation Centre in Moore Park. All blood donations go towards our team's tally and towards life-saving treatments for patients in need.
- Staff bonding events were held including Christmas in July, Kingswood Sports virtual golf competition and Berkeley Sports Holey Moley challenge.
- A Health & Wellbeing survey was rolled out to all staff across the Easts Group which led to the introduction of Healthy Meal vouchers and other Health & Wellbeing initiatives throughout the year.
- Training and Development - We had a number of staff complete their CERT IV Leadership & Development, Advanced RCG course, Cocktail, Beer and Beverage training.

THANK YOU

On behalf of the Management and Board of Directors, we extend our heartfelt thanks to Members for your unwavering support and loyalty. We are grateful to you for being part of our great community and for your patronage of our clubs.

We would also like to thank our exceptional staff whose dedication and hard work have truly set a new standard throughout the year. Your commitment to excellence creates the welcoming and vibrant atmosphere that defines our clubs.

To our valued Directors, thank you for your commitment, passion, and guidance over the past year. Your leadership has been instrumental in shaping the direction of our organisation, and we are fortunate to have such dedicated individuals at the helm.

We would also like to express our gratitude to Brien Samphier for his dedicated service to our Club Sporting Bodies and for chairing our Membership Committee, as he completes 30 years of service as a Director to the Group.

Your collective contributions make our organisation thrive, and we look forward to another successful year together.



Nick Politis AM
Chairman



Joe Kelly
Group CEO



2024^{TO}2028 STRATEGIC PLAN



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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 Monday, 19 February 2024 at 4:30pm in The Bondi Room, Easts Leagues, 93-97 Spring Street, Bondi Junction NSW 2022.

BUSINESS TO BE CONDUCTED

ORDINARY BUSINESS

1. Apologies.
2. To confirm the Minutes of the previous Annual General Meeting held on Thursday 23 February 2023.
3. To receive and consider the Financial Report, Directors' Report and Auditors' Report for the year ended 31 October 2023.
4. To declare the results of the Board Election.
5. 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.
6. To consider the nominations of Michael King #21020 and John Morrison #312580 for Life Membership of the Club as endorsed by the Board of Directors.
7. To consider and if thought fit, pass the Special Resolution appearing under the heading "Special Resolution" to amend the Constitution of the Club.
8. General business.

NOTE: Members who wish to raise any queries or seek information at the meeting about the Financial Report, Directors' Report or Auditors' Report, are asked to give the Company Secretary 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 RESOLUTIONS

1. "That Michael King #21020 is elected to Life Membership of the Club under rule 28(a) of the Constitution of Eastern Suburbs Leagues Club Ltd."
2. "That John Morrison #312580 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 1976 (NSW) (**Registered Clubs Act**).
4. The Board recommends that Members vote in favour of the Life Membership resolutions.
5. Members who are employees of the Club are not entitled to vote as this is prohibited by the Registered Clubs Act.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL RESOLUTION

That the Constitution of Eastern Suburbs Leagues Club Ltd (**Club**) is amended by:

- Replacing the heading above rules 29 and 30 which reads “PATRONS, HONORARY PRESIDENT AND HONORARY MEMBERS” with the heading “PATRONS, HONORARY PRESIDENT, CHAIRMAN EMERITUS, EMERITUS DIRECTOR AND HONORARY MEMBERS”.
- Deleting rules 29(a) and 29(b) and inserting instead the following new rules 29(a), 29(b), 29(c) and 29(d):

29. (a) **Patrons**

- (i). The Board may from time to time appoint a Patron or Patrons. The Board may at any time revoke or terminate an appointment made under this Rule.
- (ii). If such Patron or Patrons are not Full members of the Club they shall be deemed to be Honorary Members of the Club, and subject to this Constitution, shall remain Honorary Members while they remain Patron(s).

(b) **Honorary President**

- (i). The Board may from time to time appoint an Honorary President. The Board may at any time revoke or terminate an appointment made under this Rule.
- (ii). A person appointed as Honorary President must be a person who:
 - (A). is a Life Member of the Club and/or a Life Member of the Football Club; or
 - (B). is a Full Member and who in the opinion of the Board:
 1. is or has been a highly respected prominent person in his or her particular field of endeavour in Australia and who is ordinarily resident in the State of New South Wales; or
 2. has given exceptional or distinguished service to the Club.
- (iii). The Honorary President may not be appointed as a Director or officer of the Club for as long as that person remains

Honorary President. For the avoidance of doubt, the Honorary President holds only an honorary role and is not an officer of the Club.

- (iv). The Honorary President may upon invitation of the Board attend a Board meeting but may not vote on any resolution.
- (v). Subject to this Rule 29(b), the Board shall be responsible for determining the functions of the Honorary President which may include representing the Club at functions and events and acting as an ambassador for the Club.

(c) **Chairman Emeritus**

- (i). The Board may from time to time appoint a Chairman Emeritus. The Board may at any time revoke or terminate an appointment made under this Rule.
- (ii). There may be no more than one (1) Chairman Emeritus at any one time.
- (iii). A person appointed as Chairman Emeritus must be a person who:
 - (A). is a former Chairman of the Club; and
 - (B). is a Full Member and who in the opinion of the Board has given exceptional or distinguished service to the Club in their capacity as a (former) Chairman.
- (iv). The Chairman Emeritus may not be appointed as a Director or officer of the Club for as long as that person remains Chairman Emeritus. For the avoidance of doubt, a Chairman Emeritus holds only an honorary position and is not an officer of the Club.
- (v). The Chairman Emeritus may upon invitation of the Board attend a Board meeting but must not vote on any resolution.
- (vi). Subject to this Rule 29(c), the Board shall be responsible for determining the functions of a Chairman Emeritus which may include representing the Club at functions and events and acting as an ambassador for the Club.

NOTICE OF ANNUAL GENERAL MEETING

(d) **Emeritus Director**

- (i). The Board may from time to time appoint a former Director as an Emeritus Director. The Board may at any time revoke or terminate an appointment made under this Rule and an appointment may be for no more than a maximum of 3 years for a single term (unless earlier terminated by the Board). However, an appointee may be appointed for a further term or terms of up to 3 years each (subject to earlier termination by the Board), as determined by the Board.
- (ii). There may be no more than one (1) Emeritus Director at any one time.
- (iii). A person appointed as Emeritus Director must be a person who:
 - (A). is a former Director of the Club; and
 - (B). is a Full Member and who in the opinion of the Board has given exceptional or distinguished service to the Club in their capacity as a (former) Director.
- (iv). An Emeritus Director may not be appointed as a Director or officer of the Club for as long as that person remains an Emeritus Director. For the avoidance of doubt, an Emeritus Director holds only an honorary position and is not an officer of the Club.
- (v). An Emeritus Director may upon invitation of the Board attend a Board meeting but may not vote on any resolution.
- (vi). Subject to this Rule 29(d), the Board shall be responsible for determining the functions of an Emeritus Director which may include representing the Club at functions and events and acting as an ambassador for the Club.

EXPLANATORY NOTES REGARDING THE SPECIAL RESOLUTION

- 1. If the Special Resolution is passed, rules 29(a) and 29(b) will be replaced by new rules 29(a), 29(b), 29(c) and 29(d).
- 2. Existing rules 29(a) and 29(b) respectively deal

with the appointment of Patrons and the Honorary President.

- 3. The new Patron provision in proposed new rule 29(a) would relieve members of the responsibility of appointing a Patron in a General Meeting and instead entrust this responsibility with the Board. By doing so, the appointment of a Patron is not required to be listed as an item at a General Meeting of the Club.
- 4. Proposed rule 29(b) is almost identical to existing rule 29(b), which deals with appointment of the Honorary President. The only material change to the Honorary President provision is that a new sentence is added to sub-rule (iii) to the effect that the Honorary President is not an officer of the Club and only holds an honorary role.
- 5. Proposed new rule 29(c) will allow the Board to appoint one (1) Chairman Emeritus at any one time. A person appointed as Chairman Emeritus must be a person who is:
 - (a). a former Chairman of the Club; and
 - (b). a Member and who in the opinion of the Board has given exceptional or distinguished service to the Club in their capacity as a (former) Chairman.
- 6. Proposed new rule 29(d) will allow the Board to appoint one (1) Emeritus Director at any one time. A person appointed as an Emeritus Director must be a person who is:
 - (a). a former Director of the Club; and
 - (b). a Member and who in the opinion of the Board has given exceptional or distinguished service to the Club in their capacity as a (former) Director.
- 7. The Chairman Emeritus and Emeritus Director will not be an officer of the Company and may not vote at Board meetings, but may upon the invitation of the Board attend Board meetings. The Chairman Emeritus's and Emeritus Director's functions will be determined by the Board, which may include representing the Company at functions and events and acting as an ambassador of the Company.
- 8. The Chairman Emeritus and Emeritus Director is intended to have shared values of the Company, is well informed of the Company's activities and objects and may have a public profile.

NOTICE OF ANNUAL GENERAL MEETING

GENERAL NOTES REGARDING THE SPECIAL RESOLUTION

1. To be passed, the Special Resolution must receive votes in its favour from not less than three-quarters of those Members who being eligible to do so, vote in person at the meeting. As a result of the Special Resolution provisions of the *Corporations Act 2001* (Cth) (**Corporations Act**), the Special Resolution must be considered as a whole and cannot be altered in substance by motions from the floor of the meeting.
2. In accordance with rules 22 and 27(b) and 104 of the Club's Constitution and in accordance with the Corporations Act, only Life Members, financial Foundation Members and financial Executive Members who are present at the Annual General Meeting are entitled to vote on the Special Resolution.
3. Under the Registered Clubs Act 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 recommends that Members vote in favour of the Special Resolution.

By Order of the Board of Directors.



Joe Kelly
Company Secretary

Dated: this Friday 19 January 2024

DIRECTORS' REPORT

The directors present their report, together with the financial statements of Eastern Suburbs Leagues Club Ltd (the Company) for the year ended 31 October 2023.

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	Thirty-first year of Directorship Executive Chairman of WFM Motors Pty Ltd and NGP Investments Pty Ltd
P J NEWTON Director	Twenty-third year of Directorship Chairman of All States Finance Pty Ltd
B A SAMPHIER Director	Twenty-second year of Directorship Managing Director of B&B Electrical and Consulting Services Pty Ltd Easts Group Sports Director & Chair of Membership Committee
M L BOURIS, AM Director	Twentieth year of Directorship Executive Chairman of Yellow Brick Road, Director of Mentored Platform Pty Limited
M FENNESSY, AM Director	Seventeenth year of Directorship Founder and CCO of HELIUM, Board Member Sony Foundation
L A RICKETSON Director	Fourteenth year of Directorship Principal of Ricketson Insurance Pty Limited
A C CRAWFORD Director	Seventh year of Directorship Founder and CEO of Trackmaster Apparel

Mr Joe Kelly held the position of Company Secretary throughout the year ended 31 October 2023.

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 2023, 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	10	12	1	1
P J Newton	10	12	0	1
B A Samphier	11	12	1	1
M L Bouris, AM	8	12	1	1
M Fennessy, AM	11	12	1	1
L A Ricketson	10	12	0	1
A C Crawford	12	12	1	1

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

DIRECTORS' REPORT (CONTINUED)

MEMBERSHIP

The Company is a company limited by guarantee and is without share capital. The number of Members as at 31 October 2023 and the comparison with last year is as follows:

	2023	2022
Life	16	16
Ordinary	44,716	41,839
	<hr/>	<hr/>
	44,732	41,855
	<hr/>	<hr/>

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 \$178,928 (2022: \$167,420).

OBJECTIVES

This year we developed our Strategic Plan for the next five years (2024-2028). The plan encompasses our entire Group, which comprises our four hospitality venues and the Sydney Roosters. Our vision is to be The Best Sporting Group in Australia.

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.

The plan also focuses on enhancing and expanding facilities for Members and guests, bolstering our Group-wide community program, and expanding of our men's and women's Sydney Roosters pathways programs and facilities.

The Strategic Plan is built around four key areas that will underpin us becoming the Best Sporting Group in Australia:

- We Give to our Community
- We Love our People
- We Honour our History
- We Build our Future

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.

DIRECTORS' REPORT (CONTINUED)

OPERATING AND FINANCIAL REPORT AND PERFORMANCE MEASUREMENT

OVERVIEW OF THE COMPANY

The profit before tax of the Company for the year ended 31 October 2023 was \$3,583,921 (2022: \$6,151,282). The net operating result was impacted by:

- Gain on disposal of property, plant & equipment of \$3,195,821;
- Loss on revaluation of the Club's investment property & financial assets of \$3,437,025;
- Decrease in gaming revenue by \$1,544,546;
- Increase in property rental income of \$1,163,206;
- Increase in employee benefits expense by \$798,321; and
- Increase in finance costs of \$818,982.

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 22.

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



N G POLITIS, AM

Chairman

Dated at Sydney this 19th day of December 2023

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 2023, 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, 19th December 2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2023

	Note	2023 \$	2022 \$
Revenue	2	39,920,780	39,743,719
Other income		-	346,948
Gain on disposal of property, plant and equipment		3,195,821	88,025
Changes in inventories		91,139	38,526
Materials and consumables used		(2,255,029)	(2,076,471)
Poker machine licences and taxes		(6,359,312)	(6,603,932)
Employee benefits expense	3	(11,674,923)	(10,876,602)
Occupancy expenses		(4,491,163)	(4,952,939)
Entertainment, marketing and promotional costs		(3,777,391)	(3,464,212)
Other expenses		(3,914,257)	(3,057,393)
Earnings before financing income/costs, depreciation, impairments and income tax		10,735,665	9,185,669
Depreciation expense		(3,347,239)	(3,154,598)
Results from operating activities		7,388,426	6,031,071
Fair value gain/(loss) on investment property		(1,537,025)	-
Fair value gain/(loss) on financial assets		(1,900,000)	-
Results from operating activities after fair value loss on investment property and financial assets		3,951,401	6,031,071
Finance income	4	618,905	287,614
Finance costs	4	(986,385)	(167,403)
Net finance (expenses)/income		(367,480)	120,211
Profit before income tax		3,583,921	6,151,282
Income tax benefit/(expense)	5	918,568	(279,393)
Profit for the period		4,502,489	5,871,889
Other comprehensive income			
Revaluation of property, plant & equipment, net of tax		2,808,169	-
Total comprehensive income for the year		7,310,658	5,871,889

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 27 to 48.

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2023

	Note	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	6	12,904,027	31,178,070
Trade and other receivables	7	3,528,436	13,817,853
Inventories		300,316	209,177
Financial assets	21	10,000,000	-
Other assets		635,482	548,489
Total Current Assets		27,368,261	45,753,589
Non-Current Assets			
Investment properties	8	48,224,781	21,685,025
Property, plant and equipment	10	115,486,344	98,842,725
Right of use assets	15	85,756	24,409
Financial assets	21	8,100,000	10,000,000
Intangible assets	11	190,000	190,000
Total Non-Current Assets		172,086,881	130,742,159
Total Assets		199,455,142	176,495,748
LIABILITIES			
Current liabilities			
Trade and other payables	12	6,419,047	4,314,182
Deferred revenue		171,009	182,071
Loans and borrowings	14	10,000,000	-
Employee benefits	13	2,102,644	1,949,623
Current tax payable		484,349	703,763
Lease liabilities	15	87,765	27,186
Total Current Liabilities		19,264,814	7,176,825
Non-Current Liabilities			
Loans and borrowings	14	13,985,788	10,000,000
Employee benefits	13	233,997	183,576
Deferred tax liabilities	9	13,700,457	14,175,919
Total Non-Current Liabilities		27,920,242	24,359,495
Total Liabilities		47,185,056	31,536,320
Net Assets		152,270,086	144,959,428
Members' Funds			
Asset revaluation reserve	16	41,289,193	38,592,690
Retained surpluses		110,980,893	106,366,738
Total Members' Funds		152,270,086	144,959,428

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 27 to 48.

STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 OCTOBER 2023

	Asset Revaluation Reserve \$	Retained Surpluses \$	Total Members' Funds \$
Balance at 1 November 2021	38,592,690	100,494,849	139,087,539
Profit for the year	-	5,871,889	5,871,889
Other comprehensive income, net of tax	-	-	-
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
Profit for the year	-	4,502,489	4,502,489
Other comprehensive income, net of tax	2,808,169	-	2,808,169
Total comprehensive income for the year	2,808,169	4,502,489	7,310,658
Transfer of reserves	(111,666)	111,666	-
Balance at 31 October 2023	41,289,193	110,980,893	152,270,086

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 27 to 48.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2023

	2023 \$	2022 \$
Cash flows from operating activities		
Cash receipts from customers	43,358,207	43,246,268
Cash paid to suppliers and employees	(34,886,225)	(33,077,170)
Cash generated in operations	8,471,982	10,169,098
Interest paid	(986,385)	(167,403)
Interest received	618,905	287,614
Income tax (paid)/refunded	(979,085)	40,212
Net cash inflow from operating activities	7,125,417	10,329,521
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	6,929,510	221,907
Investment in term deposits	(10,000,000)	-
Acquisition of property, plant & equipment	(6,806,920)	(3,200,194)
Acquisition of investment properties	(28,076,781)	-
Net cash outflow from investing activities	(37,954,191)	(2,978,287)
Cash flows from financing activities		
Repayment of lease liabilities	(22,269)	(28,435)
Advances to controlling entity	(1,423,000)	-
Repayment of advances to controlling entity	-	6,200,000
Proceeds from loans and borrowings	14,000,000	-
Repayment of loans and borrowings	-	(10,000,000)
Net cash inflow/(outflow) from financing activities	12,554,731	(3,828,435)
Net (decrease)/increase in cash and cash equivalents	(18,274,043)	3,522,799
Cash and cash equivalents at the beginning of the year	31,178,070	27,655,271
Cash and cash equivalents at the end of the year	12,904,027	31,178,070

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 27 to 48.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

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 19th December 2023.

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.

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 18
Financial assets	Note 21

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

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

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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

- iii. 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.

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:

Buildings	2.5%-5%
Plant and equipment	10%-20%
Poker machines	25%
Leasehold improvements	10%
Motor vehicles	10%-15%

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

NOTES TO THE FINANCIAL STATEMENTS

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

NOTES TO THE FINANCIAL STATEMENTS

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.

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

NOTES TO THE FINANCIAL STATEMENTS

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.

NOTES TO THE FINANCIAL STATEMENTS

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 revenue 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

l. 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, eg. 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

NOTES TO THE FINANCIAL STATEMENTS

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. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

2. REVENUE

	2023	2022
<i>In AUD</i>	\$	\$
Revenue from catering	1,484,048	1,276,761
Revenue from beverages	3,731,702	3,284,934
Revenue from gaming	28,189,279	29,733,825
Property rental income	4,447,661	3,284,455
Distribution income	735,417	811,667
Commission revenue	258,313	229,647
Subscriptions and joining fees	173,618	130,515
Other revenue	900,742	991,915
	<u>39,920,780</u>	<u>39,743,719</u>

3. EMPLOYEE BENEFITS EXPENSE

	2023	2022
<i>In AUD</i>	\$	\$
Wages and salaries	8,843,900	8,211,133
Other associated personnel expenses	1,713,122	1,458,691
Contributions to defined contribution plans	914,461	789,880
Change in liability for annual leave	146,029	281,712
Change in liability for long service leave	57,411	135,186
	<u>11,674,923</u>	<u>10,876,602</u>

4. FINANCE INCOME AND FINANCE COSTS

	2023	2022
<i>In AUD</i>	\$	\$
Interest income	618,905	287,614
Finance income	<u>618,905</u>	<u>287,614</u>
Interest expense – bank loans	(984,973)	(166,065)
Interest expense – other	(1,412)	(1,338)
Finance costs	<u>(986,385)</u>	<u>(167,403)</u>
Net finance income recognised in profit or loss	<u>(367,480)</u>	<u>120,211</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

5. TAX EXPENSE/(BENEFIT)

In AUD	2023	2022
	\$	\$
Current tax expense/(benefit)		
Current year	818,633	757,349
(Over)/under provision for prior periods	(115,896)	(109,797)
	<u>702,737</u>	<u>647,552</u>
Deferred tax expense/(benefit)		
Origination and reversal of temporary differences	1,269,511	(61,247)
Less: deferred tax impacts of temporary differences recognised directly in equity	(1,203,500)	-
Realisation of disposal of property, plant & equipment	(1,689,475)	-
Recognition of prior periods' tax losses	-	(306,912)
Other movements in deferred tax	2,159	-
	<u>(1,621,305)</u>	<u>(368,159)</u>
Total tax (benefit)/expense	<u>(918,568)</u>	<u>279,393</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:

In AUD	2023	2022
	\$	\$
Apportionable net taxable income	6,220,479	7,641,691
	<u>6,220,479</u>	<u>7,641,691</u>
Less:		
Member portion of net taxable income	(3,491,703)	(5,117,193)
Net income subject to tax	<u>2,728,776</u>	<u>2,524,498</u>
Income tax using the Company's statutory income tax rate of 30% (2022: 30%)	818,633	757,349
Realisation of disposal of property, plant & equipment	(1,689,475)	-
Recognition of prior periods' tax losses	-	(306,912)
Movement in deferred tax liabilities in respect of temporary differences	68,170	(61,247)
Over provision for prior periods	(115,896)	(109,797)
Total tax (benefit)/expense	<u>(918,568)</u>	<u>279,393</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

6. CASH AND CASH EQUIVALENTS

	2023	2022
<i>In AUD</i>	\$	\$
Cash at bank and on hand	12,904,027	31,178,070
Cash and cash equivalents in the statement of cash flows	12,904,027	31,178,070

7. TRADE AND OTHER RECEIVABLES

	2023	2022
<i>In AUD</i>	\$	\$
Current		
Trade receivables	1,342,661	859,206
Less: provision for expected credit losses	(680,834)	(602,328)
	661,827	256,878
Receivable from controlling entity	2,500,000	1,077,000
Other receivables	366,609	12,483,975
	3,528,436	13,817,853

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

8. INVESTMENT PROPERTIES

	2023	2022
<i>In AUD</i>	\$	\$
Balance at 1 November	21,685,025	21,685,025
Acquisitions	28,074,781	-
Change in fair value	(1,535,025)	-
Balance at 31 October	48,224,781	21,685,025

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, excluding 3a Bronte Road, were performed in August 2023 by Hymans Asset Management (Registered Valuer No. AM 4779). The fair value under capitalisation of net income approach for the Investment Properties was \$20,150,000. The Directors have reviewed the carrying amounts of the land & building assets on 31 October 2023, and agree with the valuer's conclusions.

The Company purchased 3a Bronte Road on 10 March 2023, which is recognised at cost. The Directors have made an assessment that, due to the time elapsed since the purchase of 3a Bronte Road and 31 October 2023, no material movement in the fair value of the property has occurred.

9. DEFERRED TAX ASSETS AND LIABILITIES

	Assets		(Liabilities)		Net deferred tax assets / (liabilities)	
<i>In AUD</i>	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Employee benefits	120,016	97,069	-	-	120,016	97,069
Other receivables	-	-	(2,269,366)	(3,958,738)	(2,269,366)	(3,958,738)
Investment properties	103,047	-	-	(698,057)	103,047	(698,057)
Investments	-	-	(1,625)	(351,000)	(1,625)	(351,000)
Property, plant & equipment	-	-	(11,652,529)	(9,265,193)	(11,652,529)	(9,265,193)
Net deferred tax liabilities	223,063	97,069	(13,923,520)	(14,272,988)	(13,700,457)	(14,175,919)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

10. PROPERTY, PLANT AND EQUIPMENT

	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
In AUD	\$	\$	\$	\$	\$	\$	\$
Revaluation and cost basis							
Balance at 1 November 2022	91,149,753	26,385,738	20,157,973	243,260	126,927	1,014,878	139,078,529
Additions	4,841,929	441,235	3,053,538	34,900	-	8,755,530	17,127,132
Transfers between categories	10,248,350	(568,726)	-	-	-	(9,679,624)	-
Disposals	(1,146,569)	(55,653)	(9,181,079)	(40,878)	-	(4,616)	(10,428,795)
Revaluation Gain/Loss	938,416	(4,299)	-	-	-	-	934,117
Balance at 31 October 2023	106,031,879	26,198,295	14,030,432	237,282	126,927	86,168	146,710,983
Accumulated depreciation and impairment							
Balance at 1 November 2022	2,206,543	19,774,612	17,954,588	173,134	126,927	-	40,235,804
Depreciation for the year	868,595	1,341,831	1,101,183	14,131	-	-	3,325,740
Disposals	-	(55,653)	(9,166,514)	(39,600)	-	-	(9,261,767)
Revaluation gain	(3,075,138)	-	-	-	-	-	(3,075,138)
Balance at 31 October 2023	-	21,060,790	9,889,257	147,665	126,927	-	31,224,639
Carrying amounts							
At 1 November 2022	88,943,210	6,611,126	2,203,385	70,126	-	1,014,878	98,842,725
At 31 October 2023	106,031,879	5,137,505	4,141,175	89,617	-	86,168	115,486,344

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

Valuation of land and buildings

The latest independent valuations of the Company's land and buildings, carried out in August and September 2023 by Hymans Assets Management on the basis of fair value under the depreciated replacement cost method, resulted in a valuation of land and buildings of \$106,031,880. Movements in the fair value of the land & buildings have been recognised through other comprehensive income in 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, Lot 1

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

Waverley

Lot 2, 163 Birrell Street

Waverley NSW 2024

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

3A Bronte Road

Bondi Junction NSW 2022

11. INTANGIBLE ASSETS

<i>In AUD</i>	2023	2022
	\$	\$
Cost		
Balance at 1 November 2022	190,000	190,000
Balance at 31 October 2023	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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

12. TRADE AND OTHER PAYABLES

	2023	2022
<i>In AUD</i>	\$	\$
Current		
Trade payables	3,316,175	1,957,889
Goods and services tax (GST) payable/(receivable)	(124,771)	261,263
Other payables and accrued expenses	3,227,643	2,095,030
	<u>6,419,047</u>	<u>4,314,182</u>

13. EMPLOYEE BENEFITS

	2023	2022
<i>In AUD</i>	\$	\$
Current		
Provision for annual leave	1,468,961	1,322,932
Provision for long service leave	633,683	626,691
	<u>2,102,644</u>	<u>1,949,623</u>
Non-current		
Provision for long service leave	<u>233,997</u>	<u>183,576</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

14. LOANS AND BORROWINGS

	2023	2022
<i>In AUD</i>	\$	\$
Multi-option commercial bill facility		
Current	10,000,000	-
Non-current	13,985,788	10,000,000
	<u>23,985,788</u>	<u>10,000,000</u>
Financing Arrangements		
<i>The Company has access to the following lines of credit:</i>		
Multi-option commercial bill facility	24,000,000	10,000,000
Bank guarantee	19,000	256,490
Bank overdraft	200,000	200,000
Corporate credit card facility	45,000	45,000
	<u>24,264,000</u>	<u>10,501,490</u>
Facilities utilised at reporting date:		
Multi-option commercial bill facility	24,000,000	10,000,000
Bank guarantee	19,000	256,490
Bank overdraft	-	-
Corporate credit card facility	24,022	9,205
	<u>24,043,022</u>	<u>10,265,695</u>
Facilities not utilised at reporting date:		
Multi-option commercial bill facility	-	-
Bank guarantee	-	-
Bank overdraft	200,000	200,000
Corporate credit card facility	20,978	35,795
	<u>220,978</u>	<u>235,795</u>

Multi-option commercial bill facility

The commercial bill facilities are interest only facilities, repayable in monthly instalments and expiring in June 2024 and February 2026 respectively. The weighted average interest rate is 4.39% (2022: 3.26%).

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

- d. First registered real property mortgage by Eastern Suburbs Leagues Club Limited over the property located at 2-10 Santley Crescent, Kingswood NSW 2747.
- e. 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 real property mortgage by Eastern Suburbs Leagues Club Limited over the property located at 3A-5 Bronte Road, Bondi Junction NSW 2022.
- g. 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.
- h. 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 Waverley Development.
- i. Negative pledge by Eastern Suburbs Leagues Club Ltd to not offer securities to other financiers without prior written consent of St George Bank.
- j. 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.
- k. 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

In AUD

2023

\$

2022

\$

Balance at 1 November

24,409

51,509

Additions

82,846

-

Depreciation charge for the year

(21,499)

(27,100)

Balance at 31 October

85,756

24,409

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

15. LEASES (CONTINUED)

As lessee	2023	2022
In AUD	\$	\$
Lease liabilities		
Current	87,765	27,186
Non-current	-	-
	<u>87,765</u>	<u>27,186</u>
Amounts recognised in profit or loss		
Interest on lease liabilities	<u>1,412</u>	<u>1,338</u>
Amounts recognised in statement of cash flows		
Repayment of lease liabilities	<u>22,269</u>	<u>28,435</u>

AS LESSOR

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

	2023	2022
	\$	\$
Due within 1 year	3,108,522	1,870,599
Due within 1-5 years	9,566,121	5,575,748
Due later than 5 years	<u>7,208,943</u>	<u>2,321,150</u>
	<u>19,883,586</u>	<u>9,767,497</u>

16. RESERVES

	2023	2022
	\$	\$
Asset revaluation reserve	<u>41,289,193</u>	<u>38,592,690</u>
	<u>41,289,193</u>	<u>38,592,690</u>

The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

17. 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.

	2023	2022
	\$	\$
Less than 1 year	-	5,348,736
	-	5,348,736

18. 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.

	2023	2022
	\$	\$
Contingent Liabilities		
Bank guarantees	19,000	256,490
	19,000	256,490

19. KEY MANAGEMENT PERSONNEL

Key Management Personnel Compensation

	2023	2022
	\$	\$
Employee benefits paid to key management personnel	1,800,978	1,846,223

20. RELATED PARTIES

KEY MANAGEMENT PERSONNEL COMPENSATION

Disclosures relating to key management personnel remuneration are set out in Note 19.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

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;

- a. Grants amounting to \$nil (2022: \$nil) were provided.
- b. An amount of \$84,096 (2022: \$125,979) was paid as corporate hospitality to the controlling entity.
- c. At year end, an amount of \$2,500,000 was receivable from the controlling entity (2022: \$1,077,000 receivable).
- d. An amount of \$400,000 (2022: \$380,000) was paid, in regard to various sponsorship arrangements.

21. FINANCIAL ASSETS

	2023	2022
<i>In AUD</i>	\$	\$
Current		
Term deposits	10,000,000	-
Non-current		
Financial assets held at fair value through profit or loss	8,100,000	10,000,000
	<u>18,100,000</u>	<u>10,000,000</u>

The Company holds a term deposit with a major bank, with a maturity of greater than 3 months, which is held as a financial asset on the statement of financial position.

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. The most recent revaluation provided by Marquette Investment Managers on 30 September 2023 resulted in a unit price of \$0.8110, which reduced the fair value by \$1,900,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

22. AUDITORS' REMUNERATION

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

	2023	2022
	\$	\$
BDO Audit Pty Ltd		
Audit services		
Audit of the financial statements	40,500	39,000
	<u>40,500</u>	<u>39,000</u>

No fees for non-audit services were paid to the Company's auditor during the period (2022: \$nil).

23. COMPANY DETAILS

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 31 October 2023 there were 44,732 Members (2022: 41,855).

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

24. 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 2023.

DIRECTORS' DECLARATION

The directors of the Company declare that:

- a. In the Directors' opinion the financial report and notes set out on pages 23 to 48 are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of the Company's financial position as at 31 October 2023 and of its performance, for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards – Simplified 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 19th day of December 2023

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 2023, 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 2023 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 INFORMATION

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

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

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL REPORT

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – 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, 19th December 2023

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GROUP