

Form 388

Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

**CANBERRA DISTRICT RUGBY LEAGUE
FOOTBALL CLUB LIMITED**

ACN

008 568 634

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial
year ends

Financial year end date

02-11-2021

Auditor's report

Were the financial statements audited?

Yes

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

No

Details of current auditor or auditors

Current auditor

Date of appointment **28-02-2013**

Name of auditor

ERNST & YOUNG

Address

121 MARCUS CLARKE STREET

CANBERRA ACT 2600

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.

Yes

Signature

Select the capacity in which you are lodging the form

Director

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.

Yes

Authentication

This form has been submitted by

Name Simon Mark HAWKINS

Date 11-03-2022

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**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
AND ITS CONTROLLED ENTITIES**

ABN 56 008 568 634

ANNUAL REPORT
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
AND ITS CONTROLLED ENTITIES
ABN 56 008 568 634**

**ANNUAL REPORT
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021**

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CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
AND ITS CONTROLLED ENTITIES
ABN 56 008 568 634

DIRECTORS' REPORT

Your Directors present this report on Canberra District Rugby League Football Club Limited (CDRLFC) and its controlled entities (the Group) for the period from 3 November 2020 to 1 November 2021

Directors

The names of each person who has been a Director during the period to the date of this report are:

Director - Position	Occupation	Experience Years	Directors' Meetings	
			No. eligible to attend	No. attended
D Blake - Director	Retired	15	1	1
T Ebsworth - Director	Public Servant	24	1	0
B Holley - Director	Retired	22	1	1
J McIntyre - Chairman	Football Admin	26	1	1
P Ozols - Director	Public Servant	21	1	1
D Roper - Director	Electrician	8	1	1
T Rayner - Director	Finance Broker	3	1	1

Directors have been in office since the start of the period to the date of this report unless otherwise stated.

Principal Activities

The principal objectives and activity of the Group during the course of the period was the development and regulation of rugby league in the Australian Capital Territory and surrounding regions. The Group includes operating licensed clubs and a function room and the ownership of a team in the National Rugby League competition. There were no significant changes in the nature of the activities of the Group during the period.

Short-term and Long-term Objectives and Strategies

The objectives of the Group are to continue in the development and regulation of rugby league in the Australian Capital Territory and surrounding regions and continue to provide licensed club facilities for members and guests as well as the ownership of a team in the National Rugby League competition.

The consolidated profit for the period ended 1 November 2021 after providing for income tax amounted to \$46,274,224 (2020: profit \$5,363,725). The contribution by Canberra District Rugby League Football Club Limited was a profit of \$27,027,180 (2020: profit \$3,074,371).

Company Limited by Guarantee

The Company is incorporated under the Corporation Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the Company. At 1 November 2021, the total amount that members of the Company are liable to contribute if the Company is wound up is \$112 (2020: \$112).

Impacts of Covid-19

In line with the Government's decisions to impose lockdowns which impacted on licensed clubs and ban sporting competitions, the Group's operations were heavily impacted from mid August onwards. Throughout, and subsequent to the period of Covid-19 lockdown, the Group continued to receive support from the National Rugby League and also from Government grants where available.

Key Performance Measures

The Group measures its own performance through the use of both quantitative and qualitative benchmarks. The benchmarks are used by the Directors to assess the financial sustainability of the Group and whether the Group's short-term and long-term objectives are being achieved.

Performance is reviewed continuously by the executive management and on a periodic basis by the Directors.

Auditor's Independence Declaration

The auditor's independence declaration for the period ended 1 November 2021 has been received and can be found on page 3 of the annual report.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.

Director



Dated this 20th day of January 2022.



**Building a better
working world**

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Auditor's independence declaration to the directors of Canberra District Rugby League Football Club Limited

As lead auditor for the audit of the financial report of Canberra District Rugby League Football Club Limited for the period 03 November 2020 to 01 November 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Canberra District Rugby League Football Club Limited and the entities it controlled during the period.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink, appearing to be 'ITzavaras', written in a cursive style.

Irene Tzavaras
Partner
Canberra
20 January 2021

CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
AND ITS CONTROLLED ENTITIES
 ABN 56 008 568 634

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

	Note	Consolidated 2021 \$	2020 \$
Revenue and other income	2	112,191,458	63,804,048
Gain on disposal of investment property		759,051	-
Gain on financial instruments at fair value through profit or loss (FVPL)		108,915	-
Total		<u>113,059,424</u>	<u>63,804,048</u>
Employee benefits expense		(28,131,118)	(26,996,239)
Depreciation and amortisation expenses		(5,494,570)	(5,689,239)
Promotional expenses		(1,190,034)	(1,492,552)
Cost of goods sold		(5,129,982)	(4,022,173)
Grants, gifts & donations		(8,954,496)	(4,314,074)
Gaming Expenses		(5,619,047)	(3,970,642)
Football Expenses		(3,317,452)	(2,956,303)
Marketing expenses		(2,255,058)	(1,545,697)
Sales and service cost expenses		(671,243)	(583,044)
Loss on disposal of non-current assets		(268,569)	(47,513)
Property and occupancy expenses		(2,276,723)	(1,942,254)
Administration expenses		<u>(3,476,907)</u>	<u>(4,880,593)</u>
Surplus before income tax		46,274,224	5,363,725
Income tax expense		-	-
Surplus attributable to members of the entity		<u>46,274,224</u>	<u>5,363,725</u>
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		<u><u>46,274,224</u></u>	<u><u>5,363,725</u></u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 29 October 2019	7	46,480,561	46,480,568
Surplus attributable to members	-	5,363,725	5,363,725
Other comprehensive income	-	-	-
Balance at 2 November 2020	<u>7</u>	<u>51,844,286</u>	<u>51,844,293</u>
Balance at 3 November 2020	7	51,844,286	51,844,293
Surplus attributable to members	-	46,274,224	46,274,224
Other comprehensive income	-	-	-
Balance at 1 November 2021	<u><u>7</u></u>	<u><u>98,118,510</u></u>	<u><u>98,118,517</u></u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
AND ITS CONTROLLED ENTITIES
ABN 56 008 568 634

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 1 NOVEMBER 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	21,595,687	12,558,625
Trade and other receivables	4(i)	3,612,092	3,714,934
Inventories		717,845	245,934
Other assets	5(i)	<u>11,816,372</u>	<u>2,219,215</u>
TOTAL CURRENT ASSETS		<u>37,741,996</u>	<u>18,738,708</u>
NON-CURRENT ASSETS			
Loans	4(ii)	-	4,220,917
Goodwill	6	3,836,405	3,836,405
Property, plant and equipment	7	57,966,548	60,464,296
Investment property	8	5,446,063	10,730,071
Financial instruments at FVPL		6,658,915	-
Other Assets	5(ii)	<u>10,313</u>	<u>382,751</u>
TOTAL NON-CURRENT ASSETS		<u>73,918,244</u>	<u>79,634,440</u>
TOTAL ASSETS		<u>111,660,240</u>	<u>98,373,148</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9(i)	5,241,287	4,681,727
Employee benefits provisions		2,519,018	2,215,533
Borrowings	10(i)	<u>600,000</u>	<u>600,000</u>
TOTAL CURRENT LIABILITIES		<u>8,360,305</u>	<u>7,497,260</u>
NON-CURRENT LIABILITIES			
Other Payables	9(ii)	549,630	21,231
Employee Benefits Provisions		176,908	144,723
Borrowings	10(ii)	<u>4,454,880</u>	<u>38,865,640</u>
TOTAL NON-CURRENT LIABILITIES		<u>5,181,418</u>	<u>39,031,595</u>
TOTAL LIABILITIES		<u>13,541,723</u>	<u>46,528,855</u>
NET ASSETS		<u>98,118,517</u>	<u>51,844,293</u>
EQUITY			
Issued capital		7	7
Retained surplus		<u>98,118,510</u>	<u>51,844,286</u>
TOTAL EQUITY		<u>98,118,517</u>	<u>51,844,293</u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
AND ITS CONTROLLED ENTITIES
ABN 56 008 568 634

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

	Note	Consolidated	
		2021	2020
		\$	\$
OPERATING ACTIVITIES			
Receipts in the course of operations		71,910,061	60,357,235
Payments in the course of operations		(58,534,007)	(50,222,137)
Gaming machine tax paid		(5,062,528)	(3,357,943)
Government grants		3,973,586	5,633,858
Net GST remitted to the ATO		(4,682,861)	(2,683,684)
Trust distribution		34,927,687	-
Interest received		382,629	126,447
Net cash flows from operating activities		<u>42,914,567</u>	<u>9,853,776</u>
INVESTING ACTIVITIES			
Purchase of property, plant and equipment and intangibles		(3,109,947)	(12,158,564)
Proceeds from sale of investment property		5,950,000	-
Proceeds from sale of property, plant and equipment and intangibles		86,365	8,008,315
Cash (invested in) financial instruments at FVPL		(6,550,000)	-
Net cash (used in) investing activities		<u>(3,623,582)</u>	<u>(4,150,249)</u>
FINANCING ACTIVITIES			
Repayment of borrowings by related parties		2,419,516	-
Repayment of borrowing to non-related parties		(600,000)	(7,157,850)
Proceeds of borrowings from related parties		-	300,000
Repayment of loans to related parties		(33,905,640)	(8,202,016)
Repayment / (Drawdown) of loans by unrelated parties		1,832,201	(1,198,629)
Net cash (used in) financing activities		<u>(30,253,922)</u>	<u>(16,258,495)</u>
Net increase / (decrease) in cash held		9,037,062	(10,554,968)
Cash and cash equivalents at beginning of the period		<u>12,558,625</u>	<u>23,113,593</u>
Cash and cash equivalents at end of the period	3	<u><u>21,595,687</u></u>	<u><u>12,558,625</u></u>

The accompanying notes form part of and should be read in conjunction with these financial statements.

**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
AND ITS CONTROLLED ENTITIES
ABN 56 008 568 634**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021**

Corporate Information

The financial statements are for Canberra District Rugby League Football Club Limited (CDRLFC) as a consolidated entity. CDRLFC is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

CDRLFC controls a number of subsidiaries (collectively "the Group"). Information relating to entities CDRLFC control is provided in Note 13(b).

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board (AASB) has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Note 1. Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board, and the *Corporations Act 2001*.

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

The financial statements are presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

The financial statements were authorised for issue on 20 January 2022 by the Directors of the Company.

Accounting Policies

a) Income Tax

No provision for income tax has been raised in CDRLFC, Raiders or CRJRL as the entities are exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. In CRLC and CRSC, the *Income Tax Assessment Act 1997 (Amended)* provides that under the concept of mutuality, clubs are only liable for income tax derived from non-members and outside entities. R57 is not exempt from income tax and for this entity the Group recognises current income tax assets and liabilities at the amount to be recovered from or paid to the Australian Taxation Office. The rates and tax laws used to compute the amount are those that are enacted as at the reporting date.

Deferred tax balances resulting from temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes for R57, CRLC and CRSC are attributable to prepayments, property, plant and equipment, accrued expenses and employee leave provisions. No deferred tax assets or liabilities arising from the above items have been recognised on the basis that they are not material. R57, CRLC and CRSC have accumulated losses for 2021 for which no deferred tax asset has been recognised. The deferred tax associated with the loss will only be realised in the future in the event of sufficient taxable profits being available to utilise tax losses, subject to loss recoupment rules.

b) Inventories

Inventories are measured at the lower of cost and net realisable value.

c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

In the event the carrying amount of property, plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

Note 1. Statement of Significant Accounting Policies (continued)

Depreciation

Fixed assets (excluding land) are depreciated on either a straight line or diminishing value basis (where the impact is materially consistent with the straight line method and better reflects the consumption of the service potential of the asset) over the asset's useful life commencing from the time the asset is held ready for use. Land is considered to have indefinite useful life and is therefore not depreciated.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation Rate
Buildings and Improvements	2.5% to 15%
Plant & Equipment	2.5% to 100%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

d) Financial Instruments

Initial Recognition and Measurement

Financial instruments are initially measured at fair value, when contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below. Fair value represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and Subsequent Measurement

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for financial instruments at fair value through profit and loss (FVPL), all of the Group's financial instruments are classified and subsequently measured at amortised cost. The Group applies a simplified approach to calculating expected credit losses (ECL's) for financial assets held at amortised cost by recognising a loss allowance based on lifetime ECL's at each reporting date.

Amortised cost is calculated as:

- (i) the amount at which the financial asset or financial liability is measured at initial recognition;
- (ii) less principal repayments;
- (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the
- (iv) less any reduction for impairment.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or asset transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in the statement of comprehensive income.

e) Impairment of Non Financial Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

f) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the net present value of the estimated future cash flows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

Note 1. Statement of Significant Accounting Policies (continued)

g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and short term-deposits with a maturity of three months or less.

h) Revenue and other income

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Gaming revenue

Gaming revenue (including poker machine and raffle takings) is the net difference between gaming wins and losses, and is recognised upon the outcome of the game. The Group has a loyalty points programme which allows customers to accumulate points from gaming transactions that can be redeemed for complimentary goods or services (typically food and beverage items). The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of products by the customer.

Food and beverage revenue

Food and beverage revenue is recognised as the goods are provided. For gaming transactions that include complimentary goods or services being provided to customers, the Group allocates revenue from the gaming transaction to the good or service provided based on the standalone selling price which is the arm's length price for that good or service available to the public.

Interest

Interest revenue is recognised using the effective interest rate method. Rental revenue is recognised on a straight line basis.

Sale of Goods

Revenue from sales of goods (including merchandise, membership and game day ticketing) comprises revenue earned from the sale of goods purchased for resale. Sales revenue is recognised when the control of goods passes to the customer which is at the time that the goods are physically transferred.

Rendering of services

Revenue from rendering of services (including sponsorships, events and hospitality, playing & nomination fees and insurance) is recognised over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Association.

Distributions

Distribution revenue is recognised when the Company has a contractual right to receive the funds.

i) Grants

Assets arising from grants and subsidies are recognised at their fair value when the asset is received or receivable. These assets are generally cash but maybe property which has been donated or sold to the Group at significantly below its fair value.

j) Comparative Figures

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the period.

k) Intangible Assets and Goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the surplus or deficit in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at least at the end of each reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

Note 1. Statement of Significant Accounting Policies (continued)

Intangible assets with indefinite useful lives (including Goodwill) are not amortised, but tested for impairment annually, either individually or at the cash generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the surplus or deficit when the asset is derecognised.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Indefinite life intangible assets relate to gaming licences acquired by CRSC and CRLC and goodwill resulting from the acquisition of the Weston and Belconnen clubs by CRSC.

l) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the consolidated entity during the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m) Investment Property

Investment property comprises licensed club buildings. All tenant leases are on an arm's length basis. The investment property is carried at cost less, where applicable, any accumulated depreciation and reviewed for impairment on an annual basis.

Group as a Lessor

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. The Group has determined it has no finance leases and based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains all the significant risks and rewards of ownership of its investment property and accounts for the contracts as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

n) New Accounting Standards and Interpretations

(i) Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year. All new standards, amendments to standards and interpretations issued by the Australian Accounting Board that are applicable to the current reporting period have been adopted and none have had a material impact on the entity.

o) Principles of Consolidation

Control is achieved when an entity has power over an investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the period then ended.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profit or losses, have been eliminated on consolidation. Accounting policies are consistent across all entities within the consolidated group.

**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
AND ITS CONTROLLED ENTITIES
ABN 56 008 568 634**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021**

	Consolidated	
	2021	2020
	\$	\$
Note 2. Revenue and other income		
Revenue from contracts with customers		
Food and beverage revenue	11,584,654	9,046,933
Gaming revenue	21,417,061	15,566,720
Revenue from rendering of services	6,228,518	4,823,964
Revenue from sales of goods	4,357,682	2,172,815
Revenue from Rugby League operation	3,090,648	2,837,778
Total revenue from contracts with customers	<u>46,678,563</u>	<u>34,448,210</u>
Other Income		
Rental income	1,204,922	1,323,544
Interest	77,457	427,756
Grants from the National Rugby League	15,604,000	14,906,073
Grants from the Rugby League Players' Association	-	391,881
Government grants and subsidies	3,505,381	6,729,435
Distribution received	44,046,728	4,830,719
Other grants	400,000	360,000
Insurance Reimbursement	4,182	-
Other revenue	670,225	386,431
Total revenue and other income	<u>112,191,458</u>	<u>63,804,048</u>
No income tax is payable on the distribution received, due to being offset against carried forward losses or due to being received by entities which are income tax exempt.		
Note 3 . Cash and Cash Equivalents - current		
Cash on hand and at bank	21,595,687	12,558,625
	<u>21,595,687</u>	<u>12,558,625</u>
Note 4. Trade and Other Receivables		
(i) Current		
Trade receivables	3,394,307	2,381,674
Sundry debtors	217,785	1,333,260
	<u>3,612,092</u>	<u>3,714,934</u>
(ii) Non Current		
Unsecured loans to related parties	-	2,720,917
Secured loans to unrelated parties	-	1,500,000
Total Unsecured loans	<u>-</u>	<u>4,220,917</u>

The unsecured loan to related parties was to Block 5 Section 30 Trust. Interest on loan was accrued at a commercial rate. The secured loan to unrelated parties was to Toowoomba Sports Club Inc. Interest on the loan was accrued at a commercial rate.

CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
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 ABN 56 008 568 634

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

	Consolidated	
	2021	2020
	\$	\$
Note 5. Other Assets		
(i) Current		
Prepayments	523,790	374,215
Trust Distribution receivable	9,447,582	-
Right to ACT Government offset	1,845,000	1,845,000
	<u>11,816,372</u>	<u>2,219,215</u>

The right to ACT Government offset has arisen from the Voluntary Surrender Agreements entered by CRSC and CRLC and is able to be used to offset future ACT Government charges which will arise in relation to land which the Company owns in Weston.

(ii) Non Current

Prepayments	-	112,803
Other	10,313	269,948
	<u>10,313</u>	<u>382,751</u>

Note 6. Goodwill

Goodwill	824,405	824,405
Poker machine licences	3,012,000	3,012,000
Total intangibles & goodwill	<u>3,836,405</u>	<u>3,836,405</u>

Movements in the carrying amounts

Movements in the carrying amounts for intangibles between the beginning and end of the period:

2021	Goodwill	Poker Machine Licence	Total
Balance at the beginning of the period	824,405	3,012,000	3,836,405
Additions at cost	-	-	-
Disposals	-	-	-
Less: Amortisation expense	-	-	-
Carrying amount at the end of the period	<u>824,405</u>	<u>3,012,000</u>	<u>3,836,405</u>

Note 7. Property, Plant and Equipment

Land and buildings

Land and buildings	61,749,192	61,732,939
Less: Accumulated depreciation	(13,902,721)	(12,500,215)
Total land and buildings	<u>47,846,471</u>	<u>49,232,724</u>

Plant, equipment and motor vehicles

Plant, equipment and motor vehicles - at cost	31,389,089	31,492,112
Less: Accumulated depreciation	(21,300,933)	(20,327,959)
Total plant, equipment and motor vehicles	<u>10,088,156</u>	<u>11,164,153</u>

Capital Works in Progress

Capital Works in Progress - at cost	31,921	67,419
Total Capital Works in Progress	<u>31,921</u>	<u>67,419</u>
Total property, plant and equipment	<u>57,966,548</u>	<u>60,464,296</u>

Capital works in progress include deposits paid for gaming equipment and a till system for Belconnen.

CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

	Consolidated	
	2021	2020
	\$	\$

Note 7. Property, Plant and Equipment (continued)

Movements in carrying amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and end of the period:

	Capital Works in Progress	Land & Buildings	Plant, Equipment & Motor Vehicles	Total
	\$	\$	\$	\$
2021				
Balance at the beginning of the period	67,419	49,232,724	11,164,153	60,464,296
Additions at cost	429,072	260,628	2,359,728	3,049,428
Disposals	-	(288,377)	(66,555)	(354,932)
Transfer between asset classes	(464,570)	440,274	24,296	-
Depreciation expense	-	(1,798,778)	(3,393,466)	(5,192,244)
Carrying amount at the end of the period	31,921	47,846,471	10,088,156	57,966,548

Note 8. Investment Property

Investment property

Investment property - at cost	7,794,402	14,362,919
Less: Accumulated depreciation	(2,348,339)	(3,632,848)
Total investment property	5,446,063	10,730,071

Movements in carrying amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and end of the period:

Balance at the beginning of the period	10,730,071
Additions	60,719
Disposals	(5,042,198)
Depreciation expense	(302,529)
Carrying amount at the end of the period	5,446,063

Non-cancellable operating leases receipts in relation to investment properties are as follows:

Minimum lease receipts / inflows		
- not later than 12 months	876,087	2,229,377
- later than 12 months but not later than 5 years	3,504,349	3,801,151
- greater than 5 years	1,446,360	3,200,779
	5,826,796	9,231,307

The property lease receipts relate to rental income from tenants in the investment properties. Where a CPI increase is applicable, the rent is shown at today's values.

Note 9. Trade and Other Payables

(i) Current

Trade payables	809,448	352,788
Income in advance	1,803,136	1,777,211
Accrued expenses	2,628,703	2,551,728
	5,241,287	4,681,727

(ii) Non Current

Income in advance	500,000	-
Other payables	49,630	21,231
	549,630	21,231

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021

	Consolidated	
	2021	2020
	\$	\$
Note 10. Borrowings		
(i) Current		
Non-Related party borrowings	600,000	600,000
	<u>600,000</u>	<u>600,000</u>
(ii) Non Current		
Related party borrowings	4,360,000	38,265,640
Non-Related party borrowings	94,880	600,000
	<u>4,454,880</u>	<u>38,865,640</u>

There are no requirements to make any reductions on the related party loans during the next twelve months. Interest on related party loans is payable on commercial terms at the lender's discretion. No interest was charged during the period.

The Canberra Raiders Pty Limited has been advanced \$600,000 (2020: \$1,200,000) from the National Rugby League (NRL) as part of the most recent Licence Agreement with the NRL. The advance is non-interest bearing. The advance will be converted to a grant in equal instalments over the period of the Licence Agreement, being 2018 - 2022.

Note 11. Events after the Reporting Period

There have been no significant events since the end of the reporting period.

Note 12. Key Management Personnel Disclosure

Key management personnel compensation

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

The totals of remuneration paid to key management personnel (KMP) of the Group during the period are as follows:

Total remuneration	<u>2,230,225</u>	<u>2,231,753</u>
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Total remuneration to KMP includes KMP of the Company and also those who are considered to be KMP to the Group.

Note 13. Related Party Transactions

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel individually or collectively with their close family members.

The Directors of CDRLFC had tickets, travel, accommodation and other incidental expenses paid for them in connection with the Canberra Raiders football team.

a) Transactions with Related Parties

The following summarises transactions with related parties:

<i>Sale of real property</i>		
Block 5 Section 30 Trust	-	1,261,072
<i>Distribution Income</i>		
CRTA Trust	714,998	2,902,178
CRTB Trust	15,600,000	1,928,541
Block 5 Section 30 Trust	27,697,582	-
Monaro Riverview Trust	34,148	-
<i>Gifts and grants received / (paid)</i>		
Queanbeyan Leagues Club Limited	400,000	500,000
CRTC Pty Limited ATF CRTA Trust	(8,550,000)	(2,550,000)
<i>Net proceeds from / (repayment) of borrowings from related parties</i>		
Queanbeyan Leagues Club Limited	(25,955,640)	1,350,000
CRTC Pty Limited ATF CRTB Trust	(7,950,000)	7,160,000
<i>Net (drawdowns) / repayment of loans to related parties</i>		
Block 5 Section 30 Pty Limited ATF Block 5 Section 30 Trust	2,720,917	(187,793)

**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD FROM 3 NOVEMBER 2020 TO 1 NOVEMBER 2021**

	Consolidated	
	2021	2020
	\$	\$
Note 13. Related Party Transactions (continued)		
b) Controlled Entities		
Canberra Raiders Leagues' Club (Southside) Limited (CRLC)		
Canberra Raiders Sports Club Limited (CRSC)		
The Canberra Raiders Pty Limited (Raiders)		
57 Restaurant Pty Limited (R57)		
Canberra Region Junior Rugby League Inc (CRJRL)		
c) Ultimate Controlling Entities		
The ultimate controlling entity of the Group is Queanbeyan United Rugby League Football Club Inc.		
d) Related Party Balances		
The aggregate amounts payable to related parties by the Group at balance sheet date:		
Queanbeyan Leagues Club Limited	-	25,955,640
CRTC Pty Limited ATF CRTB Trust	4,360,000	12,310,000
The Group has granted charges over all present and acquired property in relation to all monies owing now and in the future to Queanbeyan Leagues' Club		
The aggregate amounts owed by related parties by the Group at balance sheet date:		
Block 5 Section 20 Pty Ltd ATF Block 5	-	2,720,917
The aggregate amounts receivable from related parties by the Group at balance sheet date:		
Block 5 Section 20 Pty Ltd ATF Block 5	9,447,582	-
Note 14. Parent Entity reporting		
Current assets	24,536,019	8,785,192
Total assets	56,773,197	46,973,602
Current liabilities	789,308	614,060
Total liabilities	846,861	18,084,447
Retained earnings	55,926,336	28,889,155
Profit (Loss) / Total comprehensive income (loss)	27,037,180	3,074,371

There are no current guarantees in place and no contractual commitments for property, plant and equipment at 1 November 2021 (2020: \$Nil).

As at the end of the reporting period the company had contingent liabilities as per note 15 below.

Note 15. Contingent Liabilities and Guarantees

CDRLFC has provided a guarantee of continued financial support to CRJRL.

There is a bank guarantee for the Department of Natural Resources for \$118,000 (2020: \$118,000).

The Directors are not aware of any circumstance or information which would lead them to believe that these liabilities will crystallise and consequently no provisions are included in the accounts in respect of these matters.

The Company has granted a charge over all present and acquired property in relation to all monies owing now and in the future to Westpac Banking Corporation (Westpac). The Company does not currently owe any monies to Westpac. The Company has also granted other charges in the ordinary course of business over its assets in relation to goods supplied by the secured party from time to time including team apparel.

CRSC and CRLC have also granted other charges in the ordinary course of business over its commercial property in relation to goods supplied by the secured party from time to time including poker machines, TAB, gas supplies, ATM and EFTPOS machines, bar and catering supplies and related equipment.

Raiders and R57 have also granted other charges in the ordinary course of business over its assets in relation to goods supplied by the secured party from time to time including office equipment, apparel, motor vehicles, EFTPOS machines and bar supplies and related equipment.

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DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the financial position of the company and the consolidated group as at 1 November 2021 and of the performance for the period ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Dated this 20th day of January 2022



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Independent auditor's report to the members of Canberra District Rugby League Football Club Limited

Opinion

We have audited the financial report of Canberra District Rugby League Football Club Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 1 November 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 3 November 2020 to 1 November 2021, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 1 November 2021 and of its consolidated financial performance for the period ended on that date; and
- b. Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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, 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.



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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 - Reduced Disclosure Requirements 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 Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Irene Tzavaras' in a cursive style.

Irene Tzavaras
Partner
Canberra
20 January 2022