

**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

**AUSTRALIAN RUGBY LEAGUE  
COMMISSION LIMITED**

ACN

**003 107 293**

## Reason for lodgement of statement and reports

A public company limited by guarantee who qualifies under Tier 2

Dates on which financial  
year ends

Financial year end date  
**31-10-2021**

## Auditor's report

Were the financial statements audited or reviewed?

**Audited**

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 **23-11-2011**

Name of auditor

**ERNST & YOUNG**

Address

**LEVEL 46  
680 GEORGE STREET**

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**SYDNEY NSW 2000**

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**Certification**

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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**

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**Signature**

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Select the capacity in which you are lodging the form

Secretary

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**

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**Authentication**

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This form has been submitted by

Name

Daniel DRESSLER

Date

10-02-2022

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# **Australian Rugby League Commission Limited**

**ABN 94 003 107 293**

**Financial Report  
for the year ended 31 October 2021**



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## Directors' Report

The Directors present their report for the Australian Rugby League Commission Limited ("ARLC" or "the Company") for the year ended 31 October 2021.

### DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

#### Peter V'landys AM (Chairman)

Mr V'landys is Chief Executive and board member with Racing NSW a position he has held since February 2004. Mr V'landys holds a Bachelor of Commerce degree majoring in Accounting and serves across a number of Boards associated with the thoroughbred racing industry. Mr V'landys was appointed Chairman of the ARLC in October 2019 and is also Chairman of the Fairy Godfather Foundation which assists people in Australia in necessitous circumstances. In 2014, Mr V'landys was appointed as a Member of the Order of Australia for his services to the Racing industry.

#### The Hon. Peter Beattie AC

Mr Beattie is Deputy Chairman of the Medical Research Commercialisation Fund, Ambassador for Life Sciences Queensland, joint adjunct professor at the University of Queensland's Australian Institute for Bioengineering & Nanotechnology & Institute for Molecular Bioscience and former Chairman of GOLDOC. Mr Beattie is also a Director of the International Rugby League Board and Director of the Asia Pacific Rugby League Board. Mr Beattie served as the 36th Premier of Queensland and Minister for Trade from 1998 to 2007 and Leader of the Australian Labor Party in that state from 1996 to 2007 and Health Minister from 1995 to 1996.

#### Tony McGrath

Mr McGrath is a former partner at KPMG and is a co-founder of McGrathNicol. Mr McGrath is a Director of the National Foundation for Medical Research and a Non-Executive Director for Servcorp Limited.

#### Wayne Pearce OAM

Mr Pearce is a former Kangaroos representative who also captained and coached the New South Wales State of Origin side. Mr Pearce is a business consultant and Director of Wayne Pearce Advantage and the Wayne Pearce Academy. Mr Pearce is also a Director of the International Rugby League Board and Chair of the ARLC Innovation Committee. Mr Pearce holds an Order of Australia medal for services to Rugby League and the community.

#### Dr Gary Weiss AM

Dr Weiss is Executive Director of Ariadne Australia Ltd, Chairman of Ardent Leisure Limited, Estia Health Limited, and Cromwell Property Group. Gary is a director of Thorney Opportunities Limited, Hearts & Minds Investments Limited, Victor Chang Cardiac Research Institute and The Centre for Independent Studies. Dr Weiss was appointed as a Member of the Order of Australia in 2019 for significant services to business and to the community.

#### Professor Megan Davis

Professor Davis is Pro Vice Chancellor and the Balnaves Chair in Constitutional Law, UNSW. Professor Davis is an Acting Commissioner of the NSW Land and Environment Court and an expert member and Chair of the United Nations Expert Mechanism on the Rights of Indigenous People in Geneva. Professor Davis is a constitutional law professor specialising in constitutional design and constitution building and one of the nation's leading public constitutional lawyers. She is a co-recipient of the 2021 Sydney Peace Prize.

#### Kate Jones

Ms Jones has around 20 years experience in senior government and leadership positions. Kate served as a Minister in the Queensland Government for more than eight years in range of portfolios including State Development, Education, Tourism, and Major Events. Kate was also the Minister responsible for the successful delivery of the 2018 Commonwealth Games on the Gold Coast and secured new major events to Queensland including the NRL Magic Round and global sports conference, Sport Accord in 2019. Throughout 2020, Kate was instrumental in working with many national sporting codes to ensure they could continue to operate safely during the COVID-19 pandemic. She also served on the 2032 Olympic Candidature Leadership group. Kate now serves on a number of boards and works in leadership roles in both the tech and tourism industries.

## Directors' Report (Continued)

### COMPANY SECRETARY

Eleni North, General Counsel and Company Secretary. Ms North has been the Company Secretary of the Australian Rugby League Commission Limited and National Rugby League Limited since 13 August 2014. Ms North resigned from the NRL on 31 December 2021. She is replaced as Company Secretary by Daniel Dressler, NRL Legal Counsel.

### PRINCIPAL ACTIVITY

The principal activity of the Company during the course of the financial year was the fostering and propagation of the game of Rugby League Football throughout the States and Territories of Australia and internationally.

The short and long term objectives of the Australian Rugby League Commission are to foster, develop, extend and adequately fund the game from grassroots to elite level; conduct State of Origin and Australian representative matches; organise, conduct and foster the National Rugby League ("NRL") competition; liaise with the Rugby League International Federation on the international game and to promote and encourage sport, recreation and the general welfare of young people in the community. The success of the Company's performance of these objectives is indicated by the growing awareness and participation in Rugby League.

### REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Revenue generated for the year was \$575,079,910 (2020: \$419,672,860). The Group's current year operating surplus was \$43,056,443 (2020: \$24,742,261 deficit).

### DIVIDENDS

No dividends have been paid, declared, or recommended by the Company during the financial year.

### SIGNIFICANT EVENTS AFTER THE YEAR END

In the interval between the end of the financial period and the date of this report, the ARLC announced a 5 year broadcast agreement, commencing 1 November 2022, with long standing broadcast partner Channel 9 on 21 December 2021. There have been no other items, transactions or events of a material and unusual nature likely, in the opinion of the Directors of the organisation, to affect significantly the operations of the organisation and the state of affairs in future financial years.

### LIKELY DEVELOPMENTS AND FUTURE RESULTS

The Directors are not aware of any other particular changes in the operations of the Company which will materially affect the results in subsequent years.

### ENVIRONMENTAL ISSUES

The Company operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

### DIRECTORS' INTERESTS AND BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit because of a contract made by the Company or a related body corporate with a Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial interest.

### INDEMNIFICATION OF OFFICERS

The Company paid an insurance premium of \$576,003 (2020: \$362,821) in respect of a contract insuring the Directors of the Company named earlier in this report and each executive officer, against liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law, up to the policy limit.

## Directors' Report (Continued)

### INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify the auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

### MEMBERS' GUARANTEE

The Company is a company limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 31 October 2021, the number of members was 25 (2020: 24).

### BOARD MEETINGS

The number of Board Meetings held during the year and the number of meetings attended by each Director was as follows:

Directors	Board Meetings	
	Eligible to Attend	Attended
Peter V'landys AM	22	22
The Hon. Peter Beattie AC	22	22
Tony McGrath	22	22
Wayne Pearce OAM	22	21
Dr Gary Weiss AM	22	22
Professor Megan Davis	22	22
Kate Jones	21	21

### REGISTERED OFFICE

The registered office of Australian Rugby League Commission Limited is located at:

Rugby League Central, Driver Avenue, Moore Park, NSW, Australia, 2021.

### CORPORATE STRUCTURE

Australian Rugby League Commission Limited is a public, not-for-profit company, limited by guarantee.

The domicile of the Company is Sydney, Australia.





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## Auditor's independence declaration to the directors of Australian Rugby League Commission Limited

As lead auditor for the audit of the financial report of Australian Rugby League Commission Limited for the financial year ended 31 October 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 Australian Rugby League Commission Limited and the entities it controlled during the financial year.

Ernst & Young

James Higgins  
Partner  
Sydney  
7 February 2022

A member firm of Ernst & Young Global Limited  
Liability limited by a scheme approved under Professional Standards Legislation

Signed in accordance with a resolution of the Directors.

Peter V'landys  
Chairman

Tony McGrath  
Director

Sydney  
7 February 2022



# Statement of Consolidated Comprehensive Income

Year ended 31 October 2021	Notes	2021 \$'000	2020 \$'000
<b>REVENUE</b>			
Revenue	3(a)	575,080	419,673
		<u>575,080</u>	<u>419,673</u>
<b>EXPENSE</b>			
Event, game and sponsorship		(75,050)	(45,462)
Media contra		(24,546)	(15,454)
Football		(47,260)	(31,028)
Community and player welfare		(7,300)	(6,481)
Administration, Integrity and Salary Cap		(15,940)	(14,184)
Clubs and Players		(278,224)	(253,545)
States, Affiliates and New Zealand Rugby League		(34,847)	(25,078)
Development		(31,948)	(30,897)
Depreciation and amortisation	3(a)	(9,135)	(9,234)
Insurance and finance costs	3(a)	(7,418)	(8,483)
Restructuring - redundancies	3(a)	(355)	(4,569)
		<u>(532,023)</u>	<u>(444,415)</u>
<b>SURPLUS / (DEFICIT)</b>		<u>43,057</u>	<u>(24,742)</u>
Income tax expense	2(d)	-	-
<b>NET SURPLUS / (DEFICIT)</b>		<u>43,057</u>	<u>(24,742)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		-	-
<b>TOTAL COMPREHENSIVE SURPLUS / (DEFICIT) FOR THE PERIOD ATTRIBUTABLE TO THE MEMBERS OF ARLC LIMITED</b>		<u>43,057</u>	<u>(24,742)</u>

The accompanying notes form an integral part of this Statement of Consolidated Comprehensive Income.

## Statement of Consolidated Financial Position

Year ended 31 October 2021	Notes	2021 \$'000	2020 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents - Controlling Body	4	165,113	114,181
Cash and cash equivalents - Controlled Entities	4	6,523	10,478
Restricted Cash - RLPA Retirement Fund	4	-	16,669
Trade receivables	5	16,813	20,072
Prepayments and other receivables	6	34,229	32,742
<b>TOTAL CURRENT ASSETS</b>		<b>222,678</b>	<b>194,142</b>
<b>NON CURRENT ASSETS</b>			
Intangibles	7	9,368	9,730
Right-of-use lease assets	8a	14,840	10,064
Property, plant and equipment	9	15,602	16,487
Other receivables	10	2,036	11,902
<b>TOTAL NON CURRENT ASSETS</b>		<b>41,846</b>	<b>48,183</b>
<b>TOTAL ASSETS</b>		<b>264,524</b>	<b>242,325</b>
<b>CURRENT LIABILITIES</b>			
Trade payables		8,349	27,079
Other payables	11	81,699	100,476
Lease liabilities	8b	3,730	2,696
Provisions	12	5,112	4,055
<b>TOTAL CURRENT LIABILITIES</b>		<b>98,890</b>	<b>134,306</b>
<b>NON CURRENT LIABILITIES</b>			
Lease liabilities	8b	14,073	10,554
Provisions	13	12,584	1,545
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>26,657</b>	<b>12,099</b>
<b>TOTAL LIABILITIES</b>		<b>125,547</b>	<b>146,405</b>
<b>NET ASSETS</b>		<b>138,977</b>	<b>95,920</b>
<b>EQUITY</b>			
Reserves		2,228	2,228
Retained surplus		136,749	93,692
<b>TOTAL EQUITY</b>		<b>138,977</b>	<b>95,920</b>

The accompanying notes form an integral part of this Statement of Consolidated Financial Position.

## Statement of Consolidated Changes in Equity

	Reserves \$'000	Retained Surplus \$'000	Total \$'000
As at 1 November 2020	2,228	93,692	95,920
Net surplus for the year	-	43,057	43,057
As at 31 October 2021	2,228	136,749	138,977

	Reserves \$'000	Retained Surplus \$'000	Total \$'000
As at 1 November 2019	2,228	118,434	120,662
Net deficit for the year	-	(24,742)	(24,742)
As at 31 October 2020	2,228	93,692	95,920

## Statement of Consolidated Cash Flows

Year ended 31 October 2021	Notes	2021 \$'000	2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from ordinary operations		575,907	422,757
Payments to suppliers and employees		(293,126)	(215,877)
Payments to clubs		(243,704)	(239,174)
Lease payments (interest component)		(779)	(678)
Interest received		260	889
Interest paid		(5)	(20)
<b>NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES</b>		<b>38,553</b>	<b>(32,103)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property plant and equipment		(718)	(789)
Payments for intangibles		(3,075)	(2,709)
<b>NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		<b>(3,793)</b>	<b>(3,498)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayments of loans		-	4,316
Lease payments (principal component)		(4,452)	(3,082)
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>		<b>(4,452)</b>	<b>1,234</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>30,308</b>	<b>(34,367)</b>
<b>CASH AT THE BEGINNING OF THE PERIOD</b>		<b>141,328</b>	<b>175,695</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>4</b>	<b>171,636</b>	<b>141,328</b>

The accompanying notes form an integral part of this Statement of Consolidated Cash Flows.



# Notes to the Financial Statements

Year ended 31 October 2021

## 1. CORPORATE INFORMATION

The consolidated financial statements of Australian Rugby League Commission Limited and its subsidiaries (collectively, 'the Group') for the year ended 31 October 2021 were authorised for issue in accordance with a resolution of the Directors on 7 February 2022. Australian Rugby League Commission Limited is a company limited by guarantee incorporated in Australia, formerly the Company was called Australian Rugby Football League Limited.

The registered office and principal place of business is Rugby League Central, Driver Avenue, Moore Park, NSW Australia 2021.

The nature of the operations and principal activities of the Company are described in the Directors' report.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is a not-for-profit, private sector entity which is not publicly accountable. Therefore, the consolidated financial statements for the Group are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs).

The financial report has been prepared on a historical cost basis. The financial report is presented in Australian dollars and all values are rounded to the nearest thousand (\$000), except when otherwise indicated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts.

### (b) Statement of compliance

The Group has adopted AASB 1053 'Application of Tiers of Australian Accounting Standards' and AASB 2012-2 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements'.

In the opinion of the Directors, having regard to the not-for-profit nature of the Group's business, the terms used in the prescribed format of the Statement of Comprehensive Income are not appropriate. "Profit or Loss" in the prescribed format of the Statement of Comprehensive Income has been substituted by "Surplus or Deficit".

The Group has adopted all of the new, revised or amending Accounting Standards and interpretations issued by the AASB that are mandatory for the current reporting period. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

#### *(i) Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Plant and equipment	25%
Computer equipment	25%
Buildings	3.33%
Motor vehicles	25%

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.



# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Leases (continued)

#### *(ii) Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### *(iii) Short-term leases and leases of low-value assets*

The Group applies the low-value assets recognition exemption to property leases that are considered to be low value. Lease payments low-value assets are recognised as expense on a straight-line basis over the lease term.

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (d) Income tax

The group is a not-for-profit organisation in accordance with section 50-45 of the Income Tax Assessment Act of 1997.

### (e) Foreign currency translation

The functional and presentation currency of Australian Rugby League Commission Limited is Australian dollars (\$).

#### *Translation of foreign currency transactions*

Transactions in foreign currencies are converted to local currency at the rate of exchange ruling at the date of the transaction.

Foreign exchange monetary items that are outstanding at the reporting date are translated using the spot rate at the end of the financial year.

### (f) Cash and cash equivalents

Cash and short-term deposits in the Statement of Consolidated Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Consolidated Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### (g) Receivables

#### *Initial recognition and measurement*

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the consolidated entity's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets, or both.

#### *Subsequent measurement*

The Group measures financial assets at amortised cost if both of the following conditions are met;

- The financial asset is held within a business model with the object to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. The Group's financial assets at amortised cost includes trade receivables.

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (h) Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the 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 useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in the accounting estimate and is thus accounted for on a prospective basis.

Amortisation is calculated on a straight-line basis over the estimated useful life of the intangible assets as follows:

	2021	2020
Computer Software / Legal Trademarks / Digital Assets	3 - 10 years	3 - 10 years

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (i) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the Statement of Comprehensive Income as incurred.

Plant and equipment have been depreciated over their useful economic life in 2021 and 2020 as follows:

	Life (Years)	Method
Leasehold Improvements	10 – 20	Straight Line
Building Costs	10 - 40	Straight Line
Owned Plant and Equipment	3 - 10	Straight Line

The assets residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

#### *Derecognition and disposal*

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Comprehensive Income in the year the asset is derecognised.

### (j) Impairment of assets

The entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or have been decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying value amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the assets revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) Payables

Payables are carried at amortised cost and represent liabilities for goods and services provided to the entity prior to the end of the financial year that are unpaid and arise when the entity becomes obliged to make future payments in respect of the purchase of these goods and services.

The Group's financial liabilities include trade and other payables.

#### *Initial recognition and measurement*

All financial liabilities are initially measured at fair value and, in the case of trade payables, net of directly attributable transaction costs and are subsequently measured at amortised cost.

### (l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position. Cash flows are included in the Statement of Consolidated Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (m) Provision for employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits due to be settled within twelve months of the reporting date are measured at their nominal amounts based on rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to corporate bonds, which have terms to maturity approximating the terms of the related liability, are used.



# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (n) Revenue

The main revenue streams for the Group relate to the following sources:

- Licensing which includes Media, Wagering product fees and Merchandise Royalties
- Operations and Events which includes Sponsorship, Game Receipts and Government Income
- Other income which includes Financing Income, Digital Services Income, Job keeper and Sundry Income

#### *Media*

The Group grants media organisations the right to broadcast rugby league matches on television, radio or online in exchange for consideration that includes both cash amounts and contra (which are rights the Group is granted to use advertising slots provided by the media partner). The broadcasting rights provide the media partner with a right to access the Group's intellectual property as it exists as the games are played.

The method of measuring progress for the transfer of broadcasting rights is costs incurred associated with the competition for the broadcasting period. The costs incurred are reflective of club grants that are paid to the Clubs over the 5 year performance period necessary to fund and support each NRL Club's participation in the National Rugby League competition and where applicable, the State of Origin grants paid to the respective State Leagues. The pattern of revenue recognition in each reporting period will follow the movement in the cost profile.

A significant financing component will be accounted for by the ARLC in instances where the timing of cash received differs from performance of their obligation. An interest expense will be recognised by the ARLC as this occurs in each reporting period. An interest rate of 10% has been utilised by the ARLC to account for the significant financing component and is reflective of the borrowing rate that the ARLC would be offered for a separate lending transaction.

Cash received and interest expenses associated with the significant financing component are to be recorded as deferred revenue and then to be recognised as revenue as and when ARLC carries out its obligation.

#### *Wagering product fees*

The Group grants sports betting operators a licence being a promise to provide rights to the sports betting operators to access the Group's intellectual property. In exchange, the Group will receive royalties from the Sports Betting operators for the usage of the licence granted over the contract term as the Sports Betting operators carry on their business. The Group will recognise revenue when or as the sales relating to each bet occurs.

#### *Merchandise Royalties*

The Group grants licences to manufacture and sell Club and Player merchandising containing NRL branding. The rights granted to merchandisers are able to be accessed consistently over the contract term and thus the most appropriate measure of progress is time that has elapsed to determine revenue recognition. Revenue is recognised when it becomes probable that the Group will collect the consideration to which it will be entitled in exchange for the services transferred to the customer.

#### *Sponsorship*

The Group grants sponsors the right to operate as a sponsor of the National Rugby League and its rugby league matches in exchange for consideration. Sponsors are also granted access to the intellectual property of the Group and are able to access throughout the contract term and so benefits are received and consumed simultaneously as the Group is performing its obligation. Sponsorship income is therefore to be recognised over time and measured as time elapses over the contract term.

#### *Game Receipts Revenue*

The performance obligation of the ARLC is defined as the operation and management of each match. The measure of progress for revenue recognition is the completion of each rugby league match where ARLC is entitled to the game receipts revenue relating to tickets purchased by event attendees.



# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (n) Revenue (continued)

#### *Government Income*

Government funding contracts with the Group creates enforceable rights and obligations for the Group to carry out its promise of the operation and running of a rugby league event for the Government or at a location chosen by the Government. Government income is initially recognised as deferred revenue where funding is received in advance, with revenue recognised as the services are performed or the conditions are fulfilled. The government entity only receives the benefits of the Group's ongoing obligations and activities upon the execution of each event. Therefore, revenue is to be recognised at a point in time being the point at which the event is complete.

#### *Financing Income*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Digital Services Income*

The Group sells Digital Inventory to digital sponsors to assist with the promotion of rugby league through the NRL network. Digital inventory that is sold by the Group is sufficiently specific to a financial period and for promotion of rugby league throughout that period. Digital inventory is able to be produced by the Group and benefited by the digital sponsors simultaneously over the term of the contract. The measure of progress to recognise digital revenue is therefore time that has elapsed over the contract term.

#### *JobKeeper*

The government introduced a JobKeeper Payment scheme to support businesses significantly affected by the Coronavirus pandemic to help keep more Australians in jobs. The JobKeeper Payment is available to enable employers to enable them to pay their eligible employee's salary or wages of at least \$1,500 (before tax) per fortnight. Eligible employers are reimbursed a fixed amount of \$1,500 per fortnight for each eligible employee from 30 March 2020, for up to 13 fortnights.

Employers are required to pay eligible employees a minimum of \$1,500 (before tax) per fortnight to claim the JobKeeper payment. This is paid to the employer in arrears each month by the Australian Taxation Office (ATO). If employers do not continue to pay their employees for each pay period, they cease to qualify for the JobKeeper payment.

The Group received \$11,518,500 in relation to JobKeeper Payments in 2020. The Group was not entitled to any JobKeeper payments in 2021.

#### *Sundry Income*

This includes football statistics revenue, player agent registration fees, and shared service charges to entities affiliated with the Group. The performance obligation is the provision of service, and the measure of progress for revenue recognition is when the service is provided. In addition, salary cap and other fine revenue are brought to account when the amount of the fine has been approved by the Board and any appeals process is concluded.

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) Significant accounting judgements, estimates and assumptions

#### *(i) Critical accounting estimates and assumptions*

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. There were no judgements, apart from those involving estimations, that management has made in the process of applying the Group's accounting policies that had a significant effect on the amounts recognised in the financial report.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### *(ii) Impairment of Financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for debt instruments measured at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the consolidated entity expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months. For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default.

For trade receivables, the Group applies the simplified approach for calculating ECLs. Therefore the entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

### (p) Going concern

The financial report has been prepared on a going concern basis which assumes continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern basis includes an assumption that there will be no suspension of the 2022 NRL season.

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

	Notes	2021 \$'000	2020 \$'000
<b>3(a). INCOME STATEMENT DISCLOSURES</b>			
Licensing		405,161	332,233
Operations and Events		158,978	67,165
<b>Other income</b>			
Financing income		260	889
Digital Services income		3,417	2,844
JobKeeper		-	11,518
Sundry income		7,264	5,024
<b>Total other income</b>		<b>10,941</b>	<b>20,275</b>
<b>Total revenue</b>		<b>575,080</b>	<b>419,673</b>
<b>Depreciation and amortisation</b>			
Depreciation of plant and equipment			
Building	9	625	626
Plant and equipment	9	978	1,377
Right-of-use lease assets	8a	4,095	2,817
Amortisation of Digital asset	7	3,191	4,122
Amortisation of Intangible assets	7	246	292
		<b>9,135</b>	<b>9,234</b>
<b>Insurance and finance costs</b>			
Interest expenses - lease liabilities		910	678
Interest charge (non-cash)		3,638	4,978
Insurance		2,754	2,788
Provision for doubtful debts / (reversal of expense)		(29)	(54)
Interest expenses		145	93
		<b>7,418</b>	<b>8,483</b>
<b>Restructuring - redundancies</b>		<b>355</b>	<b>4,569</b>
<b>Employee Benefits Expense / (Reversals)</b>			
Salary and wages		52,500	55,483
Annual leave		1,430	(2,253)
Long service leave		398	520



# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 3(b). INCOME STATEMENT ANALYSIS

The following tables provide an analysis of the operations of the Group that is used by management to assess the financial performance of the Group. The 'Controlling Body' column contains the consolidated financial results for the Australian Rugby League Commission Limited ("ARLC") and National Rugby League Limited ("NRL") legal entities. The 'Controlled Entities' column contains the financial results for the various state league entities and NRL Foundation that are controlled by the ARLC. The accounting policies used to prepare the tables are consistent with those used by the Group.

	2021			
	Controlling Body \$'000	Controlled Entities \$'000	Consolidation Adjustments \$'000	Total \$'000
<b>REVENUE</b>	<b>570,345</b>	<b>5,325</b>	<b>(590)</b>	<b>575,080</b>
<b>EXPENSE</b>				
Event, game and sponsorship	(74,559)	(491)	-	(75,050)
Media contra	(24,546)	-	-	(24,546)
Football	(46,731)	(529)	-	(47,260)
Community and player welfare	(7,270)	(30)	-	(7,300)
Administration, Integrity and Salary Cap	(15,948)	8	-	(15,940)
Clubs and Players	(278,224)	-	-	(278,224)
States, Affiliates and New Zealand Rugby League	(35,437)	-	590	(34,847)
Development	(27,904)	(4,044)	-	(31,948)
Depreciation and amortisation	(9,104)	(31)	-	(9,135)
Insurance and finance costs	(7,417)	(1)	-	(7,418)
Restructuring - redundancies	(355)			(355)
	<b>(527,495)</b>	<b>(5,118)</b>	<b>590</b>	<b>(532,023)</b>
<b>SURPLUS / (DEFICIT)</b>	<b>42,850</b>	<b>207</b>	<b>-</b>	<b>43,057</b>
	2020			
	Controlling Body \$'000	Controlled Entities \$'000	Consolidation Adjustments \$'000	Total \$'000
<b>REVENUE</b>	<b>417,273</b>	<b>2,941</b>	<b>(541)</b>	<b>419,673</b>
<b>EXPENSE</b>				
Event, game and sponsorship	(45,153)	(309)	-	(45,462)
Media contra	(15,454)	-	-	(15,454)
Football	(30,592)	(436)	-	(31,028)
Community and player welfare	(6,427)	(54)	-	(6,481)
Administration, Integrity and Salary Cap	(14,167)	(17)	-	(14,184)
Clubs and Players	(253,545)	-	-	(253,545)
States, Affiliates and New Zealand Rugby League	(25,619)	-	541	(25,078)
Development	(29,225)	(1,672)	-	(30,897)
Depreciation and amortisation	(9,220)	(14)	-	(9,234)
Insurance and finance costs	(8,483)	-	-	(8,483)
Restructuring - redundancies	(4,569)			(4,569)
	<b>(442,454)</b>	<b>(2,502)</b>	<b>541</b>	<b>(444,415)</b>
<b>SURPLUS / (DEFICIT)</b>	<b>(25,181)</b>	<b>439</b>	<b>-</b>	<b>(24,742)</b>

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

Notes	2021 \$'000	2020 \$'000
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## 4. RECONCILIATION OF CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and deposits at call. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank - Controlling Body	165,113	114,181
Short term cash deposits - Controlled Entities	3,020	5,804
Cash at bank - Controlled Entities	3,503	4,674
Restricted Cash - RLPA Retirement Fund	-	16,669
Total cash and cash equivalents	171,636	141,328

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term cash deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The RLPA Retirement Fund Account represents funds committed by the Group to be paid to the RLPA in accordance with the NRL Players Collective Bargaining Agreement.

## 5. TRADE RECEIVABLES

Trade receivables	19,211	23,598
Provision for doubtful debts	(2,398)	(3,526)
Total trade receivables	16,813	20,072

- (i) For terms and conditions relating to related party receivables refer to Note 16.
- (ii) Trade receivables are non-interest bearing and are generally on 30-60 day terms.

As at 31 October 2021, trade receivables of an initial value of \$2,397,224 (2020: \$3,526,172) were impaired and fully provided for. See below for movements in the provision for impairment of receivables.

	Collectively impaired \$'000	Total \$'000
At 1 November 2019	(4,328)	(4,328)
Provision reversal for the year	250	250
Utilised	552	552
At 31 October 2020	(3,526)	(3,526)
Provision reversal for the year	22	22
Utilised	1,106	1,106
At 31 October 2021	(2,398)	(2,398)

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

	Notes	2021 \$'000	2020 \$'000
<b>6. PREPAYMENTS AND OTHER ASSETS (CURRENT)</b>			
Prepayments and other assets		7,793	10,953
Accrued income		3,140	1,280
Taxes receivable		4,892	2,073
Advances to NRL clubs		9,000	9,000
Other deposits		8,887	8,885
Lease receivables		517	551
Total prepayments and other receivables		34,229	32,742

Other deposits relates to investments held in a managed cash fund.

## 7. INTANGIBLES (NON CURRENT)

<i>Digital asset</i>			
Opening balance		9,120	10,716
Additions		3,011	2,526
Amortisation		(3,191)	(4,122)
Closing balance		8,940	9,120
<i>Software development costs and legal trademarks</i>			
Opening balance		609	718
Additions		65	183
Amortisation		(246)	(292)
Closing balance		428	609
Total intangibles		9,368	9,730

## 8a. RIGHT OF USE LEASE ASSETS (NON CURRENT)

Set out below are the carrying amounts for right-of-use assets recognised and the movements during the period:

	Property \$'000	Motor vehicles \$'000	Other equipment \$'000	Total \$'000
As at 1 November 2020	8,011	1,861	192	10,064
Additions	8,531	340	-	8,871
Depreciation Expense	(2,554)	(1,445)	(96)	(4,095)
As at 31 October 2021	13,988	756	96	14,840



# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

	Notes	2021 \$'000	2020 \$'000
<b>8b. LEASE LIABILITIES</b>			
Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:			
As at 1 November		13,250	15,650
Additions		8,872	-
Accretion of interest		912	678
Payments		(5,231)	(3,762)
Lease receivable		-	684
As at 31 October		17,803	13,250
Current liabilities		3,730	2,696
Non-current liabilities		14,073	10,554
		17,803	13,250
The following are the amounts recognised in profit and loss:			
Interest revenue of lease receivable		123	-
Depreciation expense of right-of-use assets		(4,095)	(2,817)
Interest expense on lease liabilities		(912)	(678)
As at 31 October		(4,884)	(3,495)
<b>9. PROPERTY, PLANT AND EQUIPMENT (NON CURRENT)</b>			
<i>Building</i>			
Opening balance - cost		20,844	20,844
Disposals		-	-
Closing balance		20,844	20,844
Accumulated depreciation		(5,980)	(5,354)
Depreciation for the year		(625)	(626)
Closing balance		(6,605)	(5,980)
Net book value		14,239	14,864
<i>Plant and Equipment</i>			
Opening balance - cost		10,173	9,384
Additions		718	788
Closing balance		10,891	10,173
Accumulated depreciation			
Opening balance		(8,550)	(7,172)
Depreciation for the year		(978)	(1,377)
Closing balance		(9,528)	(8,550)
Net book value		1,363	1,623
Total property, plant and equipment		15,602	16,487

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

	Notes	2021 \$'000	2020 \$'000
<b>10. OTHER RECEIVABLES (NON CURRENT)</b>			
Advances to NRL clubs		-	9,000
Lease receivables		2,036	2,902
Total non-current other receivables		<u>2,036</u>	<u>11,902</u>

## 11. OTHER PAYABLES (CURRENT)

Accruals		26,936	23,621
Taxes payable		3,218	35
Other payables		13,375	4,634
Deferred revenue		38,170	72,186
Total current other payables		<u>81,699</u>	<u>100,476</u>

Deferred revenue predominantly relates to cash received from future media rights fees, recognised over the life of the next media rights deal covering financial years 2018 to 2022. This is therefore a 'non cash' liability which will be amortised to revenue over financial years 2018 – 2022 .

## 12. PROVISIONS (CURRENT)

Employee benefits	14	<u>5,112</u>	<u>4,055</u>
Total current provisions		<u>5,112</u>	<u>4,055</u>

## Notes to the Financial Statements (Continued)

Year ended 31 October 2021

	Notes	2021 \$'000	2020 \$'000
<b>13. PROVISIONS (NON CURRENT)</b>			
Employee benefits	14	1,476	1,545
Other provisions		11,108	-
Total non-current provisions		<u>12,584</u>	<u>1,545</u>

Based on the terms of the revised Collective Bargaining Agreement with the Players Association where outperformance against target is achieved over the three year period 2020 to 2022 an outperformance payment to the players is payable. Based on the actual 2021 performance a provision, to reflect forecasted performance over the period, of \$11.1m has been made. Performance in 2020 was in line with plan therefore the provision in the prior period was zero. Payment is subject to actual performance in 2022 with payment due in 2023 or earlier if agreed by the parties.

### 14. EMPLOYEE BENEFITS

Aggregate employee entitlements includes on-costs:

Current	12	5,112	4,055
Non-current	13	1,476	1,545
Total employee benefits		<u>6,588</u>	<u>5,600</u>

The accounting treatment for employee benefits is detailed in the accounting policy Note 2(m).

## Notes to the Financial Statements (Continued)

Year ended 31 October 2021

	Notes	2021 \$'000	2020 \$'000
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### 15. EXPENDITURE COMMITMENTS

#### (a) Grants to NRL clubs are contracted as follows:

Not later than one year	225,928	221,664
Later than one year but not later than five years	-	225,928
	<u>225,928</u>	<u>447,592</u>

The grant committed to NRL clubs is as per the revised 2021 and 2022 funding agreement letters issued to all Clubs on 13 May 2021.

#### (b) Grants to state leagues

ARLC provides funding to New South Wales Rugby League Limited and Queensland Rugby League Limited to administer the game in their respective states in accordance with the New Members Agreement dated 10 February 2012. The funding is agreed on an annual basis.

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

	Notes	2021 \$'000	2020 \$'000
<b>15. EXPENDITURE COMMITMENTS (CONTINUED)</b>			
<b>(c) Other operating expenditure commitments:</b>			
Not later than one year		1,708	1,954
Later than one year but not later than five years		270	21
Later than five years		-	-
		<u>1,978</u>	<u>1,975</u>

These commitments include IT services contracts.

## **(d) Contingent Liabilities:**

If a Licence Agreement enabling participation in the NRL Premiership that has been granted to an NRL Club is terminated by the NRL, the Group will assume liability for player payments guaranteed or underwritten by the Club that was a party to that Club Agreement.

The Group has received claims made against it. The Directors have obtained external advice with respect to these matters. The Directors do not expect these matters to have a material financial impact on the results of the Company.

## **16. RELATED PARTY DISCLOSURES**

### **(a) Details of Directors/Independent Commissioners**

The following persons held the position of director of the Australian Rugby League Commission Limited and its controlled entities during the past financial year, unless otherwise stated.

Peter V'landys (Chairman)  
 Tony McGrath  
 The Hon. Peter Beattie AC  
 Wayne Pearce OAM  
 Dr Gary Weiss  
 Professor Megan Davis  
 The Hon. Kate Jones (appointed 11 November 2020)

# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 16. RELATED PARTY DISCLOSURES (CONTINUED)

### (b) Compensation of Key Management Personnel

Key Management Personnel are those who have the authority and responsibility for planning, directing and controlling the activities of Australian Rugby League Commission Limited and National Rugby League Limited, directly or indirectly, including all directors (executive and otherwise). The remuneration of Key Management Personnel for the full year is as follows:

	2021 \$	2020 \$
Remuneration Total	5,136,362	5,152,073

Key Management Personnel compensation comprises short term benefits (salary), post-employment and contractual payments (superannuation), bonuses paid and provided, and termination benefits. 2020 also included the reversal of historic STI and LTI provisions.

During the 2021 financial year, key management personnel included the roles of the Commissioners, Chief Executive Officer, Chief Financial Officer, Chief Commercial Officer, Chief Customer and Digital Officer, General Manager of Media, Head of Football, Head of Partnerships, General Counsel, Head of Integrity, Head of Participation & Game Development and Executive General Manager of Strategy and Transformation.

### (c) Key Management Personnel

Key Management Personnel of the Company and Key Management Personnel of its related parties, or their related entities, conduct transactions with entities within the consolidated group that occur within a normal business relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with the Key Management Personnel or related entity at arm's length in similar circumstances.

### (d) Terms and conditions

Sales to and purchases from related parties are made in arms' length transactions both at normal market prices and on normal commercial terms.

## 17. MEMBERS' GUARANTEE

The Company is a company limited by guarantee. If the Company is wound up, the articles of association state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. At 31 October 2021 the number of members was 25 (2020: 24).



# Notes to the Financial Statements (Continued)

Year ended 31 October 2021

## 18. FINANCIAL ASSETS

### (a) Bank Guarantee

There is a security deposit guarantee held for Rugby League Central Queensland totalling \$397,025 as at 31 October 2021 (2020: \$397,025).

## 19. ARLC ENTITY DISCLOSURES

The summary financial information of the Australian Rugby League Commission Limited entity is disclosed in the tables below.

a) Financial Position	2021 \$'000	2020 \$'000
Current assets	199,322	165,379
Non-current assets	3,260	4,399
<b>TOTAL ASSETS</b>	<b>202,582</b>	<b>169,778</b>
Current liabilities	65,502	74,906
Non-current liabilities	2,700	3,342
<b>TOTAL LIABILITIES</b>	<b>68,202</b>	<b>78,248</b>
<b>NET ASSETS</b>	<b>134,380</b>	<b>91,530</b>
<b>EQUITY</b>		
Reserves	2,228	2,228
Retained surplus	132,152	89,302
<b>TOTAL EQUITY</b>	<b>134,380</b>	<b>91,530</b>
<b>b) Financial Performance</b>		
Net surplus/(deficit)	42,850	(25,181)
<b>Total Comprehensive Surplus/(Deficit)</b>	<b>42,850</b>	<b>(25,181)</b>

## 20. EVENTS SUBSEQUENT TO BALANCE DATE

In the interval between the end of the financial period and the date of this report, the ARLC announced a 5 year broadcast agreement, commencing 1 November 2022, with long standing broadcast partner Channel 9 on 21 December 2021. There have been no other items, transactions or events of a material and unusual nature likely, in the opinion of the Directors of the organisation, to affect significantly the operations of the organisation and the state of affairs in future financial years.

## Directors' Declaration

In accordance with a resolution of the Directors of Australian Rugby League Commission Limited, we state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including;
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 October 2021 and of its performance for the period ended on that date; and
  - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and Corporations Regulations 2001; and
- (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.

On behalf of the Board



Peter V'landys  
Chairman



Tony McGrath  
Director

Sydney  
7 February 2022

## Independent Auditor's Report to the Members of Australian Rugby League Commission Limited

### OPINION

We have audited the financial report of Australian Rugby League Commission Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of consolidated financial position as at 31 October 2021, the statement of consolidated comprehensive income, statement of consolidated changes in equity and statement of consolidated cash flows for the year then ended, 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 31 October 2021 and of its consolidated financial performance for the year 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.

### 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 judgment 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.
- 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.

*Ernst & Young*  
Ernst & Young

*Higgins*

James Higgins  
Partner  
Sydney  
7 February 2022

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