



2014

ANNUAL REPORT



Eastern Suburbs
Leagues Club Ltd
ABN 63 000 249 490



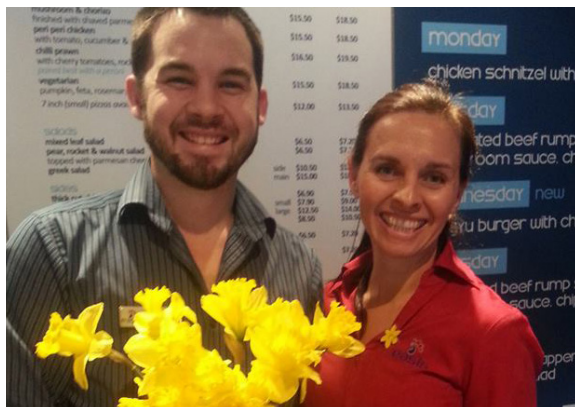


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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2015 Annual General Meeting of Eastern Suburbs Leagues Club Ltd. ("the Club") will be held on Thursday 26 February 2015 at 7.30pm at the Club's premises at 93-97 Spring Street, Bondi Junction.

BUSINESS TO BE CONDUCTED

Ordinary Business

Apologies

To confirm the Minutes of the previous Annual General Meeting held 27 February 2014.

To receive and consider the Company's Year Ended 31 October 2014 Financial Report, Directors' and Auditors' Report. *

To consider the following nomination for Life Membership of the Club as endorsed by the Board of Directors at the Board Meeting held on Thursday 27 November 2014

- Mr Lester McKee

To transact any business which under the Constitution is to be transacted at an Annual General Meeting of which prior notice has been given. Any Notice of Motion for the Annual General Meeting shall be in writing and delivered to the Group Chief Executive Officer not less than fourteen (14) days prior to the date set for the Annual General Meeting.

To deal with business set out in the Agenda Paper.

* NOTE – Members who wish to raise any queries or seek information at the meeting about the Financial Report, Directors' Report and Auditors' Report, are asked to give the Group Chief Executive Officer notice in writing of their queries or requests by at least 7 days before the Annual General Meeting. This will enable properly researched replies to be prepared for the benefit of Members.

By Order of the Board of Directors

Scott Bennetts

Group CEO / Company Secretary

Dated 18 December 2014

EXECUTIVE REPORT 2014

Dear Member,

It is our pleasure to present the 55th annual report of the Eastern Suburbs Leagues Club Ltd for the Financial Year Ending 31 October 2014.

The Financial Year in Review

Group trading for the year ended 31 October 2014 produced a net profit of \$5,676,839 (or a 22% increase on last year), before a football grant of \$1,980,000. This has delivered a profit of \$3,696,839 for the Group.

Being a not-for-profit organisation these funds are re-invested back into future club developments to improve existing sites or build new developments.

Governments at all levels have received \$13,553,582 in various taxation payments from your Leagues Clubs, while donations to the communities of Bondi Junction, Kingswood, Berkeley, Waverley and Woy Woy amounted to \$1,328,348.

The net performance of the Easts Group (prior to service and management fees charged relative to Kingswood, Berkeley, Waverley and Woy Woy) are as follows:

	2014	2013
Bondi Junction	4,232,691	3,271,826
Berkeley	1,131,832	826,492
Kingswood	436,000	479,037
Waverley	(117,008)	(173,553)
Woy Woy	(6,676)	235,615
Licensed Club Profit	5,676,839	4,639,417
Football Grant	(1,980,000)	(973,000)
Group Profit	3,696,839	3,666,417

Sydney Roosters

Congratulations goes to all those involved in the historic achievements of last year for the Sydney Roosters. It certainly was a demanding season. Considering this, the football team was able to deliver the Club its 14th Club Championship, 18th NRL Minor Premiership (most in the League) and 3rd World Club Challenge.

Special mention must be made of our retiring captain Anthony Minichiello, who completed his 15th season in the top grade, finishing on a Club high of 302 first grade games and 139 tries. The contribution 'Mini' has made to the Roosters is unique and his association with the Club will continue, Anthony is working in the Club in season 2015 and will contribute valuable experience to our Football and Commercial teams.

Strategic Plan

Easts Leagues Club is intrinsically linked with the Sydney Roosters and we operate as one entity, known as the Easts Group. To ensure a long-term and prosperous future, we consciously seek to improve our clubs' social and sporting facilities for all to enjoy, ensuring that the pursuit of our mission / vision can be achieved via existing and future business segments maintaining sustained growth and financial strength such as good cash flow, creditworthiness, earning growth and an acceptable return on investment in an ever changing environment.

The club values are Honesty, Respect, Teamwork, Enthusiasm, Responsibility and Pride.

This strategic plan set by our Board and Management Team was delivered to team members of the Easts Group | Sydney Roosters. It will be reviewed every two years to ensure continued success. The plan is available on all Club websites. www.easts-group.com.au www.sydneyroosters.com.au

General

Easts Group has a long and proud tradition of providing support to a number of programs and charities throughout the community and this continued during 2014, with a focus on providing valuable assistance to the local community. The Group will continue to have a widely-respected focus on providing assistance to their local communities, proudly exceeding our regulatory obligations and charitable donation targets.

The organisations and charities that Easts Group assisted in 2014 include:

- Ted Noffs Foundation
- Sydney Roosters Junior Rugby League Club
- Steggles Roosters Charity Nest
- Eastern Suburbs Relay for Life (Cancer Council NSW)
- DanceAbility
- St.Clair Youth & Neighbourhood Team
- Men of League Foundation
- Camp Breakaway
- Mingaletta (Indigenous Services)
- Guide Dogs NSW/ACT
- Kids In Need
- Salvation Army NSW Bushfire Appeal
- Cancer Council Australia
- St Vincent de Paul Society
- Autism Spectrum Australia
- Berkeley Development Association
- City of Wollongong Aerial Patrol Inc.
- Wamberal Rural Fire Services
- Care South Wollongong
- North Avoca SLSC
- Wheelchair Sports NSW

These are only some of the many organisations and charities that were assisted throughout the year as part of Easts Groups commitment to being "A Great Community Club, to which members wish to passionately belong..."

Awards

During the year at the ClubsNSW annual Clubs & Community Awards the Easts Group won the state-wide award for contribution to the community in the education category. There were 13 nominations across the state.

We won the award for the Sydney Roosters School Programmes. This involves such programmes as the schools bullying programme and the recently launched Roosters against Racism. These initiatives have been delivered to primary aged children in the Eastern Suburbs and the Central Coast regions.

The person responsible for developing these programmes is Helen Saunders from the Roosters, so

congratulations to Helen for developing and driving these great initiatives to really assist school children. Also to be congratulated are our Roosters players, who with the above programmes and other initiatives, deliver over 1600 hours in the community each year.

Additionally, at this year's Australian Human Resources Institute Awards night, our Group Human Resources Manager Valerie D'Angelo won the Paul Dainty HR Student Award.

This award recognises the student who has demonstrated academic excellence through achieving the highest grades in the AHRI Professional Diploma of Human Resources

Congratulations to the Staff Members of the Year for the fantastic effort they contributed on an individual basis this year to improve the working environment:

Bondi Junction:	Alex Hidden
Berkeley:	Jeanette Jones
Kingswood:	Nathaniel Atkinson
Waverley:	Kim Swann
Woy Woy:	Kyle Woolfrey
Roosters:	Helen Saunders

Lead and Inspire Award:

Rowen Cole (Berkeley)

Shooting Star Award:

Stephen Wilson (Bondi Junction)

Ignite the Team Award:

Lee Bennett (Roosters)

Innovation Award:

Ashley Middlebrook (Kingswood)

Group Staff Member of the Year:

Michelle Borg (Berkeley)

Congratulations to all team members who won awards and to those not mentioned who made a difference to our great organisation over the past year.

Thanks

Thank you to our sponsors, especially our major partners, Steggles, Peugeot, QBE & Criniti's, your sponsorship is essential for the Easts Group | Sydney Roosters longevity and success on the field. Thank you for being part of the Roosters family and for giving so much to assist our Club to be great.

Our sincere thanks to the Board of Directors for their support, contribution and unwavering passion towards the Sydney Roosters and Easts Leagues. Special thanks to Brien Samphier for his liaison with our Clubs' Sporting Bodies and being Chair of our Membership Committee.

We would like to recognise the management team for the efforts they have put in this year. The year has been a very challenging one but the impact was lessened due to the contribution from the team and the success that hard work produces.

Thank you to the fantastic staff across the five registered club venues of the Easts Group and the Sydney Roosters. The compliments that we receive are regular and full of praise and the dedication you show is unique in the industry.

And finally, thank you to all our members, fans and supporters, for your ongoing support, without which, nothing could be achieved. We will continue to strive to ensure our clubs are "A Great Community Club, to which members wish to passionately belong..."

Nick Politis
Chairman

Scott Bennetts
Group CEO

DIRECTORS' REPORT

Directors

Your Directors present their report together with the financial report of Eastern Suburbs Leagues Club Ltd (the Club) for the year ended 31 October 2014 and the auditor's report thereon.

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

Name, qualifications and independence status	Experience, special responsibilities and other directorships
N G Politis, B.Comm & EC. Chairman	Twenty second year of directorship. Executive Chairman of WFM Motors Pty Ltd.
P J Newton. Director	Fourteenth year of directorship. Director of All States Finance.
B A Samphier. Director	Thirteenth year of directorship. Managing Director of B&B Electrical and Consulting Services Pty Ltd. East's Group Sports Director & Chair of Membership Committee.
M L Bouris. Director	Eleventh year of directorship. Executive Chairman of Yellow Brick Road.
M McInnes, M.B.A. Director	Tenth year of directorship. CEO of Premier Retail and Director of Premier Investment.
M Fennessy. Director	Eighth year of directorship. CEO of Shine Australia and President of Shine Network.
L A Ricketson. Director	Fifth year of directorship. Sports & Leisure Executive GSA Insurance Brokers Pty Limited.

Company Secretary

Mr Scott A Bennetts was appointed to the position of Company Secretary on 26 October 2011.

Directors' meetings

Director	Board Meetings		Special Meetings	
	A	B	A	B
N G Politis	10	12	1	1
P J Newton	10	12	1	1
B A Samphier	12	12	1	1
M L Bouris	6	12	-	1
M McInnes	11	12	1	1
M Fennessy	9	12	1	1
L A Ricketson	11	12	-	1

A – Number of meetings attended

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

Company strategy, objectives and principal activities

Objectives

Short term

The Company's objectives emanates from its stated purpose which is to assist generally in the promotion, conduct and propagation of rugby league football in the district of the Eastern Suburbs Sydney or elsewhere.

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

Long term

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

The Club's values are Honesty, Respect, Teamwork, Enthusiasm, Responsibility and Pride.

Strategy for achieving the objectives

The key performance areas stated in the Easts Group five year Strategy Plan are:

1. Football operations;
2. Business operations;
3. Financial & governance;
4. People & Culture;
5. Community engagement;
6. Future Club facilities.

Principal activities

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

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

Operating and financial review and performance measurement

Overview of the Company

The profit after tax of the Company for the year ended 31 October 2014 was \$3,442,622 (2013: \$3,507,963).

The net operating result was impacted by:

Increase in gaming revenue by \$475,819
Increase in catering revenue by \$446,710
Decrease in beverages revenue by \$15,714
Increase in personnel expenses by \$68,859
Increase in poker machine licences and taxes by \$121,937
Increase in occupancy expenses by \$95,032
Increase in entertainment, marketing and promotional expenses by \$255,954
Increase in grants paid of \$1,007,000
Increase in depreciation and amortisation expenses of \$264,545

Performance Measurement

The Company's financial performance is continually measured against internally set Key Performance Indicators (KPIs) in core business activities, including gaming, catering and fitness centre activities.

Industry benchmarks, past performance and current economic conditions are also used when setting internal KPIs.

Membership

The Company is a company limited by guarantee and without share capital. The number of members as at 31 October 2014 and the comparison with last year is as follows:

	2014	2013
Ordinary	46,168	45,544
Life	6	6
	46,174	45,550

In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Company during the time that he or she is a member or within one year thereafter. Total amount that members are liable as at 31 October 2014 is \$184,700 (2013: \$182,200).

Events subsequent to reporting date

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

Lead auditor's independence declaration

The Lead auditor's independence declaration under s307C is set out on page 5 and forms part of the Directors' report for financial year ended 31 October 2014.

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

N G Politis

Chairman

Dated at Bondi Junction this 18th day of December 2014.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: the Directors of Eastern Suburbs Leagues Club Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 October 2014, there have been:

no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Cameron Roan

Partner

Sydney

18th December 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2014

	Note	2014	2013
Revenue	4	51,404,535	50,159,214
Other income		562,747	260,642
Changes in inventories		(13,987)	136,076
Materials and consumables used		(3,530,284)	(3,638,577)
Poker machine licences and taxes		(8,642,722)	(8,520,785)
Employee benefits expense	5	(14,075,270)	(14,006,411)
Occupancy expenses		(5,760,225)	(5,665,193)
Entertainment, marketing and promotional costs		(5,102,349)	(4,846,395)
Other expenses		(3,056,266)	(3,143,037)
Earnings before financing income/costs, depreciation, impairment, grants paid and income tax		11,786,179	10,735,534
Depreciation expense		(5,147,470)	(4,882,925)
Grants paid	6	(1,980,000)	(973,000)
Results from operating activities		4,658,709	4,879,609
Finance income		137,981	75,845
Finance costs		(1,099,851)	(1,289,037)
Net finance income	7	(961,870)	(1,213,192)
Profit before tax		3,696,839	3,666,417
Income tax expense	8	(254,217)	(158,454)
Profit for the year		3,442,622	3,507,963
Other comprehensive income	20	-	4,390,953
Total comprehensive income for the year		3,442,622	7,898,916

The notes on pages 16 to 35 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2014

	Note	2014	2013
Assets			
Cash and cash equivalents	9	10,661,171	7,034,222
Trade and other receivables	10	571,481	1,198,244
Inventories	11	343,182	357,170
Other current assets	12	749,025	832,265
Total current assets		12,324,859	9,421,901
Investment property	13	8,073,954	8,233,883
Deferred tax assets	14	159,102	76,769
Property, plant and equipment	15	64,174,905	65,085,499
Intangible assets	17	940,000	940,000
Total non-current assets		73,347,961	74,336,151
Total assets		85,672,820	83,758,052
Liabilities			
Trade and other payables	18	3,504,334	3,356,435
Loans and borrowings	21	173,838	145,271
Current tax payable		224,280	42,342
Other current liabilities		126,779	99,389
Employee benefits	19	2,107,643	1,874,852
Total current liabilities		6,136,874	5,518,289
Loans and borrowings	21	19,000,000	21,173,838
Employee benefits	19	87,045	62,509
Other non-current liabilities		50,108	47,245
Total non-current liabilities		19,137,153	21,283,592
Total liabilities		25,274,027	26,801,881
Net assets		60,398,793	56,956,171
Members' funds			
Amalgamation reserve	20	4,390,953	4,390,953
Retained surplus		56,007,840	52,565,218
Total members' funds		60,398,793	56,956,171

The notes on pages 16 to 35 are an integral part of these financial statements.

STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 OCTOBER 2014

	Note	Amalgama- tion reserve	Retained surplus	Total
Balance at 1 November 2012		-	49,057,255	49,057,255
Profit for the year		-	3,507,963	3,507,963
Other comprehensive income	20	4,390,953	-	4,390,953
Total comprehensive income for the year		4,390,953	3,507,963	7,898,916
Balance at 31 October 2013		4,390,953	52,565,218	56,956,171
Balance at 1 November 2013		4,390,953	52,565,218	56,956,171
Profit for the year		-	3,442,622	3,442,622
Other comprehensive income		-	-	-
Total comprehensive income for the year		-	3,442,622	3,442,622
Balance at 31 October 2014		4,390,953	56,007,840	60,398,793

The notes on pages 16 to 35 are an integral part of these financial statements.

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 OCTOBER 2014

	Note	2014	2013
Cash flows from operating activities			
Cash receipts from customers		57,048,292	55,175,136
Cash paid to suppliers and employees		(45,316,584)	(44,345,945)
Grants paid to Eastern Suburbs District Rugby League Football Club		(1,300,000)	(973,000)
Cash generated from operations		10,431,708	9,856,191
Interest paid		(1,099,851)	(1,289,037)
Income tax paid		(154,851)	(106,025)
Interest received		137,981	75,845
Net cash from operating activities		9,314,987	8,536,974
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		688,634	280,640
Acquisition of property, plant and equipment		(4,196,727)	(4,905,154)
Acquisition of intangibles		(6,107)	-
Payment of Woy Woy Leagues' liabilities		-	(431,883)
Net cash used in investing activities		(3,514,200)	(5,056,397)
Cash flows from financing activities			
Repayment of borrowings		(2,000,000)	-
Payment of finance lease liabilities		(173,838)	-
Net cash used in financing activities		(2,173,838)	-
Net increase in cash and cash equivalents		3,626,949	3,480,577
Cash and cash equivalents at beginning of year		7,034,222	3,553,645
Cash and cash equivalents at end of year	9	10,661,171	7,034,222

The notes on pages 16 to 35 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2014

1. Reporting entity

Eastern Suburbs Leagues Club Ltd (the Company) is a company incorporated and domiciled in Australia. The financial statements of the Company are as at and for the year ended 31 October 2014.

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

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

2. Basis of preparation

(a) Statement of compliance

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

The financial statements were approved by the Board of Directors on 18 December 2014.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities,

ties, income and expenses. Actual results may differ from these estimates.

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

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

Note 17	Intangible assets
Note 20	Business combination
Note 24	Contingencies

(e) Changes in accounting policies

Short-term employee benefits

The Company has adopted AASB119 Employee Benefits (2011) with a date of initial application of 1 July 2013.

As a result of AASB119 (2011), the Company has changed its accounting policy with respect to the definition of short-term employee benefits. The amended AASB119 (2011) defines the short-term benefits as benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. It was previously defined as those due to be settled within 12 months after the end of the period in which employees render the related service. This change may result in benefits previously classified as short-term being treated as other long-term employee benefits and measured on a discounted basis.

The Company assessed its short-term employee benefits on adoption of the revised standard and noted it to have no impact to the Company's financial statements.

AASB 13 Fair Value Measurement

AASB 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are re-

quired or permitted by other AASBs. There has not been any material changes as a result of adopting this new standard.

3. Significant accounting policies

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

Certain comparative amounts in the statement of profit or loss and other comprehensive income have been reclassified to conform with the current year's presentation.

(a) Financial instruments

(i) Non-derivative financial assets

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

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

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

Trade and other receivables

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

Cash and cash equivalents

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

(ii) Non-derivative financial liabilities

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

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

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

Loans and borrowings and trade and other payables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

	Depreciation Rates
Buildings	2.50%
Plant & Equipment	20 - 30%
Poker Machines	20 - 40%
Leasehold Improvements	20 - 40%
Motor Vehicles	20 - 40%

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

(c) Intangible assets

Poker machine entitlements

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

Subsequent expenditure

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

Amortisation

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

(d) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful lives of each component of investment property.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. Subsequent cost is recognised in the carrying amount of the investment property.

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

(e) Provisions

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

(f) Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases and the leased assets are not recognised in the Company's statement of financial position.

(g) Inventories

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

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

(h) Impairment

(i) Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the consolidated entity on terms that the consolidated entity would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, economic conditions that correlate with defaults.

The Company considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Indefinite life intangible assets are tested annually for impairment.

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

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

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





exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(i) Employee benefits

(i) Defined contribution plans

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

(ii) Other long-term employee benefits

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

(iii) Short-term benefits

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

(j) Revenue

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

(k) Grant payments

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

(l) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(m) Finance income and finance costs

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

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

(n) Tax

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

(i) Current tax

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

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that could follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

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

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

(iii) Tax exposure

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

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

(o) Goods and services tax

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

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

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

(p) Amalgamation reserve

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

4. Revenue

	2014	2013
Revenue from catering	3,482,380	3,035,670
Revenue from beverages	6,304,545	6,320,259
Revenue from gaming	37,160,640	36,684,821
Revenue from fitness centre	1,184,287	1,135,762
Investment property rentals	1,234,597	1,034,304
Subscriptions and joining fees	177,642	196,837
Commissions revenue	424,958	415,317
Other revenue	1,435,486	1,336,244
	51,404,535	50,159,214

5. Employee benefits expense

Wages and salaries	10,397,672	10,047,717
Other associated personnel expenses	2,401,339	2,540,520
Contributions to defined contribution plans	1,018,833	996,585
Change in liability for annual leave	123,819	401,253
Change in liability for long service leave	133,607	20,336
	14,075,270	14,006,411

6. Grants Paid

Grants paid to Eastern Suburbs District Rugby League Football Club	1,980,000	973,000
	1,980,000	973,000

7. Finance income and finance costs

Interest income	137,981	75,845
Finance income	137,981	75,845
Interest expense – bank loans	(1,099,851)	(1,289,037)
Finance costs	(1,099,851)	(1,289,037)
Net finance income/(costs) recognised in profit or loss	(961,870)	(1,213,192)

8. Tax expense

	2014	2013
Current tax expense		
Current year	323,097	89,053
Under/(over) provision for prior periods	13,453	55,947
	336,550	145,000
Deferred tax expense		
Origination and reversal of temporary differences	(82,333)	13,454
	(82,333)	13,454
Total tax expense	254,217	158,454

Numerical reconciliation between tax expense and pre-tax accounting profit

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

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

Proportion of net taxable income attributable to non-members	6,703,263	6,159,583
Add: Other taxable income	2,213,825	1,972,101
	8,917,088	8,131,684
Less: Other deductible expenses	(7,840,098)	(7,745,147)
Net income subject to tax	1,076,990	386,537
Income tax using the Company's statutory income tax rate of 30% (2013: 30%)	323,097	115,961
Movement in deferred tax assets	(82,333)	(13,454)
Under/(over) provision for prior periods	13,453	55,947
	254,217	158,454

9. Cash and cash equivalents

Cash at bank and on hand	10,661,171	7,034,222
Cash and cash equivalents in the statement of cash flows	10,661,171	7,034,222

10. Income Tax

	2014	2013
Current		
Trade receivables	385,455	223,682
Other receivables	186,026	974,562
	571,481	1,198,244

11. Inventories

Finished goods - at cost	343,182	357,170
	343,182	357,170

12. Other current assets

Prepayments	749,025	832,265
	749,025	832,265

13. Investment property

Balance at 1 November	8,233,883	8,276,543
Acquisitions	6,107	121,019
Depreciation charge for the year	(166,036)	(163,679)
Balance at 31 October	8,073,954	8,233,883

Investment property represents the Company's land and building holdings located in Bondi NSW, and is stated at cost less accumulated depreciation. The latest independent valuations of the Club's investment property were carried out as at 31 October 2012 by Hymans Assets Management (Registered Valuer No. AM 3609). The open market value for these properties were valued at \$10,750,000.

14. Tax assets and liabilities - Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2014	2013	2014	2013	2014	2013
Employee benefits	85,399	76,769	-	-	85,399	76,769
Provisions	73,703	-	-	-	73,703	-
Net tax assets	159,102	76,769	-	-	159,102	76,769

Movement in temporary differences during the year

	Balance 1 November 2012	Recognised in profit or loss	Balance 31 October 2013
Employee benefits	90,223	(13,454)	76,769
	90,223	(13,454)	76,769

	Balance 1 November 2013	Recognised in profit or loss	Balance 31 October 2014
Employee benefits	76,769	8,630	85,399
Provisions	-	73,703	73,703
	76,769	82,333	159,102

15. Property, plant and equipment

Cost	Land & Buildings	Plant & Equipment	Poker Machines	Motor Vehicles	Leasehold Improvements	Work in progress	Total
Balance at 1 November 2013	73,447,445	19,108,098	18,390,385	205,330	127,678	1,768,950	113,047,886
Additions	117,440	953,007	2,699,210	64,698	-	362,372	4,196,727
Disposals	-	(43,348)	(2,233,714)	(80,725)	-	(66,691)	(2,424,478)
Transfers	549,856	-	-	-	-	(555,963)	(6,107)
Balance at 31 October 2014	74,114,741	20,017,757	18,855,881	189,303	127,678	1,508,668	114,814,028
Depreciation and impairment							
Balance at 1 November 2013	17,747,184	16,110,926	13,861,346	116,004	126,927	-	47,962,387
Depreciation for the year	1,749,603	809,842	2,404,413	17,575	-	-	4,981,433
Disposals	-	(42,951)	(2,181,019)	(80,727)	-	-	(2,304,697)
Balance at 31 October 2014	19,496,787	16,877,817	14,084,740	52,852	126,927	-	50,639,123
Carrying amounts							
At 1 November 2013	55,700,261	2,997,172	4,529,039	89,326	751	1,768,950	65,085,499
At 31 October 2014	54,617,954	3,139,940	4,771,141	136,451	751	1,508,668	64,174,905

Valuation of land and buildings

The latest independent valuations of the Company's land and buildings, carried out in October 2012 by Hymans Assets Management on the basis of open market value for existing use, resulted in a valuation of land and buildings of \$76,370,000. Any additions or transfers since the valuations are expected to be reflected in an equivalent increase in the recoverable amount of the Company's land and buildings.



16. Core and non-core properties

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

	2014	2013
Core property	50,515,444	51,571,369
Non-core property	12,176,464	12,362,776
Balance at 31 October	62,691,908	63,934,145

Core Properties held by the Club are:

Bondi Junction

93-97 Spring St
Strata Tower #17320 Lot 1, 9-13 Bronte Rd
80A Ebley St
Bondi Junction NSW 2022

Kingswood

2 Santley Crescent
Kingswood NSW 2747

Berkeley

5 Wilkinson Street
Berkeley NSW 2506

Waverley

163 Birrell Street
Waverley NSW 2024

Woy Woy

82-90 Blackwall Road
Woy Woy NSW 2256

Non-Core Properties held by the Club are:

5A Bronte Road
Bondi Junction NSW 2022

462-464 Oxford Street
Bondi Junction NSW 2022

124 Avoca Street
Randwick NSW 2031

2 Porrende Street
Narellan NSW 2567

29A Grahams Hill Road
Narellan NSW 2567

17. Intangible assets

	Poker machine entitlements	Total
Cost		
Balance as at 1 November 2013	940,000	940,000
Acquisitions	-	-
Balance as at 31 October 2014	940,000	940,000

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

18. Trade and other payables

	Note	2014	2013
Trade payables		1,303,513	1,204,695
Other payables and accrued expenses		2,200,821	2,151,740
		3,504,334	3,356,435

19. Employee benefits

Current			
Liability for long service leave		794,840	685,867
Liability for annual leave		1,312,803	1,188,985
		2,107,643	1,874,852
Non-Current			
Liability for long service leave		87,045	62,509

20. Business Combination

Amalgamation with Woy Woy Leagues Club Limited

On 3 December 2012 the Company (the acquirer), facilitated an amalgamation with Woy Woy Leagues Club Limited (the acquiree), a registered club that provides services and facilities to its members and guests.

There was no consideration transferred from the Company to Woy Woy Leagues Club. Members interests in Woy Woy Leagues Club were exchanged for membership of the Eastern Suburbs Leagues Club Ltd.

Identifiable assets acquired and liabilities assumed (at fair value)

	Note	2014	2013
Property, plant and equipment		-	7,209,811
Poker machine entitlement		-	750,000
Inventories		-	52,657
Leased assets		-	306,315
Cash and cash equivalents		-	55,000
Deferred tax asset		-	12,794
Loans and borrowings		-	(2,850,000)
Trade and other payables		-	(643,159)
Finance lease liabilities		-	(319,109)
Employee provisions		-	(183,356)
Total net identifiable assets		-	4,390,953

21. Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings which are measured at amortised cost.

	2014	2013
Current liabilities		
Financed leases	173,838	145,271
	173,838	145,271
Non-current liabilities		
Bill facilities	19,000,000	21,000,000
Financed leases	-	173,838
	19,000,000	21,173,838
The Company has access to the following lines of credit:		
Bank guarantees	200,000	19,000
Multi-option bill facility	21,150,000	23,056,000
Corporate Mastercard credit card facility	75,000	75,000
	21,425,000	23,150,000
Facilities utilised at reporting date		
Bank guarantees	200,000	19,000
Multi-option bill facility	19,000,000	21,000,000
Corporate Mastercard credit card facility	30,000	25,724
Facilities not utilised at reporting date		
Bank guarantees	-	-
Multi-option bill facility	2,150,000	2,056,000
Corporate Mastercard credit card facility	45,000	49,276
	2,195,000	2,105,276

Security

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

First registered fixed and floating charge over the assets and undertaking of Eastern Suburbs Leagues Club Ltd.

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

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

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

First registered real property mortgage by Eastern Suburbs Leagues Club Ltd over the property located at Lot 218 Porrende Street, Narellan NSW 2567.

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

First registered real property mortgage by Eastern Suburbs Leagues Club Ltd over the property located at 464, Oxford Street, Bondi Junction NSW 2022.

First registered real property mortgage by Eastern Suburbs Leagues Club Ltd over the property located at 5 Wilkinson Street, Berkeley NSW 2506.

First registered real property mortgage by Eastern Suburbs Leagues Club Ltd over the property located at 163 Birrell Street, Waverley NSW 2024.

First registered real property mortgage by Eastern Suburbs Leagues Club Ltd over the property located at 82 - 90 Blackwall Road, Woy Woy NSW 2256.

22. Operating leases

Leases as lessor

The Company leases out its investment property held under operating leases (see note 13). The future minimum lease payments under non-cancellable leases are as follows:

	2014	2013
Less than one year	186,535	186,535
Between one and five years	15,545	202,080
Total Land and Buildings	202,080	388,615

23. Commitments

Capital works		
Capital works contracted for but not yet completed	-	-

24. Contingent assets and contingent liabilities

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

Contingent liabilities not considered remote GUARANTEE

(i) Bank performance guarantees	19,000	19,000
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(ii) The Company has provided its parent entity, Eastern Suburbs District Rugby League Football Club Limited, with a letter confirming that it will provide financial support to the parent entity in the foreseeable future to enable the parent entity to meet its obligations as and when they fall due. Furthermore, the Company has confirmed that sufficient grant funding will be provided to allow its parent entity to obtain a trading surplus in the forthcoming year.

25. Related parties

Parent and ultimate controlling party

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

Key management personnel compensation

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

	2014	2013
Director honorariums and other related expenses	-	-
The key management personnel compensation included in 'personnel expenses' (see note 5) are as follows:		
Short-term and long-term employee benefits and termination payments	1,275,986	1,268,489

Key management personnel and director transactions

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

During the year, the Company engaged GSA Insurance Brokers, a company by whom a Director, Luke Ricketson, is employed. The Company has worked with GSA Insurance Brokers prior to the employment of Luke Ricketson with all transactions on commercial terms and conditions.

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

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

Grants amounting to \$1,980,000 (2013: \$937,000) were provided to the parent entity.

An amount of \$60,121 (2013: \$59,847) was paid as corporate hospitality to the parent entity.

At year end, an amount of \$163,000 was payable to the parent entity (2013: \$517,000 receivable from the parent).

An amount of \$225,000 was paid, in regards to a sponsorship arrangement with Carlton United Brewers.

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

26. Events after the reporting period

There have been no events subsequent to reporting date which would have a material effect on the Company's financial statements at 31 October 2014.

DIRECTORS' DECLARATION

In the opinion of the Directors of Eastern Suburbs Leagues Club Ltd (the Company):

the Company is not publicly accountable;
the financial statements and notes that are set out on pages 12 to 35, are in accordance with the Corporations Act 2001, including:

giving a true and fair view of the Company's financial position as at 31 October 2014 and of their performance for the financial year ended on that date; and

complying with Australian Accounting Standards - Reduced Disclosure Regime and the Corporations Regulations 2001; and

there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors.

N G Politis

President

Dated at Bondi Junction this 18th day of December 2014.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF EASTERN SUBURBS LEAGUES CLUB LTD

Report on the financial report

We have audited the accompanying financial report of Eastern Suburbs Leagues Club Ltd (the Company), which comprises the statement of financial position as at 31 October 2014, and the statement of profit or loss and other comprehensive income, statement of changes in members' funds and the statement of cash flows for the year ended on that date, notes 1 to 26 comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration.

Directors' responsibility 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 is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Corporations Act 2001 and Australian Accounting Standards – Reduced Disclosure Requirements, a true and fair view which is consistent with our understanding of the Company's financial position and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of Eastern Suburbs Leagues Club Ltd on 18 December 2014, would be in the same terms if given to the Directors as at the time of this auditor's report.

INDEPENDENT AUDIT REPORT TO MEMBERS (CONT.)

Auditor's opinion

In our opinion the financial report of Eastern Suburbs Leagues Club Ltd is in accordance with the Corporations Act 2001, including:

giving a true and fair view of the Company's financial position as at 31 October 2014 and of its performance for the year ended on that date; and

complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

KPMG

Cameron Roan

Partner

Sydney

19th December 2014





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