

**Form 388**

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

# Copy of financial statements and reports

## Company details

Company name

**CANBERRA DISTRICT RUGBY LEAGUE  
FOOTBALL CLUB LIMITED**

ACN

**008 568 634**

## Reason for lodgement of statement and reports

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

Dates on which financial  
year ends

Financial year end date

**02-11-2020**

## Auditor's report

Were the financial statements audited?

**Yes**

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

**No**

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

**No**

## Details of current auditor or auditors

Current auditor

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

Name of auditor

**ERNST & YOUNG**

Address

**121 MARCUS CLARKE STREET**

## CANBERRA ACT 2600

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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

Warwick John BURR

Date

28-01-2021

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

**ABN 56 008 568 634**

**ANNUAL REPORT  
FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED  
AND ITS CONTROLLED ENTITIES  
ABN 56 008 568 634  
  
ANNUAL REPORT  
FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

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

**DIRECTORS' REPORT**

Your Directors present this report on Canberra District Rugby League Football Club Limited (CDRLFC) and its controlled entities (the Group) for the period from 29 October 2019 to 2 November 2020

**Directors**

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

Director - Position	Occupation	Experience Years	Directors' Meetings	
			No. eligible to attend	No. attended
D Blake - Director	Retired	14	1	1
T Ebsworth - Director	Public Servant	23	1	0
B Holley - Director	Retired	21	1	0
J McIntyre - Chairman	Football Admin	25	1	1
P Ozols - Director	Public Servant	20	1	0
D Roper - Director	Electrician	7	1	1
T Rayner - Director	Finance Broker	2	1	1

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

**Principal Activities**

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

**Short-term and Long-term Objectives and Strategies**

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

The consolidated profit for the period ended 2 November 2020 after providing for income tax amounted to \$5,363,725 (2019: profit \$11,423,893). The contribution by Canberra District Rugby League Football Club Limited was a profit of \$3,074,371 (2019: profit \$10,874,777).

**Company Limited by Guarantee**

The Company is incorporated under the Corporation Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$4 each towards meeting any outstanding obligations of the Company. At 2 November 2020, the total amount that members of the Company are liable to contribute if the Company is wound up is \$112 (2019: \$112).

**Impacts of Covid-19**

In line with the Government's decisions to close licensed clubs and ban sporting competitions, the Group's operations were heavily impacted from late March onwards. Throughout, and subsequent to the period of Covid-19 shutdown, the Company continued to receive support from the National Rugby League and also from Government grants, including JobKeeper which was used to support eligible employees as required and the waiver of payroll taxes.

**Key Performance Measures**

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

Performance is reviewed continuously by the executive management and on a periodical basis by the directors.

**Auditor's Independence Declaration**

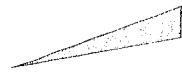
The auditor's independence declaration for the period ended 2 November 2020 has been received and can be found on page 3 of the annual report.

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

Director



Dated this 21 day of January 2021.



**Building a better  
working world**

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

As lead auditor for the audit of Canberra District Rugby League Football Club Limited for the period from 29 October 2019 to 2 November 2020, 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; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ben Tansley  
Partner  
21 January 2021

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

	Note	Consolidated 2020 \$	2019 \$
Revenue and other income	2	63,804,048	79,160,887
Employee benefits expense		(25,379,207)	(30,157,822)
Employee benefits expense - JobKeeper payments		(1,617,032)	-
Depreciation and amortisation expenses		(5,689,239)	(4,831,420)
Promotional expenses		(1,492,552)	(2,489,180)
Cost of good sold		(4,022,173)	(5,194,619)
Grants, gifts & donations		(4,314,074)	(3,586,085)
Gaming Expenses		(3,970,642)	(5,395,137)
Football Expenses		(2,956,303)	(5,347,362)
Marketing expenses		(1,545,697)	(3,540,896)
Sales and service cost expenses		(583,044)	(1,016,385)
Loss on disposal of non-current assets		(47,513)	-
Property and occupancy expenses		(1,942,254)	(2,924,314)
Administration expenses		(4,880,593)	(3,253,774)
Surplus before income tax		5,363,725	11,423,893
Income tax expense		-	-
Surplus attributable to members of the entity		5,363,725	11,423,893
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		5,363,725	11,423,893

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

	Issued Capital \$	Retained Earnings \$	Total \$
<b>Balance at 30 October 2018</b>	7	35,056,668	35,056,675
Surplus attributable to members	-	11,423,893	11,423,893
Other comprehensive income	-	-	-
<b>Balance at 28 October 2019</b>	7	46,480,561	46,480,568
<b>Balance at 29 October 2019</b>	7	46,480,561	46,480,568
Surplus attributable to members	-	5,363,725	5,363,725
Other comprehensive income	-	-	-
<b>Balance at 2 November 2020</b>	7	51,844,286	51,844,293

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

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 2 NOVEMBER 2020**

	Note	2020 \$	2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	12,558,625	23,113,593
Trade and other receivables	4(i)	3,714,934	1,224,590
Inventories		245,934	323,030
Other assets	5(i)	2,219,215	2,632,863
<b>TOTAL CURRENT ASSETS</b>		<b>18,738,708</b>	<b>27,294,076</b>
<b>NON-CURRENT ASSETS</b>			
Loans	4(ii)	4,220,917	525,444
Intangible assets and goodwill	6	3,836,405	3,438,942
Property, plant and equipment	7	60,464,296	65,034,982
Investment Property	8	10,730,071	10,104,278
Other Assets	5(ii)	382,751	404,850
<b>TOTAL NON-CURRENT ASSETS</b>		<b>79,634,440</b>	<b>79,508,496</b>
<b>TOTAL ASSETS</b>		<b>98,373,148</b>	<b>106,802,572</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9(i)	4,681,727	6,193,220
Employee benefits provisions		2,215,533	1,555,778
Borrowings	10(i)	600,000	7,157,850
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,497,260</b>	<b>14,906,848</b>
<b>NON-CURRENT LIABILITIES</b>			
Other Payables	9(ii)	21,231	47,939
Employee Benefits Provisions		144,724	199,399
Borrowings	10(ii)	38,865,640	45,167,818
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>39,031,595</b>	<b>45,415,156</b>
<b>TOTAL LIABILITIES</b>		<b>46,528,855</b>	<b>60,322,004</b>
<b>NET ASSETS</b>		<b>51,844,293</b>	<b>46,480,568</b>
<b>EQUITY</b>			
Issued capital		7	7
Retained surplus		51,844,286	46,480,561
<b>TOTAL EQUITY</b>		<b>51,844,293</b>	<b>46,480,568</b>

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



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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

	Note	Consolidated 2020 \$	2019 \$
<b>OPERATING ACTIVITIES</b>			
Receipts in the course of operations		60,120,967	79,355,220
Payments in the course of operations		(50,222,137)	(62,034,734)
Gaming machine tax paid		(3,357,943)	(4,598,831)
Government grants		5,633,858	5,320,000
Net GST remitted to the ATO		(2,683,684)	(2,999,263)
Interest paid		236,268	-
Interest received		126,447	340,666
Net cash flows from operating activities		<u>9,853,776</u>	<u>15,383,058</u>
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangibles		(12,158,564)	(22,773,367)
Proceeds from sale of investment property		-	4,500,000
Proceeds from sale of property, plant and equipment and intangibles		8,008,315	43,955
Net cash (used in) investing activities		<u>(4,150,249)</u>	<u>(18,229,412)</u>
<b>FINANCING ACTIVITIES</b>			
Repayment of borrowing to non-related parties		(7,157,850)	(695,893)
Proceeds of borrowings from related parties		300,000	8,510,000
Repayment of loans to related parties		(8,202,016)	(187,793)
Drawdown of loans by unrelated parties		(1,198,629)	(301,371)
Net cash (used in) / from financing activities		<u>(16,258,495)</u>	<u>7,324,943</u>
Net (decrease) / increase in cash held		(10,554,968)	4,478,589
Cash and cash equivalents at beginning of the period		<u>23,113,593</u>	<u>18,635,004</u>
Cash and cash equivalents at end of the period	3	<u><u>12,558,625</u></u>	<u><u>23,113,593</u></u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

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**Corporate Information**

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

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

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

**Note 1. Statement of Significant Accounting Policies**

**Basis of Preparation**

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

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

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

The financial statements were authorised for issue on 21 January 2021 by the directors of the company.

**Accounting Policies**

**a) Income Tax**

No provision for income tax has been raised in CDRLFC, Raiders or CRJRL as the entities are exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*. In CRLC and CRSC, the *Income Tax Assessment Act 1997 (Amended)* provides that under the concept of mutuality, clubs are only liable for income tax derived from non-members and outside entities.

Deferred tax balances resulting from temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount for financial reporting purposes for R57, CRLC and CRSC are attributable to prepayments, property, plant and equipment, accrued expenses and employee leave provisions. No deferred tax assets or liabilities arising from the above items have been recognised on the basis that they are not material. R57, CRLC and CRSC have accumulated losses for 2020 for which no deferred tax asset has been recognised. The deferred tax associated with the loss will only be realised in the future in the event of sufficient taxable profits being available to utilise tax losses, subject to loss recoupment rules.

**b) Inventories**

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

**c) Property, Plant and Equipment**

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

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**Note 1. Statement of Significant Accounting Policies (continued)**

**Depreciation**

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

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

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

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

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

**d) Financial Instruments**

**Initial Recognition and Measurement**

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

**Classification and Subsequent Measurement**

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

Amortised cost is calculated as:

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

**Derecognition**

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

**e) Impairment of Non Financial Assets**

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

**f) Employee Benefits**

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

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

ABN 56 008 568 634

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

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**Note 1. Statement of Significant Accounting Policies (continued)**

**g) Cash and Cash Equivalents**

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

**h) Revenue and other income**

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

*Gaming revenue*

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

*Food and beverage revenue*

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

*Interest*

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

*Sale of Goods*

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

*Rendering of services*

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

**i) Grants**

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

**j) Comparative Figures**

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

**k) Intangible Assets and Goodwill**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

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**Note 1. Statement of Significant Accounting Policies (continued)**

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

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

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

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

**l) Trade and Other Payables**

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

**m) Investment Property**

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

**Group as a Lessor**

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

**n) New Accounting Standards and Interpretations**

**(i) Changes in accounting policy and disclosures**

The accounting policies adopted are consistent with those of the previous financial year. All new standards, amendments to standards and interpretations issued by the Australian Accounting Board that are applicable to the current reporting period (including AASB 15: Revenue from Contracts with Customers, AASB 1058: Income for Not for Profits and AASB 16: Leases) have been adopted and none have had a material impact on the entity.

**o) Principles of Consolidation**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Note 2. Revenue and other income</b>		
<b>Revenue from contracts with customers</b>		
Food and beverage revenue	9,046,933	13,474,688
Gaming revenue	15,566,720	21,623,070
Revenue from rendering of services	9,654,682	11,902,746
Revenue from sales of goods	2,172,815	4,463,107
Revenue from Rugby League operation	2,837,778	2,705,441
Total revenue from contracts with customers	<u>39,278,928</u>	<u>56,366,721</u>
<b>Other Income</b>		
Rental income	1,323,544	2,296,830
Interest	427,756	340,666
Grants from the National Rugby League	14,906,073	13,552,875
Grants from the Rugby League Players' Association	391,881	-
Government grants and subsidies	6,729,435	5,320,000
Other grants	360,000	500,000
Gain on sale of non-current assets	0	2,197,668
Insurance Reimbursement	0	1,001
Other revenue	386,431	782,794
<b>Total revenue and other income</b>	<u>63,804,048</u>	<u>79,160,887</u>
<b>Note 3. Cash and Cash Equivalents - current</b>		
Cash on hand and at bank	12,558,625	23,113,593
	<u>12,558,625</u>	<u>23,113,593</u>
<b>Note 4. Trade and Other Receivables</b>		
<b>(i) Current</b>		
Trade receivables	2,381,674	850,136
Sundry debtors	1,333,260	374,453
	<u>3,714,934</u>	<u>1,224,590</u>
<b>(ii) Non Current</b>		
Unsecured loans to related parties	2,720,917	224,073
Secured loans to unrelated parties	1,500,000	301,371
Total Unsecured loans	<u>4,220,917</u>	<u>525,444</u>

The unsecured loan to related parties is to Block 5 Section 30 Trust. The loan is repayable by 26 November 2023. Interest on loan is accrued at a commercial rate.

The secured loan to unrelated parties is to Toowoomba Sports Club Inc. The loan is repayable by 23 January 2025. Interest on the loan is accrued at a commercial rate. The prior period loan to unrelated parties was to Logan City Recreational & Sporting Club Inc and was repaid in full during the current period.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

	<b>Consolidated</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Note 5. Other Assets</b>		
<b>(i) Current</b>		
Prepayments	374,215	787,863
Right to ACT Government offset	1,845,000	1,845,000
	<u>2,219,215</u>	<u>2,632,863</u>

The right to ACT Government offset has arisen from the Voluntary Surrender Agreements entered by CRSC and CRLC and is able to be used to offset future ACT Government charges which will arise in relation to land which the Company owns in Weston. This transaction resulted in a derecognition of intangibles assets and the recognition of the above Other Asset in the 2018-19 financial period.

<b>(ii) Non Current</b>		
Prepayments	112,803	357,093
Other	269,948	47,757
	<u>382,751</u>	<u>404,850</u>

**Note 6. Intangibles and Goodwill**

Right to occupy training facility	-	1,640,000
Less: Accumulated amortisation	-	(1,605,463)
	<u>-</u>	<u>34,537</u>
Goodwill	824,405	824,405
Poker machine licences	3,012,000	2,580,000
Total intangibles & goodwill	<u>3,836,405</u>	<u>3,438,942</u>

**Movements in the carrying amounts**

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

<b>2020</b>	<b>Goodwill</b>	<b>Poker Machine Licence</b>	<b>Intangibles</b>	<b>Total</b>
Balance at the beginning of the period	824,405	2,580,000	34,537	3,438,942
Additions at cost	-	432,000	-	432,000
Disposals	-	-	-	-
Less: Amortisation expense	-	-	(34,537)	(34,537)
Carrying amount at the end of the period	<u>824,405</u>	<u>3,012,000</u>	<u>-</u>	<u>3,836,405</u>

**Note 7. Property, Plant and Equipment**

**Land and buildings**

Land and buildings	61,732,939	52,715,806
Less: Accumulated depreciation	(12,500,215)	(10,937,239)
Total land and buildings	<u>49,232,724</u>	<u>41,778,567</u>

**Plant, equipment and motor vehicles**

Plant, equipment and motor vehicles - at cost	31,492,112	30,088,980
Less: Accumulated depreciation	(20,327,959)	(18,283,540)
Total plant, equipment and motor vehicles	<u>11,164,153</u>	<u>11,805,440</u>

**Capital Works in Progress**

Capital Works in Progress - at cost	67,419	11,450,975
Total Capital Works in Progress	<u>67,419</u>	<u>11,450,975</u>
Total property, plant and equipment	<u>60,464,296</u>	<u>65,034,982</u>

Capital works in progress include gaming machine room redesign works at Belconnen.

**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

	Consolidated	
	2020	2019
	\$	\$

**Note 7. Property, Plant and Equipment (continued)**

**Movements in carrying amounts**

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

	Capital Works in Progress	Land & Buildings \$	Plant, Equipment & Motor Vehicles \$	Total \$
<b>2020</b>				
Balance at the beginning of the period	11,450,975	41,778,567	11,805,440	65,034,982
Additions at cost	1,061,352	7,398,375	2,294,664	10,754,392
Disposals	-	(9,936,127)	(51,524)	(9,987,650)
Transfer between asset classes	(12,444,908)	11,574,795	870,113	(0)
Depreciation expense	-	(1,582,886)	(3,754,541)	(5,337,427)
Carrying amount at the end of the period	<u>67,419</u>	<u>49,232,724</u>	<u>11,164,153</u>	<u>60,464,296</u>

**Note 8. Investment Property**

**Investment property**

Investment property - at cost	14,362,919	13,808,102
Less: Accumulated depreciation	<u>(3,632,848)</u>	<u>(3,703,824)</u>
Total investment property	<u>10,730,071</u>	<u>10,104,278</u>

**Movements in carrying amounts**

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

<b>2020</b>	
Balance at the beginning of the period	10,104,278
Additions	972,173
Disposals	(29,108)
Depreciation expense	<u>(317,272)</u>
Carrying amount at the end of the period	<u>10,730,071</u>

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

Minimum lease receipts / inflows		
- not later than 12 months	2,229,377	2,060,828
- later than 12 months but not later than 5 years	3,801,151	4,062,140
- greater than 5 years	<u>3,200,779</u>	<u>3,200,779</u>
	<u>9,231,307</u>	<u>9,323,747</u>

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

**Note 9. Trade and Other Payables**

**(i) Current**

Trade payables	352,788	2,525,531
Income in advance	1,777,211	902,765
Accrued expenses	<u>2,551,728</u>	<u>2,764,924</u>
	<u>4,681,727</u>	<u>6,193,220</u>

**(ii) Non Current**

Other payables	<u>21,231</u>	<u>47,939</u>
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**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

	Consolidated	
	2020	2019
	\$	\$
<b>Note 10. Borrowings</b>		
<b>(i) Current</b>		
Non-Related party borrowings	600,000	7,157,850
	<u>600,000</u>	<u>7,157,850</u>
<b>(ii) Non Current</b>		
Related party borrowings	38,265,640	43,967,818
Non-Related party borrowings	600,000	1,200,000
	<u>38,865,640</u>	<u>45,167,818</u>

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

The Canberra Raiders Pty Limited has been advanced \$1,200,000 (2019: \$1,800,000) from the National Rugby League (NRL) as part of the most recent Licence Agreement with the NRL. The advance is non-interest bearing. The advance will be converted to a grant in equal instalments over the period of the Licence Agreement, being 2018 - 2022.

**Note 11. Events after the Reporting Period**

The directors are not aware of any significant events arising since the end of the reporting period.

**Note 12. Key Management Personnel Disclosure**

**Key management personnel compensation**

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

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

Total remuneration	<u>2,231,753</u>	<u>2,286,786</u>
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Total remuneration to KMP includes KMP of the Company and also those who are considered to be KMP to the Group.

**Note 13. Related Party Transactions**

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

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

**a) Transactions with Related Parties**

The following summarises transactions with related parties:

<i>Sale of real property</i>		
Block 5 Section 30 Trust	1,261,072	-
<i>Gifts and grants received / (paid)</i>		
Queanbeyan Leagues Club Limited	360,000	500,000
CRTC Pty Limited	(4,000,000)	(2,550,000)
<i>Net proceeds from / (repayment) of borrowings from related parties</i>		
Queanbeyan Leagues Club Limited	(4,302,178)	1,350,000
CRTC Pty Limited	(1,400,000)	7,160,000
<i>Net (drawdowns) / repayment of loans to related parties</i>		
Block 5 Section 30 Pty Limited	(2,533,124)	(187,793)

**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD FROM 29 OCTOBER 2019 TO 2 NOVEMBER 2020**

	Consolidated	
	2020	2019
	\$	\$
<b>Note 13. Related Party Transactions (continued)</b>		
<b>b) Controlled Entities</b>		
Canberra Raiders Leagues' Club (Southside) Limited (CRLC)		
Canberra Raiders Sports Club Limited (CRSC)		
The Canberra Raiders Pty Limited (Raiders)		
57 Restaurant Pty Limited (R57)		
Canberra Region Junior Rugby League Inc (CRJRL)		
<b>c) Ultimate Controlling Entities</b>		
The ultimate controlling entity of the Group is Queanbeyan United Rugby League Football Club Inc.		
<b>d) Related Party Balances</b>		
The aggregate amounts payable to related parties by the Group at balance sheet date:		
Queanbeyan Leagues Club Limited	25,955,640	30,257,818
CRTC Pty Limited	12,310,000	13,710,000
The Group has granted charges over all present and acquired property in relation to all monies owing now and in the future to Queanbeyan Leagues' Club		
The aggregate amounts owed by related parties by the Group at balance sheet date:		
Block 5 Section 30 Trust	2,720,917	224,073

**Note 14. Parent Entity reporting**

Current assets	8,785,192	19,255,351
Total assets	46,973,602	56,528,423
Current liabilities	614,060	8,761,631
Total liabilities	18,084,447	30,713,639
Retained earnings	28,889,155	25,814,784
Profit (Loss) / Total comprehensive income (loss)	3,074,371	10,874,777

There are no current guarantees in place and no contractual commitments for property, plant and equipment at 2 November 2020 (2019: \$Nil).

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

**Note 15. Contingent Liabilities and Guarantees**

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

There is a bank guarantee for the Department of Natural Resources for \$118,000 (2019: \$118,000).

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

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

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

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

**CANBERRA DISTRICT RUGBY LEAGUE FOOTBALL CLUB LIMITED  
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**DIRECTORS' DECLARATION**

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 4 to 15, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
  - (b) give a true and fair view of the financial position of the company and the consolidated group as at 2 November 2020 and of the performance for the period ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Dated this 21 day of January 2021



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

### **Opinion**

We have audited the financial report of Canberra District Rugby League Football Club Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 2 November 2020, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 29 October 2019 to 2 November 2020, 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 2 November 2020 and of its consolidated financial performance for the period ended on that date; and
- b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### **Basis for opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

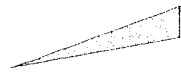
In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or 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.



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

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

*Ernst + Young*

Ernst & Young

*Ben Tansley*

Ben Tansley  
Partner  
Canberra  
21 January 2021