

Copy of financial statements and reports

Company details

Company name

**CANTERBURY BANKSTOWN BULLDOGS
RUGBY LEAGUE CLUB LIMITED**

ACN

001 869 405

Lodgement details

Registered agent number

19968

Registered agent name

KPMG

Reason for lodgement of statement and reports

A public company limited by guarantee who qualifies under Tier 2

Dates on which financial
year ends

Financial year end date

31-10-2021

Auditor's report

Were the financial statements audited or reviewed?

Audited

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

No

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

No

Details of current auditor or auditors

Current auditor

Date of appointment **22-05-1992**
Name of auditor
KPMG
Address
**'TOWER 3 INTERNATIONAL TOWERS
SYDNEY'
LEVEL 38
300 BARANGAROO AVENUE
SYDNEY NSW 2000**

Certification

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

Signature

Select the capacity in which you are lodging the form
Agent

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

Authentication

This form has been authenticated by
Name **KPMG**
This form has been submitted by
Name **STEPHEN SIMONDS**
Date **28-02-2022**

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**Canterbury Bankstown Bulldogs Rugby
League Club Limited
and its controlled entity**

ABN 38 001 869 405

Annual Report

31 October 2021

Canterbury Bankstown Bulldogs Rugby League Club Limited

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Canterbury Bankstown Bulldogs Rugby League Club Limited

Directors' report

For the year ended 31 October 2021

The Directors present their report together with the financial report of Canterbury Bankstown Bulldogs Rugby League Club Limited (the Company) and of the Consolidated entity, being the Company and its Controlled entity (Canterbury League Club Limited) for the financial year ended 31 October 2021 and the auditor's report thereon.

1 Directors

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

Name	Age	Experience, special responsibilities and other directorships
John Khoury Chair of the Board	50	Director of Canterbury Bankstown Bulldogs Rugby League Club Limited since February 2018 Chief Technology Officer at Allied Pinnacle since March 2019 GM of Technology, Change Management & Sales Operations at Hills Limited July 2017 - March 2019 2017 Rugby League World Cup community ambassador and SBS media tournament correspondent Chief Technology Officer at Allied Pinnacle August 2015 - July 2017 National IT Business Platforms & Project Manager at Cater Care December 2014 - August 2015 IT Manager - APAC Region at Zodiac Marine & Pool October 2006 - December 2014 UNSW (AGSM) Business and Technology, Business and Technology Specialisation Diploma of Information Technology, Information Technology Prince2 Project Management Diploma of Management, Business Administration and Management Advanced Certificate in Logistics and Supply Chain Management Former CBJRL player, coach and team manager at Greenacre Grasshoppers, St John's Eagles and St Christopher's Panania
Joe Thomas Deputy Chair of the Board	58	Member of Canterbury Bankstown Bulldogs Rugby League Club Limited Ambassadors Club – Former Chairman 2007 - 2012 Former player of Canterbury Bankstown Bulldogs Rugby League Club Limited - Premiership Winner 1988 Owner and Director of CEJ Fashion Promotions P/L – Est. Oct 1999
Andrew Robert Gifford	54	Director of Canterbury Bankstown Bulldogs Rugby League Club Limited (October 2020 – present) Member of the Finance, Risk & Audit Sub Committee (March 2018 – present) Bachelor of Business (B Bus) Accounting CPA Justice of the Peace Member IML ANZ (Institute of Management and Leaders Australia and New Zealand) Director of ARG Financial Services Pty Ltd Director of Australian Surgical Innovations Pty Ltd 30-year recognition Australian Society of CPA's Appointed Director of Canterbury League Club Limited in May 2021 Member of the Finance, Audit and Risk Committee from May 2021

Canterbury Bankstown Bulldogs Rugby League Club Limited

Directors' report

For the year ended 31 October 2021

1 Directors (continued)

Name	Age	Experience, special responsibilities and other directorships
Peter Chanel McMahon	65	<p>Director of Canterbury Bankstown Bulldogs Rugby League Club Limited (November 2011 to February 2018) (October 2020 – present)</p> <p>Bachelor of Arts (University of Sydney, 1977)</p> <p>Bachelor of Laws (University of Sydney, 1979)</p> <p>Principal of Peter McMahon Advisory (July 2017 – present)</p> <p>Partner, Clayton Utz 1989 to 2017 (including term as National Managing Partner, 2000-2001)</p> <p>Fellow of Australian Property Institute (from 20 May 2015)</p> <p>Leadership in Professional Service Firms, Harvard Business School (USA), 1998</p> <p>Regional Vice Chair (Asia Pacific) for Real Estate in Lex Mundi (the world's leading association of independent law firms) (2009 - 2014)</p> <p>Chair Elect for Lex Mundi Real Estate (2014 - 2015)</p> <p>Global Chair for Lex Mundi Real Estate (from 8 May 2015 to 1 May 2017)</p> <p>Regional Vice Chair (Asia Pacific) for Agribusiness in Lex Mundi (2011 - 2017)</p> <p>Member of Property Council of Australia</p> <p>Past Chairman of Property Law Reform Alliance and Property Council representative on PLRA</p> <p>Trustee of Committee for the Economic Development of Australia (CEDA) (2000 to 2017)</p> <p>Life Member of University of Sydney Union (since 1979)</p> <p>Foundation Member of Australian Turf Club (formerly being member of both Australian Jockey Club and Sydney Turf Club)</p> <p>Member of Sydney Cricket Ground Trust (since 1985)</p> <p>Director of Canterbury League Club Limited (March 2014 – March 2018)</p> <p>Member of Canterbury League Club Audit & Risk Committee (March 2016 – March 2018)</p> <p>Member of Canterbury League Club Remuneration Committee (March 2015 – March 2018)</p> <p>Member of Canterbury League Club Members Disciplinary Sub Committee (October 2017 – March 2018)</p> <p>Member of Canterbury Bankstown Bulldogs Rugby League Club Limited Finance, Risk & Audit Committee (October 2017 – February 2018)</p> <p>Club Director Training: Director Foundation and Management Collaboration</p> <p>Club Director Training: Finance for Club Boards</p>
Peter Mortimer	64	<p>Player Canterbury Bankstown Bulldogs Rugby League Club Limited 1977 to 1988</p> <p>Marketing Manager Canterbury Bankstown Bulldogs Rugby League Club Limited 1986 until 1992</p> <p>Chief Executive Cronulla Sutherland Sharks 1992 - 1993</p> <p>Founder and owner of Mortimer's Wines Pty Ltd Orange since 1995</p> <p>Director Canterbury Bankstown Bulldogs Rugby League Club Limited from 2002 to 2004</p> <p>Director Mortimer's Australian Wines Export division 2016</p>

Canterbury Bankstown Bulldogs Rugby League Club Limited

Directors' report

For the year ended 31 October 2021

1 Directors (continued)

Name	Age	Experience, special responsibilities and other directorships
Dimitrios (Jim) Koutsouklakis	41	<p>Managing Director – Alpha One Advisory; Commercial and Residential Finance Broking</p> <p>Diploma of Finance & Mortgage Broking Management</p> <p>Certificate IV in Finance & Mortgage Broking</p> <p>Member – Mortgage & Finance Association of Australia</p> <p>Senior Manager – ANZ Banking Group (2007 – 2018)</p> <p>Master of Business - Sports Management (Deakin University)</p> <p>Executive Course in Leadership & Negotiation (Harvard School of Law)</p> <p>Diploma in Advanced Insolvency Law & Practice (University of Southern Queensland)</p> <p>Bachelor of Commerce (Macquarie University)</p> <p>Appointed Director of Canterbury League Club Limited in March 2020</p> <p>Appointed Vice President of Canterbury League Club Limited in June 2021</p> <p>Member, Audit & Risk Sub-Committee</p> <p>Member, Member Disciplinary Sub-Committee</p> <p>Mandatory Director Training, Finance for Club Boards 2020</p> <p>Mandatory Director Training, Director Foundation and Management Collaboration 2020</p> <p>Member of The Australian Institute of Company Directors</p> <p>Director of Canterbury Bankstown Bulldogs Rugby League Club Limited since October 2020</p> <p>Chair of Canterbury Bankstown Bulldogs Rugby League Club Limited- Business Development Committee</p>
Adrian Paul Turner	47	<p>Director of Canterbury Bankstown Bulldogs Rugby League Club Limited since February 2020</p> <p>Member of the Finance, Risk & Audit Sub Committee since April 2020</p> <p>Member of the CBJRL Sub Committee since October 2020</p> <p>Over 20 years senior management experience for large corporates across 4 industries (Hospitality, Financial Services, Utilities & Transport)</p> <p>Senior Manager Client Engagement at Transport for NSW since February 2019</p> <p>Associate Member Governance Institute of Australia (AGIA) since 2019</p> <p>Member of Director Institute since 2013</p> <p>Master of Business Administration - MGSM (MBA)</p> <p>Master of Management – MGSM (MMgt)</p> <p>Post Graduate Diploma of Management – MGSM (PGDipMgt)</p> <p>Certificate Corporate Governance & Risk Management – GIA</p>

Canterbury Bankstown Bulldogs Rugby League Club Limited

Directors' report (continued)

For the year ended 31 October 2021

2 Company secretary

Mr Aaron Warburton (the Company's Chief Executive Officer) was appointed as Company Secretary on 6 April 2021 and remained in the position for the entirety of the year, replacing Andrew Hill, who resigned as Company Secretary on 12 January 2021, with John White being interim Company Secretary during this period.

3 Directors' meetings

The number of Directors' meetings held (including meetings of committees of directors) and attendance by each of the directors of the Company during the financial year were as follows:

Director	Board Meetings		Finance, Risk & Audit Committee Meeting	
	A	B	A	B
J Khoury	18	18	-	-
J Thomas	18	18	-	-
P Mortimer	18	18	-	-
A Turner	18	18	18	18
A Gifford	18	18	18	18
P McMahon	18	18	-	-
D Koutsouklakis	18	18	-	-
J Carmody	-	-	18	18

A – Number of meetings attended

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

(*) Denotes external advisory committee members who are not Directors

4 Company strategy, objectives and principal activities

Company strategy and objectives

Vision: Bulldogs, the family club that unites and inspires.

Values: Tough, Resilient, Family.

Mission and Objectives: 1. Deliver an innovative football program that delivers consistent, unmatched on field success and nurtures local talent.

2. Leverage 'the Bulldogs effect' to support harmony and social change.

3. Set the benchmark for the game day and fan experience.

4. Maximise the Bulldogs strong brand and the commercialisation of assets.

5. Build a resilient organisation to protect and grow the Bulldogs' legacy.

Principal activities

The principal activities of the Consolidated entity during the course of the financial year were the operation of registered clubs and the promotion of rugby league.

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

Canterbury Bankstown Bulldogs Rugby League Club Limited

Directors' report (continued)

For the year ended 31 October 2021

5 Operating and financial review and performance measurement

Overview of the Consolidated entity

The earnings before depreciation, grants, net finance cost and tax of the Consolidated entity for the year ended 31 October 2021 was \$19,044,039 (2020: \$19,924,511). The profit after tax of the Consolidated entity for the year ended 31 October 2021 was \$4,550,713 (2020: \$4,449,829).

Overview of the Controlled entity

The earnings before depreciation, grants, net finance cost and tax of the Controlled entity for the year ended 31 October 2021 was \$19,594,366 (2020: \$18,989,107) The profit after tax of the Controlled entity for the year ended 31 October 2021 was \$2,930,153 (2020: \$1,529,200).

Overview of the Company

The profit after tax of the Company for the year ended 31 October 2021 was \$1,620,560 (2020: \$2,918,964).

Performance measurement

The Consolidated entity's financial performance is continually measured against internally set Key Performance Indicators (KPIs) in core business activities including commercial revenues and football operations.

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

Coronavirus COVID-19

The significance of the economic and financial impacts from the downturn in trade and the related quarantine and isolation practices resulting from COVID-19 is unprecedented.

Controlled entity

The continuing economic and financial impacts from government restrictions associated with COVID-19 have impact the operational performance in FY21. The club was closed for 16 weeks during the lockdown period.

The club mitigated the impacts on cashflow by deferring payments in consultation with its creditors, reducing operating costs and delaying capital expenditure. Staff obtained a direct benefit through the Federal Government Covid Disaster Payment for the duration of the lockdown, and the club benefitted from the NSW Government Jobsaver scheme.

The NSW Health Order permitted reopening from 11 October 2021, this was subject to capacity restrictions and a raft of safety requirements. The Covid Safety responsibility passed to the management team generally and is implemented through customer facing Covid marshals daily.

Limited services and facilities have been operational since reopening and a return to full service was programmed from December 1, 2021.

The Club continues with its commitment to prioritising the health, safety and wellbeing of its people, partners, customers and the community.

Directors' report (continued)

For the year ended 31 October 2021

5 Operating and financial review and performance measurement (continued)

Company

The Company was and remains well placed to deal with the challenges posted by COVID-19 due to its strong member base and balance sheet. The onset of the pandemic resulted in the NRL competition to be played in Queensland, impacting the number of home games played as well as the crowd numbers in attendance. As a result of this, the Company experienced an impact in revenue from services and the sale goods, however, the Company has acted swiftly in implementing cost control measures. The situation is continuously evolving and is dependent on measures imposed by the government and relevant regulatory authorities which are outside of the Company's control and the effects of which are far reaching in Australia and globally.

6 Membership

The Company is a Company limited by guarantee and without share capital. The numbers of members as at 31 October 2021 were 16,855 (2020: 1,745). In accordance with the Constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$10 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 2021 is \$168,550 (2020: \$17,450).

7 Likely future developments

Further information about likely future developments in the operations of the Consolidated entity and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Consolidated entity.

8 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 item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company and Controlled entity, to affect significantly the operations of the Consolidated entity, the results of those operations, or the state of affairs of the Consolidated entity, in future financial years.

9 Lead auditor's independence declaration

The Lead auditor's independence declaration under S307C is set out on page 8 and forms part of the directors' report for financial year ended 31 October 2021.

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



John Khoury
Chair of Board of Directors

Dated at Belmore this 21st day of December 2021.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Canterbury Bankstown Bulldogs Rugby League Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Canterbury Bankstown Bulldogs Rugby League Club Limited for the financial year ended 31 October 2021 there have been:

- i. No contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Canterbury Bankstown

Partner

Sydney

21 December 2021

Canterbury Bankstown Bulldogs Rugby League Club Limited
 Statements of profit or loss and other comprehensive income
 For the year ended 31 October 2021

<i>In AUD</i>	Note	Consolidated		Company	
		2021	2020	2021	2020
Revenue	4 (a)	88,536,905	88,115,559	28,182,150	22,506,861
Other income	4 (b)	1,748,130	8,726,975	-	2,329,000
Net gain arising from changes in the fair value of investment property	11	975,000	119,389	-	-
Gain on disposal of non-current assets		365,218	69,506	-	-
Changes in inventories		161,008	403,161	275,443	275,443
Materials and consumables used		(2,761,585)	(4,027,965)	(1,000,564)	(1,065,387)
Poker machine licences and taxes		(14,791,504)	(16,346,665)	-	-
Personnel expenses	5	(37,249,058)	(40,488,081)	(19,666,088)	(16,933,091)
Property expenses		(4,727,895)	(4,955,903)	(534,286)	(591,127)
Members' amenities expense		(2,220,696)	(2,371,286)	-	-
Donations and sponsorships		(712,497)	(512,132)	-	-
Security expense		(162,782)	(155,111)	-	-
Repairs and maintenance		(2,531,291)	(2,910,463)	(178,097)	(115,517)
Consulting and professional fees		(745,609)	(789,393)	(340,700)	(151,501)
Other expenses		(3,615,067)	(3,168,352)	(1,349,375)	(1,021,642)
Hospitality and promotional expenses		(1,355,948)	(360,588)	(1,412,187)	(416,827)
Game day and on field expenses		(1,868,290)	(1,424,140)	(1,868,290)	(1,424,140)
Earnings before depreciation, grants, net finance cost and tax		19,044,039	19,924,511	2,108,006	3,392,072
Depreciation expense		(12,548,822)	(13,877,263)	(440,504)	(424,726)
Sponsorship and grant expenses		(1,261,667)	(166,667)	-	-
Results from operating activities		5,233,550	5,880,581	1,667,502	2,967,346
Finance income	6	1,293	951	-	79
Finance cost	6	(271,255)	(936,692)	(46,942)	(48,461)
Net finance cost	6	(269,962)	(935,741)	(46,942)	(48,382)
Profit / (loss) before income tax		4,963,588	4,944,840	1,620,560	2,918,964
Tax (expense) / benefit	7	(412,875)	(495,011)	-	-
Profit / (loss) for the year		4,550,713	4,449,829	1,620,560	2,918,964
Other comprehensive income, net of tax		-	-	-	-
Total comprehensive income / (loss) for the year		4,550,713	4,449,829	1,620,560	2,918,964

The notes on pages 13 to 39 are an integral part of these consolidated financial statements.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Statements of financial position

As at 31 October 2021

<i>In AUD</i>	<i>Note</i>	Consolidated		Company	
		2021	2020	2021	2020
Assets					
Cash on hand and at bank	8	11,345,614	19,622,537	3,798,967	4,390,031
Trade and other receivables	9	2,483,316	620,323	2,406,244	583,485
Inventories	10	964,392	1,125,400	98,121	172,306
Prepayments		314,683	323,955	72,000	33,999
Total current assets		15,108,005	21,692,215	6,375,332	5,179,821
Trade and other receivables	9	79,124	106,907	79,124	106,907
Investment property	11	14,700,000	13,725,000	-	-
Deferred tax assets	12	-	485,252	-	-
Property, plant and equipment	13	188,944,871	195,934,969	1,445,350	1,659,954
Intangible assets	15	6,217,682	6,217,682	-	-
Right of use asset	20 (a)	1,717,505	2,185,177	665,527	718,539
Total non-current assets		211,659,182	218,654,987	2,190,001	2,485,400
Total assets		226,767,187	240,347,202	8,565,333	7,665,221
Liabilities					
Bank overdraft	8	-	-	-	-
Trade and other payables	16	12,094,686	20,469,405	5,047,260	5,263,279
Provisions	17	785,929	253,795	529,506	-
Loans and borrowings	18	11,753	11,753	11,753	11,753
Employee benefits	19	3,329,642	3,088,569	260,377	183,539
Lease liabilities	20 (b)	464,872	450,641	44,042	44,042
Current tax payable		-	72,377	-	-
Total current liabilities		16,686,882	24,346,540	5,892,938	5,502,613
Trade and other payables	16	-	1,081,117	-	1,081,117
Loans and borrowings	18	23,464,832	32,664,832	64,832	64,832
Employee benefits	19	415,211	220,947	32,935	18,549
Provisions	17	2,000	2,000	2,000	2,000
Lease liabilities	20 (b)	1,500,835	1,885,052	770,558	814,600
Total non-current liabilities		25,382,878	35,853,948	870,325	1,981,098
Total liabilities		42,069,760	60,200,488	6,763,263	7,483,711
Net assets		184,697,427	180,146,714	1,802,070	181,510
Members' funds					
Amalgamation reserve		12,901,167	12,901,167	-	-
Retained earnings / (accumulated losses)		171,796,260	167,245,547	1,802,070	181,510
Total members' funds		184,697,427	180,146,714	1,802,070	181,510

The notes on pages 13 to 39 are an integral part of these consolidated financial statements.

Canterbury Bankstown Bulldogs Rugby League Club Limited
 Statements of changes in members' funds
 For the year ended 31 October 2020

Consolidated

<i>In AUD</i>	<i>Note</i>	Amalgamation reserve	Retained earnings	Total members' funds
Balance at 1 November 2019		12,901,167	162,795,718	175,696,885
Profit for the year		-	4,449,829	4,449,829
Other comprehensive income, net of tax		-	-	-
Total comprehensive income for the year		<u>-</u>	<u>4,449,829</u>	<u>4,449,829</u>
Balance at 31 October 2020		<u>12,901,167</u>	<u>167,245,547</u>	<u>180,146,714</u>
Balance at 1 November 2020		12,901,167	167,245,547	180,146,714
Profit for the year		-	4,550,713	4,550,713
Other comprehensive income, net of tax		-	-	-
Total comprehensive income for the year		<u>-</u>	<u>4,550,713</u>	<u>4,550,713</u>
Balance at 31 October 2021		<u>12,901,167</u>	<u>171,796,260</u>	<u>184,697,427</u>

Company

<i>In AUD</i>	Accumulated losses	Total members' funds
Balance at 1 November 2019	(2,737,454)	(2,737,454)
Profit for the year	2,918,964	2,918,964
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the year	<u>2,918,964</u>	<u>2,918,964</u>
Balance at 31 October 2020	<u>181,510</u>	<u>181,510</u>
Balance at 1 November 2020	181,510	181,510
Profit for the year	1,620,560	1,620,560
Other comprehensive income, net of tax	-	-
Total comprehensive loss for the year	<u>1,620,560</u>	<u>1,620,560</u>
Balance at 31 October 2021	<u>1,802,070</u>	<u>1,802,070</u>

The notes on pages 13 to 39 are an integral part of these consolidated financial statements.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Statements of cash flows

For the year ended 31 October 2021

<i>In AUD</i>	Note	Consolidated		Company	
		2021	2020	2021	2020
Cash flows from operating activities					
Cash receipts from customers, sponsors and grant providers		97,478,329	106,440,374	29,205,389	27,120,459
Cash paid to suppliers and employees		(91,189,470)	(78,059,914)	(29,532,581)	(21,247,735)
Cash generated from operations		<u>6,288,859</u>	<u>28,380,460</u>	<u>(327,192)</u>	<u>5,872,724</u>
Interest paid	6	(271,255)	(936,692)	(46,942)	(48,461)
Income tax received		-	-	-	-
Interest received	6	1,293	951	-	79
Net cash from / (used in) operating activities		<u>6,018,897</u>	<u>27,444,719</u>	<u>(374,134)</u>	<u>5,824,342</u>
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		564,574	228,788	-	-
Acquisition of property, plant and equipment	13	(5,290,408)	(2,685,219)	(172,888)	(132,112)
Acquisition of investment property	11	-	-	-	-
Net cash used in investing activities		<u>(4,725,834)</u>	<u>(2,456,431)</u>	<u>(172,888)</u>	<u>(132,112)</u>
Cash flows from financing activities					
Payments of lease liabilities	20 (d)	(369,986)	(383,539)	(44,042)	(46,030)
Repayment of borrowings		-	(40,260,000)	-	-
Proceeds from borrowings		(9,200,000)	32,600,000	-	-
Net cash (used in) / from financing activities		<u>(9,569,986)</u>	<u>(8,043,539)</u>	<u>(44,042)</u>	<u>(46,030)</u>
Net increase / (decrease) in cash and cash equivalents		(8,276,923)	16,944,749	(591,064)	5,646,200
Cash and cash equivalents at beginning of year		19,622,537	2,677,788	4,390,031	(1,256,169)
Cash and cash equivalents at end of year	8	<u>11,345,614</u>	<u>19,622,537</u>	<u>3,798,967</u>	<u>4,390,031</u>

The notes on pages 13 to 39 are an integral part of these consolidated financial statements.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements

For the year ended 31 October 2021

1 Reporting entity

Canterbury Bankstown Bulldogs Rugby League Club Limited (the "Company") is a company incorporated and domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 31 October 2021 comprise the Company and its controlled entity (Canterbury League Club Limited) (together referred to as the 'Consolidated entity' and individually as 'Controlled entity').

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 \$10 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 Consolidated entity 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 Consolidated entity and the Company are not publicly accountable. The financial statements of the Consolidated entity and the Company are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (AASB-RDRs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. These financial statements comply with Australian Accounting Standards - Reduced Disclosure Requirements.

ASIC Class Order 10/654 *Inclusion of parent entity financial statements in financial reports* has been applied to permit the inclusion of parent entity financial statements in this consolidated financial report.

The financial statements were approved by the Board of Directors on 21 December 2021.

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for investment property which is measured at fair value.

(c) Functional and presentation currency

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

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

2 Basis of preparation (continued)

(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, 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 11 Investment property
- Note 13 Property, plant and equipment
- Note 15 Intangible assets
- Note 16 Trade and other payables
- Note 20 Leases
- Note 22 Contingent assets and contingent liabilities

(e) Going concern

The financial statements of the Company and its Controlled entity have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(i) Company

The Company has reported a working capital surplus of \$449,458 (2020: deficiency of \$322,792) as at 31 October 2021. Notwithstanding the above, the Directors believe the going concern assumption is appropriate given:

- The Controlled entity has committed grant funding to the Company for the year ending 31 October 2022 of \$3,320,000;
- The Company has an unutilised overdraft facility of \$1,500,000 available from Commonwealth Bank of Australia; and
- In addition to the committed funding above, the Controlled entity has undertaken to continue to provide such financial and other support that the Directors determine, is within its capacity and that is necessary (including grants or loans) to the Company for at least the next twelve months from the date of approval of the Company's financial statements for the year ended 31 October 2021 to enable the Company to continue to trade and to meet its financial obligations and be able to pay its debts as and when they become due and payable.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

2 Basis of preparation (continued)

(e) Going concern (continued)

(i) Company (continued)

After considering the above, the Directors consider that the Company will be able to continue to fulfil all obligations as and when they fall due for the foreseeable future, being at least one year from the date of approval of these financial statements, and accordingly, that the Company's financial statements should be prepared on a going concern basis.

(ii) Controlled entity

As at 31 October 2021, the Controlled entity recorded a net working capital deficiency of \$2,061,271 (2020: \$2,331,533) and net assets of \$182,895,357 (2020: \$179,965,204). The Controlled entity recorded a net profit for the year of \$2,930,153 (2019: \$1,529,200) and positive operating cash flows of \$6,393,031 (2020: \$21,620,377).

The Directors have prepared the cash flow forecasts for the 13 months post year end date of 31 October 2021 (1 November 2021 to 31 November 2022) and are comfortable that the Controlled entity will be able to meet its financial obligations as and when they fall due.

Accordingly, the Directors have prepared the financial report on a going concern basis in the belief that the Controlled entity will realise its assets and settle its liabilities and commitments in the normal course of business and for at least the amounts stated in the financial report.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, except for the adoption of new accounting standards.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Consolidated entity. Control exists when the Consolidated entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Consolidated entity.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(iii) Amalgamation reserve

An amalgamation reserve in members' funds is utilised for amalgamations with other registered clubs. The amount presented is equal to the fair value of the net assets of the club acquired at the date of acquisition. The individual assets and liabilities acquired are presented in the consolidated statement of financial position. This policy is effective for amalgamations occurring after 1 November 2010.

(b) Financial instruments

(i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Consolidated entity becomes a party to the contractual provision of a financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(ii) Classification and measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those receivables that do not contain a significant financing component and are measured at the transaction price, all financial assets are initially measured at fair value adjusted for transactions costs (where applicable).

(iii) Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as

- Financial assets at fair value through profit or loss (FVTPL);
- Financial assets at amortised cost;
- Debt instruments at fair value through other comprehensive income (FVTOCI); and
- Equity Instruments at FVTOCI.

Financial assets are not reclassified subsequent to their initial recognition unless the Consolidated entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Subsequent measurement of financial assets (continued)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income and finance expenses, except for impairment of trade receivables which is presented within other expenses.

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method.

Financial assets at amortised costs comprise of cash at bank and trade and other receivables. There are no financial assets classified under the FVPTL, debt instruments at FVTOCI and equity instruments at FVTOCI categories.

(iv) Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Consolidated entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

(c) 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 Consolidated entity. 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.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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 Consolidated entity 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:

	<i>Depreciation rates</i>	<i>Depreciation methods</i>
• Leasehold improvements	33.30%	Straight line
• Land and Buildings*	2.50%	Straight line
• Furniture and fittings, plant and equipment	10 - 40%	Diminishing value
• Poker machines	20 - 40%	Diminishing value
• Assets under lease/hire purchase	25%	Straight line

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

* Land is not depreciated.

(d) 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 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. 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.

(e) 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 on initial recognition and subsequently at fair value with any change therein recognised in profit or loss. Cost includes expenditure that is directly attributable to the acquisition 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.

(f) Inventories

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

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

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(g) Impairment

(i) *Non-derivatives financial assets*

The Consolidated entity recognises loss allowances for Expected credit losses (ECL) on financial assets measured at amortised cost.

The Consolidated entity measures loss allowances for cash at bank balances as 12-month ECL as credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Consolidated entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Consolidated entity's historical experience and informed credit assessment and including forward-looking information.

The Consolidated entity considers cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Consolidated entity considers this to be Baa3 or a higher rating per Moody's or BBB- or higher per Standards and Poor's.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flow due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Consolidated entity assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Trade and other receivables

A provision for impairment of trade receivables is established when there is objective evidence that the Consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Provision is raised on a specific debtor as well as on a collective basis. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that a specific debtor balance is impaired. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectable, it is written off against the allowance for receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(g) Impairment (continued)

(ii) Non-financial assets

At each reporting date, the Consolidated entity reviews the carrying amounts of its non-financial assets (other than investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For 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 CGUs.

The recoverable amount of asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to the carrying amounts of the assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(h) Employee benefits

(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 Consolidated entity'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 Consolidated entity'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.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(i) Provisions

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

The Consolidated entity operates a loyalty program where customers accumulate points for dollars spent. The provision represents the current estimate of future cash outflows that will result from future redemption of unredeemed points as at year end.

Make good provision

In accordance with the Consolidated entity's leases of premises, the Consolidated entity must restore leased premises to their original condition. Because of the long-term nature of the liability, the greatest uncertainty in estimating the provision is the costs that will ultimately be incurred.

The provision is the best estimate of the present value of the expenditure required to settle the make good obligation at the reporting date, based on current market conditions. Future restoration costs are reviewed annually and any changes are reflected in the present value of the make good provision at the end of the reporting period.

(j) Revenue

Provision of services

Revenue from the provision of services includes sponsorship and corporate hospitality, membership subscriptions, merchandise royalties and commissions. Revenue from the provision of services is recognised in the period over which the Consolidated entity satisfies its performance obligations or series of performance obligations to its customers. Revenue is recognised to the extent that recovery of the contract consideration is considered probable and the amount of revenue can be measured reliably. Revenue is deferred to the extent that the Consolidated entity has not met its performance obligations to its customers. Revenue is recognised using the output method under the terms of each contractual arrangement with customers.

Gaming revenue

Revenue from gaming is recognised at a point-in-time being the net difference between gaming wins and losses for the day and is recognised at the close of business each day.

Food and beverage revenue

Food and beverage revenue is recognised at the point in time the goods are provided and payment is collected.

Function and other revenues

Function and other revenues are recognised at the point in time services are performed.

Jobkeeper government grant

Jobkeeper government grant revenue is recognised on a gross basis when there is reasonable assurance that the Consolidated entity is able to comply with the conditions attached to the program, receipt of monies is considered probable and related employee expenses are incurred.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(j) Revenue (continued)

Commissions

When the Consolidated entity acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Consolidated entity.

Grant revenue

Grants are initially recognised as deferred income at fair value if there is reasonable assurance that the grants will be received, and that the Consolidated entity will satisfy the performance obligations associated with the grant. Grant revenue is recognised on a systematic basis over the period to which the grant relates.

(k) Finance income and finance costs

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

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

(l) Taxation

(i) *Company*

The Company is exempt from income tax under Taxation Ruling 97/22 as the Company is regarded as being established for the encouragement of a game and sport.

(ii) *Consolidated entity*

a) *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.

b) *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 Consolidated entity 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.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(l) Taxation (continued)

b) *Deferred tax (continued)*

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.

c) *Tax exposure*

In determining the amount of current and deferred tax the Consolidated entity 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 Consolidated entity 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.

(m) Goods and services tax

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

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

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

(n) Leases

At inception of a contract, the Consolidated entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Consolidated entity assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Consolidated entity has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Consolidated entity has the right to direct the use of the asset. The Consolidated entity has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Consolidated entity has the right to direct the use of the asset if either:
 - the Consolidated entity has the right to operate the asset; or
 - the Consolidated entity designed the asset in a way that predetermines how and for what purpose it will be used.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(n) Leases (continued)

At inception or on reassessment of a contract that contains a lease component, the Consolidated entity allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

For contracts entered into before, the Consolidated entity determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

(i) As a lessee

The Consolidated entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date and plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Consolidated entity's incremental borrowing rate. Generally, the Consolidated entity uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; and
- lease payments in an optional renewal period if the Consolidated entity is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Consolidated entity is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Consolidated entity's estimate of the amount expected to be payable under a residual value guarantee, or if the Consolidated entity changes its assessment of whether it will exercise a purchase, extension or termination option.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(n) Leases (continued)

(i) As a lessee (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Consolidated entity presents right-of-use assets and lease liabilities separately in the statement of financial position.

(ii) As a lessor

When the Consolidated entity acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Consolidated entity makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Consolidated entity considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Consolidated entity recognises lease payments received under operating leases as income on a straight line basis over the lease term as part of "other revenue".

The accounting policies applicable to the Consolidated entity as a lessor in the comparative period were not different from AASB 16.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

4 (a) Revenue

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Revenue from catering	4,937,930	5,650,556	-	-
Redemption of complimentary and discounted food	(978,099)	(1,874,503)	-	-
	<u>3,959,831</u>	<u>3,776,053</u>	-	-
Revenue from beverages	3,209,699	3,720,728	-	-
Redemption of complimentary and discounted drinks	(541,606)	(2,048,928)	-	-
	<u>2,668,093</u>	<u>1,671,800</u>	-	-
Revenue from gaming	57,324,935	61,466,208	-	-
Loyalty points issued	(2,980,986)	(1,025,342)	-	-
	<u>54,343,949</u>	<u>60,440,866</u>	-	-
Revenue from fitness centre	1,332,346	1,544,751	-	-
Revenue from functions	345,868	504,039	41,800	3,105
Subscriptions and joining fees	178,302	207,810	14,204	25,668
Sponsorship and corporate partnership revenue	5,666,072	3,585,291	5,666,072	3,685,291
Commissions revenue	88,703	113,040	-	-
Season tickets and gate receipts	1,468,927	879,267	1,468,927	879,267
Other revenue	739,558	673,636	787,558	736,191
Grant revenue	17,115,667	14,393,490	19,574,000	16,851,823
Merchandise sales and royalties	629,589	325,516	629,589	325,516
	<u>88,536,905</u>	<u>88,115,559</u>	<u>28,182,150</u>	<u>22,506,861</u>

4 (b) Other Income

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Government grants received	1,384,054	8,368,000	-	2,329,000
Rent received	323,997	272,517	-	-
Sundry Income	40,079	86,458	-	-
	<u>1,748,130</u>	<u>8,726,975</u>	-	<u>2,329,000</u>

5 Personnel expenses

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Wages and salaries	28,407,756	32,136,936	16,923,819	14,312,958
Other associated personnel expenses	6,285,435	5,847,770	1,501,536	1,616,932
Contributions to defined contribution plans	2,555,867	2,503,375	1,240,733	1,003,201
	<u>37,249,058</u>	<u>40,488,081</u>	<u>19,666,088</u>	<u>16,933,091</u>

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

6 Finance income and finance costs

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Interest income	1,293	951	-	79
Finance income	1,293	951	-	79
Interest expense – bank loans	-	(828,293)	-	-
Interest expense – others	(271,255)	(108,399)	(46,942)	(48,461)
Finance cost	(271,255)	(936,692)	(46,942)	(48,461)
Net finance cost recognised in profit or loss	(269,962)	(935,741)	(46,942)	(48,382)

7 Tax expense

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Current tax expense				
Current year	-	-	-	-
Deferred tax expense				
Origination and reversal of temporary differences	(412,875)	(495,011)	-	-
Total tax (expense) / benefit	(412,875)	(495,011)	-	-

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 Company is exempt from income tax (see note 3(l)).

The amount set aside for income tax in the statement of comprehensive income has been calculated as follows:

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Proportion of net taxable income attributable to non-members	(861,461)	(718,083)	-	-
Tax losses not brought to account	861,461	718,083	-	-
Less: Other deductible expenses	-	-	-	-
Net taxable income subject to tax	-	-	-	-
Income tax using the Company's statutory income tax rate of 30% (2020: 30%)	-	-	-	-
Movement in deferred tax assets	(412,875)	(495,011)	-	-
	(412,875)	(495,011)	-	-

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of carried forward tax losses amounting to \$1,927,358 (2020: \$1,065,897).

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

8 Cash and cash equivalents

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Cash on hand	4,773,732	3,567,239	1,535,851	400
Cash at bank	6,571,882	16,055,298	2,263,116	4,389,631
	<u>11,345,614</u>	<u>19,622,537</u>	<u>3,798,967</u>	<u>4,390,031</u>
Bank overdraft	-	-	-	-
Cash and cash equivalents in the statement of cash flows	<u>11,345,614</u>	<u>19,622,537</u>	<u>3,798,967</u>	<u>4,390,031</u>

9 Trade and other receivables

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Current				
Trade receivables	2,389,788	607,416	2,312,716	570,578
Other receivables	83,866	3,245	83,866	3,245
Finance lease receivable	9,662	9,662	9,662	9,662
	<u>2,483,316</u>	<u>620,323</u>	<u>2,406,244</u>	<u>583,485</u>
Non-current				
Finance lease receivable	79,124	106,907	79,124	106,907
	<u>79,124</u>	<u>106,907</u>	<u>79,124</u>	<u>106,907</u>

10 Inventories

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Bar	468,044	422,318	98,121	-
Bistro	68,962	71,634	-	-
Other	427,386	459,142	-	-
Merchandise	-	172,306	-	172,306
	<u>964,392</u>	<u>1,125,400</u>	<u>98,121</u>	<u>172,306</u>

11 Investment property

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Balance at 1 November	13,725,000	13,605,611	-	-
Acquisitions	-	-	-	-
Net gain arising from changes in the fair value of investment properties	975,000	119,389	-	-
Balance at 31 October	<u>14,700,000</u>	<u>13,725,000</u>	<u>-</u>	<u>-</u>

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

11 Investment property (continued)

Investment property represents the Consolidated entity's land and building holdings located in Liverpool, Lakemba and Belmore NSW, and is stated at fair value. The determination of fair value has been based on a valuation carried out in October 2021 by an independent valuer (Hymans Assets Management) which holds a recognised and relevant professional qualification and have recent experience in the location and category of the investment properties. The open market value for these properties was \$14,700,000 as at 31 October 2021.

12 Tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Consolidated <i>In AUD</i>	Deferred tax assets		Deferred tax liabilities		Net	
	2021	2020	2021	2020	2021	2020
Property, plant and equipment	362,880	712,375	-	-	362,880	712,375
Investment property	-	-	591,120	352,359	(591,120)	(352,359)
Leases	4,805	556	-	-	4,805	556
Employee benefits	167,318	166,054	-	-	167,318	166,054
Trade and other payables	31,733	67,106	-	-	31,733	67,106
Prepayments	-	-	(24,384)	8,017	24,384	(8,017)
Donations	-	-	-	100,463	-	(100,463)
Provisions	-	-	-	-	-	-
Net tax assets	566,736	946,091	566,736	460,839	-	485,252

Movement in temporary differences during the year

<i>In AUD</i>	Consolidated		
	Balance 1 November 2019	Recognised in profit or loss	Balance 31 October 2020
Property, plant and equipment	935,832	(223,457)	712,375
Investment property	(316,542)	(35,817)	(352,359)
Leases	12,456	(11,900)	556
Employee benefits	237,425	(71,371)	166,054
Trade and other payables	92,399	(25,293)	67,106
Prepayments	-	(8,017)	(8,017)
Donations	-	(100,463)	(100,463)
Provisions	18,693	(18,693)	-
	980,263	(495,011)	485,252

<i>In AUD</i>	Consolidated		
	Balance 1 November 2020	Recognised in profit or loss	Balance 31 October 2021
Property, plant and equipment	712,375	(349,495)	362,880
Investment property	(352,359)	(238,761)	(591,120)
Leases	556	4,249	4,805
Employee benefits	166,054	1,264	167,318
Trade and other payables	67,106	(35,373)	31,733
Prepayments	(8,017)	32,401	24,384
Donations	(100,463)	100,463	-
	485,252	(485,252)	-

Canterbury Bankstown Bulldogs Rugby League Club Limited
Notes to the financial statements (continued)
For the year ended 31 October 2021

13 Property, plant and equipment

In AUD

Cost	Consolidated					Total
	Land and buildings	Leasehold improvements	Furniture and fittings, plant and equipment	Poker machines	Asset under lease/hire purchase	
Balance at 1 November 2020	218,669,901	1,053,911	75,026,620	28,192,182	411,004	323,935,780
Additions	1,533,377	-	1,216,014	2,541,017	-	5,290,408
Disposals/write-offs	-	-	(695,157)	(2,760,590)	(8,885)	(3,464,632)
Balance at 31 October 2021	220,203,278	1,053,911	75,547,477	27,972,609	411,004	325,761,556
Depreciation and impairment						
Balance at 1 November 2020	62,073,263	782,540	41,630,048	23,235,657	279,303	128,000,811
Depreciation for the year	4,851,689	-	4,750,470	2,478,991	-	12,081,150
Disposals	-	-	(675,516)	(2,589,760)	-	(3,265,276)
Balance at 31 October 2021	66,924,952	782,540	45,705,002	23,124,888	279,303	136,816,685
Carrying amounts						
At 1 November 2020	156,596,638	271,371	33,396,572	4,956,525	131,701	195,934,969
At 31 October 2021	153,278,326	271,371	29,842,475	4,847,721	131,701	188,944,871

Valuation of land and buildings

The latest independent valuations of the Consolidated entity's land and buildings, carried out in October 2018 by Hymans Assets Management on the basis of open market value for existing use, resulted in a valuation of land and buildings of \$219,000,000. Any additions or transfers since the valuations are expected to be reflected in an equivalent increase in the recoverable amount of the Consolidated entity's land and buildings. The written down value of land and buildings as at 31 October 2021 is \$153,278,326 (2020: \$156,596,638). The Directors are comfortable that the carrying amounts of the land and buildings are not impaired.

Canterbury Bankstown Bulldogs Rugby League Club Limited
Notes to the financial statements (continued)
For the year ended 31 October 2021

13 Property, plant and equipment (continued)

<i>In AUD</i>	Company			
Cost	Leasehold improvements	Furniture and fittings, plant and equipment	Asset under lease/hire purchase	Total
Balance at 1 November 2020	1,053,911	3,966,100	411,004	5,431,015
Additions	-	172,888	-	172,888
Balance at 31 October 2021	<u>1,053,911</u>	<u>4,138,988</u>	<u>411,004</u>	<u>5,603,903</u>
Depreciation and impairment				
Balance at 1 November 2020	782,540	2,709,218	279,303	3,771,061
Depreciation for the year	-	387,492	-	387,492
Balance at 31 October 2021	<u>782,540</u>	<u>3,096,710</u>	<u>279,303</u>	<u>4,158,553</u>
Carrying amounts				
At 1 November 2020	271,371	1,256,882	131,701	1,659,954
At 31 October 2021	<u>271,371</u>	<u>1,042,278</u>	<u>131,701</u>	<u>1,445,350</u>

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

14 Core and non-core properties

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

<i>In AUD</i>	Consolidated	
	2021	2020
Core property	152,163,068	155,611,312
Non-core property	15,815,257	14,710,325
Balance at 31 October	<u>167,978,325</u>	<u>170,321,637</u>

Core properties are located at:

26 Bridge Road, Belmore, NSW
 26 Quigg Street, Lakemba, NSW
 61 Moxon Road, Punchbowl NSW

Non-core properties are located at:

32 Quigg Street, Lakemba, NSW
 82 Memorial Avenue, Liverpool, NSW
 20 The Boulevarde, Lakemba, NSW
 21 The Boulevarde, Lakemba, NSW
 84 Memorial Avenue, Liverpool, NSW
 70 Bridge Road, Belmore, NSW
 64 Bridge Road, Belmore, NSW
 376 Burwood Road, Belmore, NSW
 4 York Street, Belmore, NSW
 28 Gladstone Street, Belmore, NSW

15 Intangible assets

In AUD

<i>Cost</i>	Consolidated		
	Poker machine entitlements	Rights to a domain name	Total
Balance as at 1 November 2020	6,209,500	8,182	6,217,682
Balance as at 31 October 2021	<u>6,209,500</u>	<u>8,182</u>	<u>6,217,682</u>

Poker machine entitlements represent the licence held by the Controlled entity to operate gaming machines at its premises. They are measured at cost less accumulated impairment losses. They have been tested for impairment losses through analysis of fair value less cost to sell and value in use. From this assessment no impairment losses were identified (2020: nil).

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

16 Trade and other payables

In AUD

	Consolidated		Company	
	2021	2020	2021	2020
Current				
Trade payables	3,755,991	4,261,014	747,059	189,604
Other payables and accrued expenses	6,270,101	14,419,870	2,495,401	3,603,547
Income received in advance	2,068,594	1,788,521	1,804,800	1,470,128
	<u>12,094,686</u>	<u>20,469,405</u>	<u>5,047,260</u>	<u>5,263,279</u>
Non-current				
Income received in advance	-	600,000	-	600,000
Other payables and accrued expenses	-	481,117	-	481,117
	<u>-</u>	<u>1,081,117</u>	<u>-</u>	<u>1,081,117</u>

17 Provisions

In AUD

	Consolidated		Company	
	2021	2020	2021	2020
Current				
Loyalty points	256,423	253,795	-	-
Employee termination	529,506	-	529,506	-
	<u>785,929</u>	<u>253,795</u>	<u>529,506</u>	<u>-</u>
Non-current				
Make good provision	2,000	2,000	2,000	2,000
	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>

18 Loans and borrowings

In AUD

	Consolidated		Company	
	2021	2020	2021	2020
Current				
Bank loan facility	-	-	-	-
Other facilities	11,753	11,753	11,753	11,753
	<u>11,753</u>	<u>11,753</u>	<u>11,753</u>	<u>11,753</u>
Non-current				
Bank loan facility	23,400,000	32,600,000	-	-
Other facilities	64,832	64,832	64,832	64,832
	<u>23,464,832</u>	<u>32,664,832</u>	<u>64,832</u>	<u>64,832</u>

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

18 Loans and borrowings (continued)

(a) Bank loan facilities

The Consolidated entity's borrowings as at 31 October 2021 were \$23,400,000 and have been classified as non-current liabilities as the facility has a date of maturity of 30 October 2023.

The Consolidated entity has access to the following lines of credit:

<i>In AUD</i>	Cash Advance Facility 1	Cash Advance Facility 2	Overdraft	Asset Finance Facility	Total loan facility
Total facility limit	32,000,000	13,500,000	1,500,000	3,500,000	50,500,000
Facilities utilised at reporting date	23,400,000	-	-	-	23,400,000
Facilities not utilised at reporting date	8,600,000	13,500,000	1,500,000	3,500,000	27,100,000
Maturity date	30/10/2023	30/10/2023	N/A	30/10/2023	

Security:

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

- Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 26, 64 and 70 Bridge Road, Belmore, NSW 2192.
- Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 82 and 84 Memorial Ave, Liverpool, NSW 2170.
- Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 376 Burwood Road, Belmore, NSW 2192.
- Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 28 Gladstone Street, Belmore, NSW 2192.
- Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 26 and 32 Quigg Street, Lakemba, NSW 2195.
- Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 20-21 The Boulevarde, Lakemba, NSW 2195.
- Mortgage by Canterbury League Club Limited ACN 000 191 248 over the property located at 61 Moxon Road, Punchbowl, NSW 2196.

The Consolidated entity is in compliance with all the restrictive loan covenants as at reporting date.

Canterbury Bankstown Bulldogs Rugby League Club Limited
Notes to the financial statements (continued)

For the year ended 31 October 2021

19 Employee benefits

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Current				
Liability for long service leave	1,430,544	1,501,650	43,934	24,934
Liability for annual leave	1,899,098	1,586,919	216,443	158,605
	<u>3,329,642</u>	<u>3,088,569</u>	<u>260,377</u>	<u>183,539</u>
Non-current				
Liability for long service leave	415,211	220,947	32,935	18,549

20 Leases

As lessee

a) Right of use assets

<i>In AUD</i>	Consolidated		Company	
	Gaming machine entitlements	Rental property	Total	Rental property
Balance at 1 November 2020	1,466,638	718,539	2,185,177	718,539
Additions during the year	-	-	-	-
Depreciation charge for the year	(414,660)	(53,012)	(467,672)	(53,012)
Balance at 31 October 2021	<u>1,051,978</u>	<u>665,527</u>	<u>1,717,505</u>	<u>665,527</u>

b) Lease liabilities

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Current	464,872	450,641	44,042	44,042
Non-current	1,500,835	1,885,052	770,558	814,600
	<u>1,965,707</u>	<u>2,335,693</u>	<u>814,600</u>	<u>858,642</u>

c) Amounts recognised in profit or loss

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Interest on lease liabilities	271,255	108,399	46,942	48,461

d) Amounts recognised in statement of cash flows

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Total cash outflow for leases	369,986	383,539	44,042	46,030

Leases as lessor

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

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Less than one year	120,500	75,000	10,000	10,000
Two to five years	238,333	348,000	130,000	140,000
	<u>358,833</u>	<u>423,000</u>	<u>140,000</u>	<u>150,000</u>

Canterbury Bankstown Bulldogs Rugby League Club Limited
Notes to the financial statements (continued)

For the year ended 31 October 2021

21 Commitments

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Employee compensation commitments				
Key management personnel				
<i>Commitments under non-cancellable employment contracts not provided for in the financial statements and payable:</i>				
Within one year	423,568	521,694	423,568	521,694
One year or later and no later than five years	423,568	-	423,568	-
	<u>847,136</u>	<u>521,694</u>	<u>847,136</u>	<u>521,694</u>
Other employees				
<i>Commitments under non-cancellable employment contracts not provided for in the financial statements and payable:</i>				
Within one year	13,640,048	11,313,760	13,640,048	11,313,760
One year or later and no later than five years	20,388,297	6,085,452	20,388,297	6,085,452
	<u>34,028,345</u>	<u>17,399,212</u>	<u>34,028,345</u>	<u>17,399,212</u>
Capital works				
Construction works contracted for but not yet completed	1,135,985	153,780	-	-

22 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.

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Contingent liabilities not considered remote				
<i>Guarantee</i>				
(i) Bank performance guarantees	210,300	210,300	-	-
(ii) Canterbury League Club Limited has provided a bank guarantee to the Company's financiers	1,500,000	1,500,000	-	-

Canterbury Bankstown Bulldogs Rugby League Club Limited
Notes to the financial statements (continued)

For the year ended 31 October 2021

23 Related parties

Key management personnel compensation

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

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Director honorariums and other related expenses	144,978	87,495	-	-

The key management personnel compensation included in 'personnel expenses' (see note 5) are as follows:

<i>In AUD</i>	Consolidated		Company	
	2021	2020	2021	2020
Short-term and long-term employee benefits and termination payments	1,998,598	2,220,549	748,641	550,000

Key management personnel and Director transactions

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

The aggregate amounts recognised during the year relating to key management personnel were as follows:

- a) During the 2021 financial year, the Controlled Entity paid nil (2020: \$10,000) for shuffleboard supplies to Steve Mortimer Marketing Promotions Pty Ltd, a company associated with Mr Stephen Mortimer. The Company also paid nil (2020: \$10,000) to the same company for sponsorship of Steve Mortimer in the Sunday Telegraph's Footy Tipping Competition. Both transactions are under arm's length terms and conditions.
- b) During the 2021 financial year, the Company paid \$286,763 (2020: \$295,876) for health fund insurance services to Westfund Limited, a company associated with Mr Steven Price under arm's length terms and conditions.
- c) During the 2021 financial year, the Company received \$15,000 (2020: \$15,000) from sponsorship income from The Wood Fired Oven Company, a company associated with Mr Andrew Gifford under arm's length terms and conditions.

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

23 Related parties (continued)

Transactions with the Controlled entity - Canterbury League Club Limited

The Company had the following transactions with its controlled entity:

- d) During the year the Controlled entity paid \$3,653,333 (2020: \$2,458,333) as sponsorship to the Company. Furthermore the Controlled entity paid grants to the Junior League amounting to \$266,667 (2020: \$166,667).
- e) An amount of nil (2020: \$100,000) was paid as corporate hospitality by the Controlled entity to the Company.
- f) Certain players of the Company have paid rent amounting to nil (2020: \$14,555) to the Controlled entity. All transactions have been executed at commercial rates. Furthermore, additional property was provided to certain junior players by the Controlled entity free of charge.
- g) The Company operates a Teamstore in a property owned by the Controlled entity located at Burwood Road, Belmore. Total rent paid to the Controlled entity for the year amounts to \$39,000 (2020: \$48,000).
- h) The Company had a number of transactions with the Controlled entity during the year for reimbursements of shared Directors expenses amounting to \$909 (2020: nil).
- i) Other transactions by the Company with the Controlled entity include functions and in-house dining charged to the Company amounting to \$91,979 as at 31 October 2021 (2020: \$56,239).
- j) Staff from the Controlled entity has been seconded to the Company during the period. Total payment received was \$111,939 (2020: \$9,167).
- k) At year end, an amount of nil (2020: \$19,750) was payable to the controlled entity and nil (2020: \$210,486) receivable from the Controlled entity in the Company's financials.
- l) There have been other transactions between the Company and the Controlled entity, such as purchases of merchandise and game tickets. All transactions have been executed at commercial rates.

24 Group entities

	Country of incorporation	Controlling interest	
		2021	2020
Parent entity			
Canterbury Bankstown Bulldogs Rugby League Club Limited	Australia	n/a	n/a
Controlled entity			
Canterbury League Club Limited	Australia	100%	100%

Canterbury Bankstown Bulldogs Rugby League Club Limited

Notes to the financial statements (continued)

For the year ended 31 October 2021

25 Fair value measurement recognised in the Statement of Financial Position

The fair value measurement disclosures use a three-tier value hierarchy that reflects the significance of the inputs used in measuring fair values. The fair value hierarchy is comprised of the following levels:

- Level 1 – fair values measured using quoted prices (unadjusted) in active markets for identical instruments;
- Level 2 – fair values measured using directly (i.e. as prices) or indirectly (i.e. derived from prices) observable inputs, other than quoted prices included in Level 1; and
- Level 3 – fair values measured using inputs that are not based on observable market data (unobservable inputs).

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The fair value measurement for all of the investment properties has been categorised as a Level 2 fair value given the valuation methodology used by the valuer is the direct comparison approach.

26 Impact of COVID-19

The significance of the economic and financial impacts from the downturn in trade and the related quarantine and isolation practices resulting from COVID-19 is unprecedented.

Controlled entity

On 25 June 2021 registered clubs in NSW were forced to close by a Health Order of the NSW Government. During the closure the Club sought to mitigate the financial and earnings impacts through a range of actions including: deferring payments in consultation with its creditors, reducing operating and capital expenditure, reduced hours (salaries) of all staff, and accessing the Federal Government's JobSaver scheme. Subsequent amendments to the Health Order permitted reopening from 11 October 2021, this was subject to capacity restrictions and social distancing rules. The club has continued to operate limited services and facilities since 11 October 2021 including a reduction in the number of gaming machines, which has impacted revenue. The Club is committed to prioritising the health, safety and wellbeing of its people, partners, customers and the community.

Company

The onset of the pandemic resulted in NRL competition being relocated in the 2021 financial year. As a result of this, the Company experienced a decline in revenue from services and the sale of goods, however, the Company has acted swiftly in implementing cost control measures. The situation is continuously evolving and is dependent on measures imposed by the government and relevant regulatory authorities which are outside of the Company's control and the effects of which are far reaching in Australia and globally,

27 Events after the reporting period

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

28 Economic dependency


The Company is dependent on financial support provided by the Controlled entity. The Controlled entity has committed grant funding to the Company for the year ending 31 October 2021 of \$3,320,000.

Canterbury Bankstown Bulldogs Rugby League Club Limited Directors' declaration

In the opinion of the Directors of Canterbury Bankstown Bulldogs Rugby League Club Limited (the Company):

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 9 to 39, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Consolidated entity's financial position as at 31 October 2021 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Corporations Regulations 2001; and
- (c) 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.

A handwritten signature in black ink, appearing to read 'John Khoury', is written over a horizontal line. The signature is stylized and includes a long, sweeping underline that extends to the right.

John Khoury
Chair of the Board of Directors

Dated at Belmore this 21st Day of December 2021.



Independent Auditor's Report

To the members of Canterbury Bankstown Bulldogs Rugby League Club Limited

Opinion

We have audited the **Financial Report** of Canterbury Bankstown Bulldogs Rugby League Club Limited (the **Company**) and its controlled entity (the **Consolidated entity**).

In our opinion, the accompanying Financial Report of the **Consolidated entity** and Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Consolidated entity and the Company's financial position as at 31 October 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statements of financial position as at 31 October 2021;
- Statements of profit or loss and other comprehensive income, Statements of changes in members' funds and Statements of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Consolidated entity** consists of the Company and the entity it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Consolidated entity in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Independent Auditor's Report

To the members of Canterbury Bankstown Bulldogs Rugby League Club Limited
(continued)

Other Information

Other Information is financial and non-financial information in Canterbury Bankstown Bulldogs Rugby League Club Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Act 2001*;
- Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- Assessing the Consolidated entity and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Consolidated entity and Company or to cease operations, or have no realistic alternative but to do so.



Independent Auditor's Report

To the members of Canterbury Bankstown Bulldogs Rugby League Club Limited
(continued)

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Cameron Roan

Partner

Sydney

21 December 2021