



# ANNUAL REPORT 2023

CRONULLA SUTHERLAND LEAGUES CLUB LIMITED  
AND CONTROLLED ENTITIES

ABN: 54 000 202 826

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## » CHAIRMAN'S WELCOME

Following a year where our NRL team qualified for the Finals series for the eighth time in the past nine seasons, one in which we experienced continued stability at a Board and Management level, on behalf of my fellow Directors I invite Members to view our 2023 Leagues and Football Clubs Annual Report.

It was a season which presented challenges along the way, with the Craig Fitzgibbon-led Sharks finishing the home and away season in sixth position before bowing out in heartbreaking fashion in week one of the Finals. At the end of the 2023 season we also farewelled long-time captain, premiership winner and an outstanding performer for the Club both on and off the field in Wade Graham and wish him every success in retirement.

On the NRL front, I must thank players and staff for their dedication and professionalism, with special mention of Craig who we firmly believe can deliver success to the Sharks in the years ahead.

In relation to the Sharks NRLW team, congratulations to all on our first season in the competition as we now look ahead to 2024 and to the future for our Women's program with a great deal of optimism.

Our licensed premises, Sharks at Kareela, continued to be embraced by the membership and again delivered positive trading figures and I offer thanks to Justin Coulton. Under his astute management we have continued to provide Members and guests with a Club to be proud of.

Thanks also to Group CEO Dino Mezzatesta and the Sharks management team in both Football and Leagues Club, as well as to our committed staff and my Board of Directors for their hard work and support.

Wayne Knight has been a valuable recent addition to our Board, with his skill set complementing the talented group we have currently steering the business and supporting our management team.

Following will also be a more detailed Football, Club and Community report from Dino featuring highlights of our year.

Again, I offer this welcome to Sharks Members in presenting the Cronulla Sutherland Leagues Club Limited and Controlled Entities 2023 Annual Report, a document containing a comprehensive analysis of our financials, and thank all Members for their interest and continued support.



**Steve Mace**  
Chairman

# » CEO'S REPORT

The recently completed trading period contained in the 2023 Annual Report has delivered a financially responsible and positive outcome following another challenging yet rewarding year.

On the field, the Sharks NRL team managed 14 wins and 9 losses during the 2023 season, before bowing out of premiership contention in heartbreaking fashion in a home elimination Final against the Sydney Roosters.

With a settled NRL squad, one intent on building on what was achieved last year, coach Craig Fitzgibbon, his staff and the playing group head into 2024 with high expectations.

Thanks to our Members and loyal fans for supporting the team in 2023, with six PointsBet Stadium sellouts, seven when including the Finals match. We look forward to your continued support during the season ahead.

Progress has continued regarding the Woollooware Bay Town Centre construction, with major retail including anchor tenants Woolworths, Aldi and Dan Murphy's commencing operations when they opened on 9th February, while despite the on-going challenges affecting the construction industry, the residential component is moving towards completion.

Those challenges have extended to the new Sharks Leagues Club, which will become a major focal point of the Woollooware Bay precinct. We continue to work with development partner NOVW towards the construction of the Leagues Club and latest updates suggest the opening of our new state-of-the-art Sharks Leagues Club is likely to be late 2024 or early 2025. We will keep Members updated as to completion and opening dates. Sharks at Kareela continues to offer an ideal second home for Members and their guests.

Under the guidance of General Manager Justin Coulton, Sharks at Kareela returned positive trading figures in all areas including food and beverage, gaming and as a functions venue as it continues to be a valuable asset and one which will complement our new Leagues Club at Woollooware once construction has been completed.



Also, during the financial year, we added to our asset portfolio with the acquisition of 94 Cronulla Street, the former Westpac Building. We are in final negotiations of placing a long-term tenant in the building ensuring this investment will provide us with strong financial return.

Following are highlights of the year across all aspects of the business.



## LICENSED CLUB – SHARKS LEAGUES CLUB/ WOOLLOOWARE BAY TOWN CENTRE

As touched on above we are still waiting for the cold shell of our Leagues Club building to be handed over so we can finalise plans to appoint a builder to complete our fit out. The 2023 year didn't see much progress on the Club site which means we are now working towards a Club opening in late 2024, early 2025. We will continue to work with the developer to give our Members the Club that has been long overdue.



The final design and finished product will be first class in meeting the needs of our Members and their guests and as communicated previously, we appreciate the patience of our Members during this process.

In relation to the Woollooware Bay Town Centre as a whole, retail outlets have opened for business and property developers NOVIM look to complete the residential and remaining retail components in the coming months.



### LICENSED CLUB – SHARKS AT KAREELA

Sharks at Kareela continues to exceed our expectations, both financially and as the second home in the local area for our Members, in providing the Sharks Group with a positive revenue stream and consistent trading figures.

Recently we oversaw a refurbishment of the golf locker rooms, and we are continuing to explore ways to make Sharks at Kareela even more comfortable and welcoming for our Members, their guests and the many golfers who frequent the course and the club facility.

The customer service at Sharks at Kareela remains first class, functions, events, promotions, member offerings, regular beverage and dining specials and live shows assist in driving impressive club visitation numbers, as does the award-winning Cove Bar and Grill, with Gina and her team recognised with another Perfect Plate award in 2023 for her food offerings.

Sharks at Kareela is now well established as a popular food, beverage and entertainment destination in the centre of the Shire in expanding the Sharks footprint in the local area.

The Sharks at Kareela financials are consolidated into the Cronulla Sutherland Leagues Club Ltd and its controlled entities report, which covers the year ending October 31, 2023.



### FOOTBALL PERFORMANCE

A one-point finals loss to the Roosters was a cruel end to our NRL season, but the disappointment didn't sour another prosperous year for the club.

Led admirably by coach Craig Fitzgibbon in his second campaign, our men finished sixth – only four points behind third - and reached the playoffs for the eighth time in nine years.

In such a tight competition, underlined by the fact that three of the final four in 2022 didn't qualify for last year's Finals series, our NRL team's consistency is to be applauded.

Seven sold-out PointsBet Stadium games reflected the health of our football program, as did a capacity crowd at our "home away from home" in Coffs Harbour against the Knights in May.

It was a historic year on the women's front, with our inaugural NRLW squad, coached by Tony Herman, doing everyone proud in laying a strong foundation.

While a record of four wins and five losses left them short of the finals, the girls displayed immense potential and blazed a trail for aspiring female players.

When it came to individual achievements, Nicho Hynes backed up his Dally M Medal-winning season with a commendable third-place finish in the NRL's best-and-fairest count.

Blayke Brailey, however, was duly rewarded for his reliability with the 2023 Porter-Gallen Medal as our best NRL player. His peers agreed, voting him as the Players' Player.



Tom Hazelton (Rookie of the Year), Will Kennedy (Members' Player of the Year) and Toby Rudolf (Sharks Have Heart Community) took out the other major men's awards.

Captain Tiana Penitani was crowned our NRLW Player of the Year. After a brilliant debut season, Annessa Biddle was not only named the Sharks Rookie of the Year but also the NRLW Dally M Rookie of the Year. Jada Taylor received our community award.

We had several NRL players earn representative selection, including Nicho, who deservedly made his NSW State of Origin and Australian Test debuts. He also played for the Prime Minister's XIII against Papua New Guinea alongside fellow Shark Cameron McInnes.

Ronaldo Mulitalo and Briton Nikora starred for New Zealand at the Pacific Championships - with Ronaldo subsequently netting a Golden Boot nomination for his performances - while Royce Hunt played for Samoa and Kayal Iro and Rhys Dakin represented the Cook Islands.

For our women, Annessa and Brooke Anderson earned maiden caps for the Kiwi Ferns; Emma Tonegato played for Australia; Talei Holmes, Cassie Staples and Sereana Naitokatoka represented Fiji; Kiana Takairangi and Jazmon Tupou-Witchman played for the Cook Islands; Fiona Jahnke played for Fetu Samoa; and Tiana led a Tonga team featuring Sharks teammate Tegan Dymock. Congratulations to everyone on these honours.

We celebrated several player milestones in 2023, including captain Wade Graham's 250th Sharks match in what was his final NRL season after 13 years with the club.

We joined the fans in showing our enormous appreciation

for Wade's career at our final regular-season home match, with the team fittingly delivering a farewell victory over the Raiders.

As a man of outstanding character, one who was an integral part of our 2016 premiership, Wade won't be lost to the club. We wish him and his family well in their next chapters.

As for other milestones, Briton Nikora, Blayke Brailey and Jesse Ramien reached 100 NRL games while Oregon Kaufusi and Daniel Atkinson made their club debuts. Congratulations to you all.

I also take this chance to sincerely thank Matt Moylan, Matt Ikuvalu, Lachlan Miller and Connor Tracey, who departed the Sharks to take up other opportunities during or after the 2023 season.

In the lower grades, we again proudly partnered with the Newtown Jets as our feeder team in the NSW Cup. While the Jets narrowly missed the top five and the Finals, their tremendous program provided a platform for many of our emerging players to develop and compete. Thank you.

Our men's and women's junior representative teams gave a fantastic account of themselves. While only the Harold Matthews (under 17s) and Jersey Flegg (21s) sides made the Finals, all our squads developed significantly and are in good stead going forward.

The Harvey Norman Women's Premiership team, under the coaching of Ruan Sims, produced a plethora of highlights but fell short of the Finals. The competition will now run in line with the NRLW, essentially as a reserve grade, and will continue being a key part of our Academy.



## COMMUNITY – SHARKS HAVE HEART

In pre-empting our Community Report to follow, the Sharks Have Heart team now led by Vinh Tran, with the support of the NRL playing group, continued to make a significant impact in the community.

Thanks to the Sharks Have Heart staff, Emma Tonegato, Jada Taylor, and with special mention to Emily Araullo, who has now moved into a role within our commercial team and was instrumental in helping to steer Sharks Have Heart programs during staff changes throughout the year.

Sharks Have Heart and our community engagement will continue to be a major focus of our business moving forward as we support and grow our programs in aiming to make an impact in both the local and wider community.

We also thank our volunteers who make an enormous difference, give their time so generously and are always ready and willing to assist for any occasion. We are grateful to have so many wonderful and committed people in our volunteer group.

## COMMUNITY – JUNIOR RUGBY LEAGUE

Congratulations were in order for the Cronulla-Sutherland Junior League who celebrated their 60th anniversary with a Gala Dinner during 2023. They do a wonderful job in fostering junior talent and in providing sporting opportunity for our young boys and girls, men and women. We look forward to continuing our close relationship with the JRL and to providing our on-going support.

We also take this opportunity to thank departing Chairman Nathan Waugh for his outstanding efforts throughout his tenure, welcome John Mannah into that role, acknowledge the work of General Manager Chris Bannerman and his team and congratulate all member clubs, players, coaches and volunteers.

## FINANCIAL PERFORMANCE

Our financial performance is detailed in the audited report to follow, with the strength of our brand, the ongoing commitment of our board and management, coupled with the support of staff, our sponsors, corporate partners, Members and fans, combining to deliver another extremely pleasing and positive result, the group reporting a profit before tax of \$1,524,336.

In outperforming budgeted expectations while continuing to provide a welcoming and financially viable second licensed facility, Sharks at Kareela again reported a profit, this year of \$987,002. This again represented another excellent outcome. Through the investment of our funds

under management through Metric Investments, and despite not being open for trade, the Cronulla Leagues Club reflected a \$1,049,603 profit, that figure including the incurred costs associated with the League Club redevelopment.

The Football Club returned a \$512,269 loss, however due to strong revenue increases in sponsorship and hospitality, merchandise, membership and ticketing, the financial result outperformed budget expectations.

## OUR MEMBERS AND SUPPORTERS

It's in no way a throwaway line when I say we simply couldn't operate or succeed as a football club without the backing of our valued corporate and hospitality partners, Members and fans.

Despite again having a limited capacity of 13,500 at PointsBet Stadium due to the Woolooware Bay Town Centre development, our loyal commercial and supporter bases turned up in droves to each home match and got behind our NRL and NRLW teams. It truly lifted our players and staff.

There is a long list of partners to thank in the commercial space.

As well as being our major front-of-jersey NRL partner for a third season, Aramex furthered their support for our girls as the inaugural major NRLW front-of-jersey partner. Their branding was also displayed across our Harvey Norman Women's Premiership and Tarsha Gale jerseys.

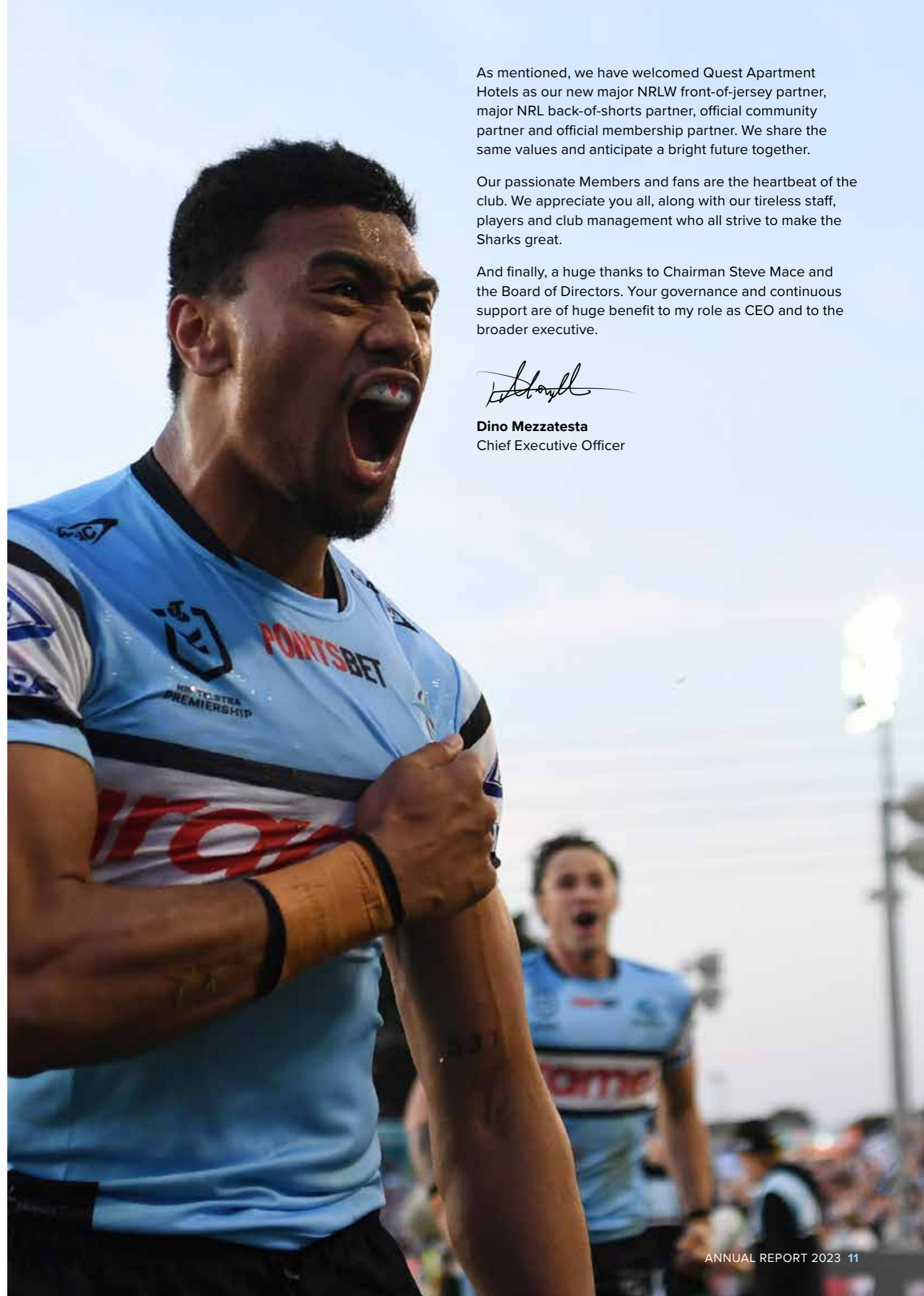
While they will now hand the NRLW baton to Quest – more on that later - we are delighted to continue a wide-ranging union with Aramex, led by CEO Andy Van Der Velde.

Zambrero and Southern Comfort returned for their third seasons as back-of-jersey partners. We are proud to be aligned with such strong brands and thank you for your support.

Ace Gutters remained our sleeve sponsor and have renewed for two more years. We appreciate the commitment from Don Anderson and his team. Featured again on our shorts were local building company Lloyds, energy solutions provider Madimack and men's health provider Pilot.

Classic Sportswear produced our terrific apparel for their second season into a four-year partnership. They will join other major partners in backing up for 2024 including PointsBet, Stewart Toyota, CUB and Accolade Wines. The Sharks are extremely proud of these affiliations.

To our grassroots and Academy partners, we acknowledge your massive contributions to growing the game and developing juniors. Another shoutout deservedly goes to the various player sponsors and match-day hospitality partners who elevate the experiences we provide.



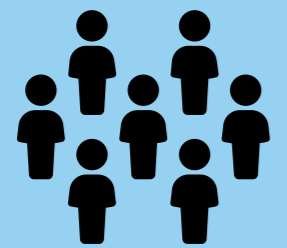
As mentioned, we have welcomed Quest Apartment Hotels as our new major NRLW front-of-jersey partner, major NRL back-of-shorts partner, official community partner and official membership partner. We share the same values and anticipate a bright future together.

Our passionate Members and fans are the heartbeat of the club. We appreciate you all, along with our tireless staff, players and club management who all strive to make the Sharks great.

And finally, a huge thanks to Chairman Steve Mace and the Board of Directors. Your governance and continuous support are of huge benefit to my role as CEO and to the broader executive.

**Dino Mezzatesta**  
Chief Executive Officer

# Community



**16,000+**  
ENGAGEMENT



**250+**  
PROGRAMS AND EXPERIENCES



**300+**  
PLAYER ENGAGEMENT HOURS



**400+**  
VOLUNTEER HOURS SUPPORTED



## SHARKS NRL SEASON *Snapshot*

REGULAR SEASON: **14** **10**  
WINS LOSSES

BIGGEST WINS BY MARGIN: **44-6** **48-10**  
V COWBOYS ROUND 9 V BULLDOGS ROUND 16

TOP TRY-SCORER: **21** | TOP POINT-SCORER: **187**  
RONALDO MULITALO NICH0 HYNES

**7** SOLD OUT HOME GAMES

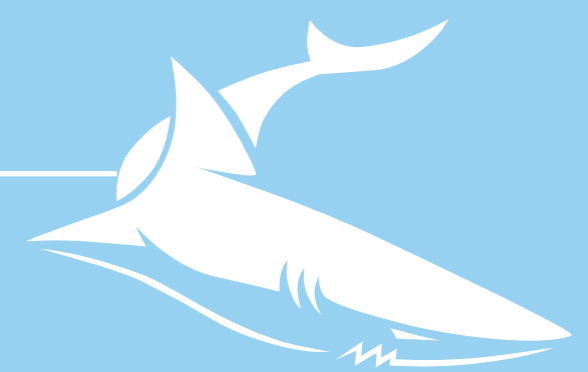


## SHARKS NRLW SEASON *Snapshot*

REGULAR SEASON: **4** **5**  
WINS LOSSES

BIGGEST WINS BY MARGIN: **56-6**  
V EELS ROUND 9

TOP TRY-SCORER: **6** | TOP POINT-SCORER: **54**  
ELLIE JOHNSTON TAYLA PRESTON



# » SHARKS HAVE HEART COMMUNITY REPORT



2023 was an exciting year for Sharks Have Heart. Our suite of community programs and initiatives continued to flourish and grow as we rolled out the new Sharks Have Heart strategy developed the previous year. A range of new and innovative programs were delivered to maximise our social impact and support a healthy, inclusive, and connected community.

2023 also saw Sharks Have Heart welcome new team members in specialised roles, with NRLW stars Emma Tonegato and Jada Taylor joining our community unit in the respective roles of Equal Access Program Lead and Indigenous Program Coordinator. These dedicated positions allowed for a renewed focus on target groups including Aboriginal and Torres Strait Islander people, people living with a disability, and young people.

## ONE HEART

2023 saw the launch of our One Heart program. This evidence-based program for upper primary school students utilises the diversity of the Cronulla Sharks playing group and the power of sport as a vehicle to promote harmony and social cohesion.

The program was very well received in its inaugural year with over 20 schools and over 2,000 students engaged across the Sutherland Shire and Coffs Coast community. With the support of an Australian Government grant we are committed to increasing our reach and engagement of this program and continuing to educate young people to embrace diversity and promote inclusive communities.



## DEADLY CHOICES

Led by Jada Taylor, the Sharks Deadly Choices program continued to be a key pillar of our Sharks Have Heart programs. Deadly Choices is a health promotion initiative of the Institute for Urban Indigenous Health, funded in the Sutherland Shire by the Central Eastern Sydney

Primary Health Network (CESPHN). The program focused on Aboriginal and Torres Strait Islander people making healthy choices for themselves and their families, to be role models and leaders within their communities and to complete their annual Aboriginal and Torres Strait Islander health check to prevent and better manage chronic disease.

2023 saw over 100 Deadly Choices sessions delivered to over 20 schools and organisations across southeast Sydney and regional NSW, engaging with over 700 participants.



## EQUAL ACCESS PROGRAMS

With the addition of Emma Tonegato to our Sharks Have Heart team, we saw an increase in the capacity for us to engage and provide opportunities for people living with a disability. Our programs aim to build confidence through social interaction and sport and reduce social isolation by creating a program inclusive of all ability levels.

Through our Mega Jaws programs, we delivered physical education and coaching clinic activity to over 400 adults and young people living with a disability.



## FROM THE HEART

In 2023 Sharks Have Heart partnered with 4 charity partners.

- Feel The Magic
- Gymea Community Aid and Information Services
- The Sutherland Hospital
- Community Radio 104.1 CHY FM Inc.

We collaborated with these organisations to support their own social impact programs, expand their reach and make an impact on the lives of our community's most vulnerable members.

## 2023 CLUB GRANTS

In partnership with Sharks at Kareela and the ClubsGRANTS program, Sharks Have Heart were able to facilitate financial contributions of over \$20,000 to the following charities and not for profit organisations.

- Gymea Community Aid and Information Centre (\$4,925)
- Spinal Cord Australia (\$7,051)
- The Community DeFib Project (\$3,500)
- The Shepherd Centre (\$3,876)
- ASPECT school (\$4,000)

## HEALTHY AND ACTIVE COMMUNITIES

Sharks Have Heart are dedicated to providing opportunities for community members to engage with fun and inclusive programs.

2023 saw the continuation and growth of our flagship clinics and active programs.

### JUNIOR JAWS CLINICS



### JUNIOR JAWS X CRONULLA SURF ACADEMY CLINIC



### UNGAH ACADEMY







#### 2023 SPORTING PARTNERS

Sharks Have Heart are committed to working with like minded sporting organisations within the Sutherland Shire who wish to participate in our sporting partners network. Within this connected sporting community, we provide them a range of benefits and supports to promote a healthy and active lifestyle in our local community.

In 2023 Sharks Have Heart were proud to partner and support the following local sporting clubs.

#### 2023-2024 SPORTING PARTNERS

Sharks Men's Golf  
Sharks Ladies Golf  
Sharks Touch  
Sharks Water Polo  
Sharks Baseball  
Sharks Netball  
NRL Wheelchair  
Sharks Swimming

We are also a major partner and supporter of Cronulla Junior Rugby League who in 2023 were the 2nd largest junior rugby league association in NSW.



## » FAREWELL TO A CLUB LEGEND

After 297 NRL games, 255 of them in black, white and blue, captain Wade Graham called time on an illustrious career at the end of the 2023 season.

A gifted backrower, uncompromising competitor and fearless leader, Wade represented Australia, New South Wales and the Indigenous All Stars during his 16 years in the NRL.

He may have started out at the Panthers, but Wade's legacy as a Sharks champion is forever ensured as a key part of our maiden premiership-winning team in 2016.

Arriving at the club in 2011, Wade quickly found a home in the Sutherland Shire. As loyal as they come, he stuck true throughout the tough times and was at the forefront of a period of sustained success, featuring in 12 playoff matches from 2015 onwards.

His tremendous resilience was on show in the way he fought back from his share of injuries, continuing to be an excellent clubman no matter the circumstances.

Wade deservedly received a rousing farewell from a packed house at PointsBet Stadium in our final regular season match of 2023, celebrating with a win over the Raiders.

He stepped onto his beloved turf at Shark Park as a player one final time the following week, exiting the NRL with his head held high after a 13-12 finals loss to the Roosters.

We wish Wade and his beautiful family all the very best as he embarks on his next chapter and look forward to having him lend his expertise around the club.



# » 2023 AWARD WINNERS



Blayne Brailey



Tiana Penitani



Jesse Ramien, Blayne Brailey, Sione Katoa, Briton Nikora

## PORTER GALLEN MEDAL – PONTIFEX PLAYER OF THE YEAR

Blayne Brailey

## PORTER GALLEN MEDAL NOMINEES

Blayne Brailey, Will Kennedy, Sione Katoa, Cameron McInnes, Briton Nikora

## STEVE ROGERS ROOKIE OF THE YEAR

Tom Hazelton

## MEMBERS' PLAYER OF THE YEAR

Will Kennedy

## TOMMY BISHOP PLAYER'S PLAYER

Blayne Brailey

## ANDREW ETTINGSHAUSEN CLUB PERSON OF THE YEAR

Jess Adams

## IRON MAN AWARD

Blayne Brailey, Briton Nikora, Sione Katoa, Jesse Ramien

## NRLW PLAYER OF THE YEAR

Tiana Penitani

## NRLW PLAYERS' PLAYER

Annessa Biddle

## NRLW ROOKIE OF THE YEAR

Annessa Biddle

## SHARKS HAVE HEART COMMUNITY AWARD

NRL – Toby Rudolf

NRLW – Jada Taylor

## JERSEY FLEGG GREG PIERCE PLAYER'S PLAYER

Noah Lester

## JERSEY FLEGG GAVIN MILLER PLAYER OF THE YEAR

Blake Hosking

## NRL EDUCATION EXCELLENCE AWARD

Sam Stonestreet

## JERSEY FLEGG EDUCATION EXCELLENCE AWARD

Kristian Dixon

## NRLW EDUCATION EXCELLENCE AWARD

Andie Robinson

# » SPONSORS

## PREMIER PARTNER

**aramex**

## NRL MAJOR PARTNERS

**POINTSBET**



**Zambrero**



madimack



Lloyds

**pilot**



Stewart Toyota

**SOUTHERN COMFORT**

## NRLW MAJOR PARTNERS

**aramex**



**shorehire.**



## PARTNERS



## ACADEMY



**shorehire.**





CRONULLA SUTHERLAND LEAGUES CLUB LIMITED  
AND ITS CONTROLLED ENTITIES

ABN: 54 000 202 826

# FINANCIAL REPORT

FOR THE YEAR ENDED  
31 OCTOBER 2023

## » DIRECTORS' REPORT

The directors submit their report on Cronulla-Sutherland Leagues Club Limited (the 'Company', 'Club' or the 'Leagues Club') and its controlled entities (collectively, the 'Group') for the year ended 31 October 2023.

### DIRECTORS

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

Mr Steven Mace

Mr Dave Nicholson

Mr David Blackett (*Resigned: 20 October 2023*)

Mr Mark Deutsch

Mr Patrick Bourke

Mr Matthew McGrath

Ms Madeline Tynan

Mr Morry Waked

Mr Wayne Knight (*Appointed: 20 October 2023*)

### INFORMATION ON DIRECTORS



#### MR STEVEN MACE

**Title:** Chairman, Director from 1 March 2020.

**Qualifications:** ADV DIP Electrical Engineering, ADV DIP Facilities Management, AICD (CDC)

**Experience and Expertise:** Investor, Executive Chairman, Chief Executive Officer, Global and APAC Committee Chairman

**Special responsibilities:** Remuneration and Appointments Committee, Nominations Committee, Disciplinary Committee, Football Committee (NRL and Admin)/Junior League/Pathways, Investment Committee.



#### MR DAVE NICHOLSON

**Title:** Director

**Experience and Expertise:** Franchisee and Small Business Owner, Business Development Associate with business and sports administration experience, Executive and President of De La Salle Junior Rugby

**Special responsibilities:** Building Committee, Football Committee (NRL and Admin)/Junior League Pathways (Chairman).



#### MR DAVID BLACKETT (*Resigned: 20 October 2023*)

**Title:** Director

**Qualifications:** Graduate Diploma in Building Surveying, Accredited Building Certifier

**Experience and Expertise:** Company Director of Blackett Maguire + Goldsmith (Accredited Building Certification). Specialised consultant & certifier in government projects and sporting infrastructure & facilities.

**Special responsibilities:** Building Committee (Chairman), Remuneration & Appointments Committee (Chairman), Nominations Committee (Chairman) and Disciplinary Committee.

# » DIRECTORS' REPORT (CONTINUED)



## MR MARK DEUTSCH

**Title:** Vice-Chairman, Director

**Qualifications:** Bachelor of Arts/Bachelor of Laws (UNSW)

**Experience and Expertise:** Company Director, Lawyer

**Special responsibilities:** Chairman of Disciplinary Committee, Remuneration and Appointments Committee, Member of Nominations Committee.



## MR PATRICK BOURKE

**Title:** Director

**Qualifications:** B.Comm (UNSW) - Accounting and Finance 1989, M.Comm (UNSW) - Marketing and Strategy 1997

**Experience and Expertise:** Extensive experience as a Chartered Accountant, Financial Controller, Corporate Accounts Manager, General Manager and currently Owner/Managing Director. Other Directorships include First Botanicals, EPG and Elevate at Work Superannuation, lives in Cronulla, has a long association with Cronulla Surf Life Saving Club and has worked with the Sharks as Chair of the Audit and Risk Committee drawing on experience as a Managing Director of two large Security and Risk Advisory companies.

**Special responsibilities:** Audit and Risk Committee (Chairman)



## MR MATTHEW MCGRATH

**Title:** Director

**Qualifications:** B.A (UOW) - Management Studies

**Experience and Expertise:** Chairman, Australian Turf Club, 20-year retail management. ATC owns and operates the four Sydney horse racing tracks and facilities, employing up to 300 full time and 1,500 casual team Members, turning over \$300M per annum. Licensee/Owner of Australis Communications (Telstra Shop).

**Special responsibilities:** Audit and Risk Committee, Investment Committee.



## MS MADELINE TYNAN

**Title:** Director

**Qualifications:** Marketing Director, Tynan Motors, Founder of the Michael Tynan Challenge, Completed Family Business Australia, Director course, Australian Institute of Company Directors

**Experience and Expertise:** Board member, Disability Trust and SSMRT (St George and Sutherland Medical Research Foundation), Past Dealer Principal Chrysler Jeep Dodge, Past Deputy Chairman, Chrysler Jeep Dodge Dealer Council, Past Editor M Magazine



## MR MORRY WAKED

**Title:** Director

**Qualifications:** Bachelor of Economics (Actuarial Science and Statistics), Master of Economics (Actuarial Science)

**Experience and Expertise:** Executive Chairman, CEO, Global Investment Management, Leadership and Talent Management



## MR WAYNE KNIGHT (Appointed: 20 October 2023)

**Title:** Director

**Experience and Expertise:** Investor, Executive Chairman, Founder & CEO - Daily Press Group, CEO - Indy Agency, CEO - Oomph Media

## STRATEGIC OBJECTIVES

The strategic objectives of the Group are to:

- Grow revenues, enabling a sustainable football club and further investment into the Leagues Club for the benefit of Members and the community.
- Oversee the successful completion of the ongoing development of Cronulla-Sutherland Leagues Club to secure the long term future of the Club.
- Provide strong support to the local football club community throughout the Sutherland Shire.
- Optimise the value from Group's property assets.
- To ensure the long term future of the National Rugby League Sharks franchise in the Sutherland Shire.

## PRINCIPAL ACTIVITIES

The principal activities of the Group are to provide a licensed club for the benefit of Members and their guests, to operate a National Rugby League franchise and to encourage, promote, and control the development, playing and interests of Rugby League in the Sutherland Shire.

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

## PERFORMANCE MEASURES

The Group measures its performance in both the amount of revenue derived and the costs to service for all segments of its trading operations, the financial and non-financial support the Group provides to the football club and other sporting clubs and community organisations. Non-financial support includes the provision of venues at no or reduced costs.

The key performance measures are:

- Net gaming revenue
- Net food and beverage revenue
- Total wages paid
- Grants paid to community organisations
- Attendances at the Club

## OPERATING AND FINANCIAL REVIEW

The surplus before tax of the Group for the year ended 31 October 2023 was \$1,524,336 (2022: \$688,639). The net surplus after tax of the Group for the year ended 31 October 2023 was \$1,013,909 (2022: \$448,009).

The Group has completed another successful year which is illustrated by the following key achievements and milestones:

- The continuing of significant renovations to the Cronulla-Sutherland Leagues Club expected to extend into 2024.
- The operation of Kareela Leagues Club throughout the year to support the investing activities of the Cronulla-Sutherland Leagues Club.

# » DIRECTORS' REPORT (CONTINUED)

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

Earnings Before Interest, Tax Depreciation and Amortisation (EBITDA)

	2023	2022
	\$	\$
Surplus after tax	1,013,909	448,009
Income tax expense	510,427	240,630
Net finance (income)/costs	(150,061)	2,975
Depreciation and amortisation	1,272,907	1,275,293
<b>EBITDA</b>	<b>2,647,182</b>	<b>1,966,907</b>

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the year.

## SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There were no significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

## MEETINGS OF DIRECTORS

	Held*	Attended
Mr Steven Mace	11	10
Mr Dave Nicholson	11	11
Mr David Blackett	10	10
Mr Mark Deutsch	11	5
Mr Patrick Bourke	11	10
Mr Matthew McGrath	11	11
Ms Madeline Tynan	11	9
Mr Morry Waked	11	10
Mr Wayne Knight	1	1

\*Represents the number of meetings held during the time director held office.

## CONDITIONS OF WINDING UP

In the event of the Company being wound up, each member undertakes to contribute an amount not exceeding one dollar (\$1) if the Company is wound up, while he or she is a member of the Club or within one year of the date he or she ceases to be a member for the payment of the debts and liabilities of the Company contracted before the member ceased to be a member; and costs, charges and expenses of winding up. At the date of this report there are 24,736 (2022: 22,564) Members of the Leagues Club.

## INDEMNIFICATION OF AUDITOR

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

## INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year the Club paid premiums in respect of a contract insuring all the directors and executives of Cronulla-Sutherland Leagues Club Limited and its controlled entities against legal liability arising for any wrongful act committed, attempted or allegedly committed or attempted in the course of their duties as a director or executive of the Club. The policy prohibits disclosure of the premium paid.

## AUDITOR'S INDEPENDENCE DECLARATION

The directors have received an independence declaration from the auditor of Cronulla-Sutherland Leagues Club Ltd and its controlled entities. This has been included on page 30.

Signed in accordance with a resolution of the directors.



**Mr Steven Mace**  
Chairman

Dated at Cronulla this 20th day of December 2023.



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

To the Directors of Cronulla-Sutherland Leagues Club Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Cronulla-Sutherland Leagues Club Ltd for the financial year ended 31 October 2023 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

Cameron Roan

Partner

Sydney

20 December 2023

# » CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2023

		2023	2022
	Note	\$	\$
Revenue from contracts with customers	4(a)	39,856,899	33,592,340
Revenue from grants	4(b)	-	59,266
Other income	5	1,098,546	119,513
Rent received		30,000	30,000
Investment income		1,237,318	863,601
Cost of sales		(2,939,704)	(2,880,683)
Bar and catering services		(597,802)	(594,121)
Marketing expenses		(5,702,274)	(4,749,810)
Occupancy expenses		(1,968,070)	(1,778,653)
Administrative expenses		(5,059,431)	(4,162,769)
Gaming expenses		(1,220,729)	(1,250,839)
Gaming taxes		(843,354)	(772,493)
Development expenses		(490,315)	(234,205)
Other expenses	7	(1,067,132)	(1,244,192)
Football expenses		(20,959,677)	(16,305,341)
<b>Surplus before net finance income/(costs)</b>		<b>1,374,275</b>	<b>691,614</b>
Finance income	8	228,688	18,216
Finance costs	8	(78,627)	(21,191)
<b>Surplus before tax</b>		<b>1,524,336</b>	<b>688,639</b>
Income tax expense	9	(510,427)	(240,630)
<b>Surplus after tax</b>		<b>1,013,909</b>	<b>448,009</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>1,013,909</b>	<b>448,009</b>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



# » CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
Cash and cash equivalents	10	7,887,102	5,915,159
Investments	11	12,657,828	15,920,510
Trade and other receivables	12	2,923,999	2,636,105
Inventories	13	434,702	220,824
Prepayments		233,993	173,233
<b>Total current assets</b>		<b>24,137,624</b>	<b>24,865,831</b>
Property, plant and equipment	14	29,461,368	27,754,173
Investment property	15	7,502,221	-
Right-of-use assets	17(a)	535,362	618,763
Intangible assets	18	800,000	800,000
<b>Total non-current assets</b>		<b>38,298,951</b>	<b>29,172,936</b>
<b>Total assets</b>		<b>62,436,575</b>	<b>54,038,767</b>
<b>Liabilities</b>			
Trade and other payables	19	3,893,882	2,439,018
Interest-bearing loans and borrowings	20	102,447	131,192
Employee benefits liabilities	21	985,789	731,265
Income tax payable	9	530,367	70,247
Contract liabilities	22	1,152,990	73,266
<b>Total current liabilities</b>		<b>6,665,475</b>	<b>3,444,988</b>
Interest-bearing loans and borrowings	20	4,668,129	474,093
Employee benefits liabilities	21	81,101	91,785
Deferred tax liabilities	9	2,371,424	2,391,364
<b>Total non-current liabilities</b>		<b>7,120,654</b>	<b>2,957,242</b>
<b>Total liabilities</b>		<b>13,786,129</b>	<b>6,402,230</b>
<b>Net assets</b>		<b>48,650,446</b>	<b>47,636,537</b>
<b>Equity</b>			
Retained earnings		42,467,925	41,454,016
Amalgamation reserve		6,182,521	6,182,521
<b>Total equity</b>		<b>48,650,446</b>	<b>47,636,537</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# » CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2023

	Amalgamation reserve	Retained earnings	Total
		\$	\$
Balance at 1 November 2021	6,182,521	41,006,007	47,188,528
Surplus for the year	-	448,009	448,009
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	448,009	448,009
<b>Balance at 31 October 2022</b>	<b>6,182,521</b>	<b>41,454,016</b>	<b>47,636,537</b>
Balance at 1 November 2022	6,182,521	41,454,016	47,636,537
Surplus for the year	-	1,013,909	1,013,909
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,013,909	1,013,909
<b>Balance at 31 October 2023</b>	<b>6,182,521</b>	<b>42,467,925</b>	<b>48,650,446</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# » CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2023

	2023	2022
Note	\$	\$
<b>Cash flows from operating activities</b>		
Cash receipts from customers and sponsors	22,570,240	21,175,040
Cash paid to suppliers and employees	(41,067,592)	(35,660,843)
Grants from NRL & NSWRL	21,288,840	14,923,500
Interest paid	(78,627)	(21,191)
Income taxes paid	(70,247)	-
Interest received	228,688	881,817
Government subsidies provided	-	59,266
<b>Net cash from operating activities</b>	<b>2,871,302</b>	<b>1,357,589</b>
<b>Cash flows from investing activities</b>		
Disposal/(acquisition) of investments	4,500,000	(15,920,510)
Purchase of property, plant and equipment	(2,064,976)	(1,076,048)
Purchase of investment property	(7,502,221)	-
<b>Net cash used in investing activities</b>	<b>(5,067,197)</b>	<b>(16,996,558)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	4,260,000	-
Repayment of Members' deposits	(2,320)	(6,701)
Principal portion of lease liabilities	(89,842)	(98,002)
<b>Net cash from/(used in) financing activities</b>	<b>4,167,838</b>	<b>(104,703)</b>
Net increase/(decrease) in cash and cash equivalents	1,971,943	(15,743,672)
Net increase/(decrease) in cash and cash equivalents	5,915,159	21,658,831
<b>Cash and cash equivalents at end of year</b>	<b>7,887,102</b>	<b>5,915,159</b>
	10	

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2023

## 1 CORPORATE INFORMATION

The consolidated financial statements of Cronulla-Sutherland Leagues Club Ltd (the 'Company', 'Club', or the 'Leagues Club') and its controlled entities (collectively, the 'Group') for the year ended 31 October 2023 were authorised for issue in accordance with a resolution of the directors on 20 December 2023.

Cronulla-Sutherland Leagues Club Ltd and its controlled entity Cronulla-Sutherland District Rugby League Football Club Limited are companies limited by guarantee. Sharks Property Holdings Pty Ltd, Sharks Residential Pty Ltd, Sharks Club Retail Pty Ltd and Sharks Retail Pty Ltd are proprietary companies limited by shares. All shares are owned by the Company.

The address of the registered office and principal place of business is 461 Captain Cook Drive, Woollooware, NSW, 2230.

The nature of operations and principal activities of the Club are described in the directors' report. Information on the Group's related party transactions is provided in Note 23.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) BASIS OF PREPARATION

These consolidated financial statements are general purpose financial statements for distribution to the Members and for the purpose of fulfilling the requirements of the Corporations Act 2001. They have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures made by the Australian Accounting Standards Board and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis and are based on historical cost and do not take into account the changing values of money.

The financial report is presented in Australian dollars (\$).

### (A) 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 14 Property, plant and equipment
- Note 18 Intangible assets
- Note 25 Commitments and contingencies
- Note 30 Contingent assets

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES

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

### (a) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Cronulla-Sutherland Leagues Club Ltd and its controlled entities. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee;
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Members of the Company are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (b) FINANCIAL INSTRUMENTS

#### (i) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group 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 hedging instruments, are classified into the following four categories:

- 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 Group 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.

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 Group 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).

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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 Group. Ongoing repairs and maintenance are expensed as incurred.

#### (iii) Depreciation

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

Depreciation is recognised in profit or loss over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

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

	Depreciation rates
• Buildings	1.6% - 2.5%
• Plant and equipment	1.6% - 36%
• Leased plant and equipment	5% - 33.3%
• Leasehold improvements	6.7% - 33.3%

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

### (d) INVESTMENT PROPERTY

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment property is initially measured at cost 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.

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) INTANGIBLE ASSETS

#### (i) 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.

#### (ii) Subsequent expenditure

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

#### (iii) Amortisation

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

### (f) PROVISIONS

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

The Group 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.

### (g) INVENTORIES

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

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

### (h) 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 Group'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 Group'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.

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (i) REVENUE

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price which takes into account estimates of variable consideration and the time value of money, allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

#### *Gaming revenue*

Gaming revenue is the net difference between gaming wins and losses, and is recognised upon the outcome of the game at the close of business.

#### *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.

#### *Grant*

#### *National Rugby League Distribution*

National Rugby League ('NRL') distributions are recorded as revenue in the relevant year as they are approved and earned by the National Rugby League.

### (j) LEASES

At inception of a contract, the Group 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 Group 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 Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group 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 Group has the right to direct the use of the asset if either:
  - the Group has the right to operate the asset; or
  - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) LEASES (CONTINUED)

At inception or on reassessment of a contract that contains a lease component, the Group 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 Group 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 Group 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 Group's incremental borrowing rate. Generally, the Group 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 Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group 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 Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. 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 Group presents right-of-use assets and lease liabilities separately in the statement of financial position.

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (j) LEASES (CONTINUED)

- (ii) *As a lessor*  
When the Group 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 Group 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 Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

### (k) IMPAIRMENT

- (i) *Non-derivative financial assets*  
The Club recognises loss allowances for Expected Credit Losses (ECL) on financial assets measured at amortised cost.

The Club 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 Club 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 Club's historical experience and informed credit assessment and including forward-looking information.

The Club considers cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Club 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 Group 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 Group expects to receive).

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

At each reporting date, the Club 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.

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (k) IMPAIRMENT (CONTINUED)

- (ii) *Non-financial assets*  
At each reporting date, the Club 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.

### (l) 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 production of a qualifying asset are recognised in profit or loss using the effective interest method.

### (m) TAX

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

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

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (m) TAX (CONTINUED)

#### (ii) Deferred tax

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

The measurement of deferred tax reflects the tax consequences that could follow the manner in which the Group 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, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

#### (iii) Tax exposure

In determining the amount of current and deferred tax the Group 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 Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

### (n) 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.

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (o) AMALGAMATION RESERVE

An amalgamation reserve in Members' funds is utilised for amalgamations with other registered clubs. The amount presented is equal to the accumulated fair values of the net assets of the clubs acquired. The individual assets and liabilities acquired are presented in the statement of financial position.

### (p) NEW AND AMENDED STANDARDS ADOPTED BY THE CLUB

The Group has initially adopted the following standard and amendments from 1 November 2022:

- AASB 2020-3 Amendments to Australian Accounting Standards –Annual Improvements 2018-2020 and Other Amendments.

The above standard and amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

A number of other new standards are also effective from 1 November 2022 but they do not have a material effect on the Group's financial statements.

### (q) RECLASSIFICATION OF PRIOR PERIOD BALANCES

Income from investments previously presented within finance income have been reclassified to investment income within the Consolidated statement of profit or loss and other comprehensive income.

Statement of profit or loss and other comprehensive income line item	Income for the year ended 31		
	October 2022 (previously reported)	Reclassification	Restated amount
Finance income	881,817	(863,601)	18,216
Investment income	-	863,601	863,601

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 4 (a) REVENUE FROM CONTRACTS WITH CUSTOMERS - AASB 15

	2023	2022
	\$	\$
<b>Sale of goods</b>		
Sale of goods	2,262,985	2,193,648
Merchandising/royalties	1,902,451	1,529,808
	<b>4,165,436</b>	<b>3,723,456</b>
<b>Rendering of services</b>		
Game day and ticketing	2,224,788	1,734,171
Gaming revenue	4,713,666	4,553,267
	<b>6,938,454</b>	<b>6,287,438</b>
<b>Other revenue</b>		
Functions revenue	63,273	68,407
Members subscriptions	2,245,112	1,746,217
Sponsorship and hospitality	6,509,365	6,140,556
NRL grant	19,143,491	14,720,500
NSWRL grant	210,000	203,000
Other revenue	429,130	633,020
Management/consulting revenue	152,638	69,746
	<b>28,753,009</b>	<b>23,581,446</b>
<b>Total revenue</b>	<b>39,856,899</b>	<b>33,592,340</b>

## (b) REVENUE RECOGNISED UNDER AASB 1058

	2023	2022
	\$	\$
Government grants - JobSaver payment	-	59,266
	<b>-</b>	<b>59,266</b>

## 5 OTHER INCOME

	2023	2022
	\$	\$
Other income	246,714	119,513
Fair value of non-cash consideration received	851,832	-
	<b>1,098,546</b>	<b>119,513</b>

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 6 EXPENSES

	2023	2022
	\$	\$
<b>Included under occupancy, administrative, gaming and other expenses:</b>		
Depreciation of plant and equipment (Note 14)	1,209,613	1,157,295
Depreciation of right-of-use assets (Note 17)	63,294	117,998
	<b>1,272,907</b>	<b>1,275,293</b>

### Included under administration, bar and catering, football, gaming, marketing, occupancy and other expenses:

Salaries and wages	20,507,338	17,264,943
Superannuation	1,632,278	1,329,343
Payroll tax	1,315,839	896,600
Other employee benefits	191,284	162,931
	<b>23,646,739</b>	<b>19,653,817</b>

## 7 OTHER EXPENSES

	2023	2022
	\$	\$
Employee benefits - operations	314,511	518,986
Other expenses	752,621	725,206
	<b>1,067,132</b>	<b>1,244,192</b>

## 8 NET FINANCE INCOME/(COSTS)

	2023	2022
	\$	\$
<b>Finance income</b>		
Interest income	228,688	18,216
	<b>228,688</b>	<b>18,216</b>

### Finance costs

Interest	67,239	4,222
Interest on hire purchase contracts	9,745	15,252
Interest on lease liabilities (Note 17)	1,643	1,717
	<b>78,627</b>	<b>21,191</b>



# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 9 INCOME TAX

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

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

	2023	2022
	\$	\$
<b>Current income tax charge:</b>		
Current income tax expense	530,367	141,404
Over provision from previous years	-	(71,157)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	(19,940)	170,383
Relating to origination and reversal of temporary differences	510,427	240,630

Reconciliation of tax expense and the accounting surplus multiplied by Australia's domestic tax rate for 2023 and 2022:

	2023	2022
	\$	\$
Surplus before tax	1,524,336	688,639
At Australia's statutory income tax rate of 25% (2022: 25%)	381,084	172,160
Tax effect of deficit in the Football Club (income tax exempt)	128,065	136,995
Under/(over) provision for prior years	-	(71,157)
Other items	1,278	2,632
<b>Income tax expense reported in the consolidated statement of profit or loss</b>	<b>510,427</b>	<b>240,630</b>

### Deferred tax

Deferred tax liabilities comprise temporary differences attributable to:

	2023	2022
	\$	\$
<b>Amounts recognised in liabilities</b>		
Amounts recognised in Amalgamation reserve	2,345,094	2,345,094
Other amounts recognised in liabilities	56,274	75,280
	<b>2,401,368</b>	<b>2,420,374</b>

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 9 INCOME TAX (CONTINUED)

Deferred tax assets comprise temporary differences attributable to:

	2023	2022
	\$	\$
<b>Amounts recognised in assets</b>		
Leave provisions	22,340	19,264
Accruals	5,921	9,746
Other amounts recognised in assets	1,683	-
	<b>29,944</b>	<b>29,010</b>
<b>Current tax liabilities</b>		
Current tax liabilities	<b>530,367</b>	<b>70,247</b>

## 10 CASH AND CASH EQUIVALENTS

	2023	2022
	\$	\$
Cash on hand	320,000	320,000
Cash at bank	7,567,102	5,595,159
	<b>7,887,102</b>	<b>5,915,159</b>

## 11 INVESTMENTS

	2023	2022
	\$	\$
Investments	<b>12,657,828</b>	<b>15,920,510</b>

Investments in a managed fund were held during the year to generate returns for the Group. During the financial year, the investment generated a return of 9.42% on the principal balance.

## 12 TRADE AND OTHER RECEIVABLES

	2023	2022
	\$	\$
<b>Current</b>		
Trade receivables	852,796	852,796
Allowance for expected credit loss	-	-
	852,796	852,796
Other receivables	2,071,203	2,135,715
	<b>2,923,999</b>	<b>2,636,105</b>

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 13 INVENTORIES

	2023	2022
	\$	\$
Finished goods	411,765	197,887
Land	22,937	22,937
	<b>434,702</b>	<b>220,824</b>

## 14 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Buildings and building improvements	Plant and equipment	Work in progress	Total
	\$	\$	\$	\$	\$
<b>Cost</b>					
Balance at 1 November 2022	4,076,436	31,226,989	8,135,974	2,893,679	46,333,078
Additions	-	-	440,966	2,475,842	2,916,808
Disposals/write-offs	-	-	-	-	-
Balance at 31 October 2023	<b>4,076,436</b>	<b>31,226,989</b>	<b>8,576,940</b>	<b>5,369,521</b>	<b>49,249,886</b>
<b>Depreciation and impairment</b>					
Balance at 1 November 2022	-	11,793,242	6,785,663	-	18,578,905
Depreciation for the year	-	668,440	541,173	-	1,209,613
Disposals/write-offs	-	-	-	-	-
Balance at 31 October 2023	-	<b>12,461,682</b>	<b>7,326,836</b>	-	<b>19,788,518</b>
<b>Carrying amounts</b>					
At 1 November 2022	4,076,436	19,433,747	1,350,311	2,893,679	27,754,173
At 31 October 2023	<b>4,076,436</b>	<b>18,765,307</b>	<b>1,250,104</b>	<b>5,369,521</b>	<b>29,461,368</b>

## 15 INVESTMENT PROPERTY

	2023
	\$
<b>Balance at 1 November 2022</b>	-
Purchase price of property	7,100,000
Directly attributable acquisition costs	402,221
<b>Balance at 31 October 2023</b>	<b>7,502,221</b>

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 16 CORE AND NON-CORE PROPERTIES

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

	2023	2022
	\$	\$
Core property	11,177,133	11,315,533
Non-core property	11,777,053	4,377,233
	<b>22,954,186</b>	<b>15,692,766</b>

Core properties are located at:

1 Bates Drive, Kareela NSW

Non-core properties are located at:

461 Captain Cook Drive, Woollooware NSW

94 Cronulla Street, Cronulla NSW

## 17 LEASES

### As lessee

The Group leases motor vehicles, buildings, gaming machines and other items of equipment. The lease for buildings runs for a period of 30 years with a fixed increase in lease payments each year and renegotiation every ten years to reflect market rentals. Gaming machine finance leases typically run for one to three years. For certain leases, the Club is restricted from entering into any sub-lease arrangements.

Information about leases for which the Group is a lessee is presented below.

### (a) RIGHT OF USE ASSETS

	Plant and equipment	Land and buildings	Total
	\$	\$	\$
<b>Balance at 1 November 2022</b>	207,648	411,115	618,763
Additions	-	-	-
Depreciation charge for the year	(44,392)	(18,902)	(63,294)
Lease terminations	(20,107)	-	(20,107)
<b>Balance at 31 October 2023</b>	<b>143,149</b>	<b>392,213</b>	<b>535,362</b>

### (b) LEASE LIABILITIES INCLUDED IN THE STATEMENT OF FINANCIAL POSITION

	2023	2022
	\$	\$
Current	56,208	82,632
Non-current	408,129	474,093
	<b>464,337</b>	<b>556,725</b>

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 17 LEASES (CONTINUED)

### (c) FUTURE LEASE PAYMENTS

The total of future lease payments (including those lease payments that are not included in the measurement of the lease liability, (e.g. for short-term leases and leases of low value items) are disclosed for each of the following periods.

	2023	2022
	\$	\$
Less than one year	57,935	98,148
One to five years	63,509	124,110
More than five years	363,612	380,436
	<b>485,056</b>	<b>602,694</b>

### (d) AMOUNTS RECOGNISED IN PROFIT OR LOSS

Interest on lease liabilities	1,643	1,717
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### (e) AMOUNTS RECOGNISED IN STATEMENT OF CASH FLOWS

Total cash outflow for leases	89,842	98,002
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## 18 INTANGIBLE ASSETS

	Poker machine entitlements
	\$
<b>Cost</b>	
Balance as at 1 November 2022	800,000
Acquisitions	-
Balance as at 31 October 2023	<b>800,000</b>
<b>Accumulated amortisation</b>	
Balance as at 1 November 2022	-
Balance as at 31 October 2023	-
<b>Net book value</b>	
Balance as at 1 November 2022	<b>800,000</b>
Balance as at 31 October 2023	<b>800,000</b>

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 19 TRADE AND OTHER PAYABLES

	2023	2022
	\$	\$
Trade payables	1,047,988	609,226
Other payables	2,560,985	1,685,569
Goods and services tax	284,909	144,223
	<b>3,893,882</b>	<b>2,439,018</b>

## 20 INTEREST-BEARING LOANS AND BORROWINGS

	2023	2022
	\$	\$
<b>Current</b>		
<b>Secured</b>		
Lease liabilities (Note 17)	56,208	82,632
<b>Unsecured</b>	46,239	48,560
Members' deposits	<b>102,447</b>	<b>131,192</b>
<b>Non-current</b>		
Lease liabilities (Note 17)	408,129	474,093
Secured bank loans	4,260,000	-
	<b>4,668,129</b>	<b>474,093</b>

The secured bank loan has a facility limit of \$4,260,000 and is secured over land and buildings of Cronulla-Sutherland Leagues Club Ltd that have a carrying amount of \$21,847,750 at 31 October 2023. The secured bank loan requires repayment upon maturity in 5 years and carries an interest rate of the Bank-Bill Swap Yield (BBSY) rate which is payable quarterly and a line fee of 2.10% per annum payable monthly.

The loan contains covenants related to the Group's financial performance and liquidity which are monitored on a regular basis to ensure the covenants are met. The Group has complied with all covenants.

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 21 EMPLOYEE BENEFIT LIABILITIES

	2023	2022
	\$	\$
<b>Current</b>		
Annual leave	824,441	592,501
Long service leave	161,348	138,764
	<b>985,789</b>	<b>731,265</b>
<b>Non-current</b>		
Long service leave	<b>81,101</b>	<b>91,785</b>

Non-current long service leave comprises amounts that are not vested at balance date and current long service leave represents the amount which has vested. The timing and amount of payments to be made when leave is taken is uncertain.

Contributions to defined contribution plans (superannuation) recognised as an expense in profit or loss in 2023 were \$1,632,278 (2022: \$1,329,343).

## 22 CONTRACT LIABILITIES

	2023	2022
	\$	\$
<b>Current</b>		
Corporate hospitality and membership revenue in advance	1,152,990	73,266
	<b>1,152,990</b>	<b>73,266</b>

## 23 RELATED PARTY TRANSACTIONS

### Information about controlled entities

Name	
Cronulla-Sutherland District Rugby League Football Club Limited	To operate a national rugby league franchise, to encourage, and promote the playing interests of Rugby League in the Sutherland Shire
Sharks Property Holdings Pty Ltd	To facilitate the sale and development of land
Sharks Residential Pty Ltd	To facilitate the sale and development of land
Sharks Retail Pty Ltd	To facilitate the sale and development of land
Sharks Club Retail Pty Ltd	To facilitate the sale and development of land

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## Transactions with related parties

### Transactions with Directors, Director Related Entities and Key Management Personnel

The Group occasionally enters into contracts with other entities that are controlled or significantly influenced by one of its directors. All contracts are based on arm's length commercial terms and conditions.

	2023	2022
	\$	\$
Sales of football corporate hospitality	36,817	35,500
Sales of membership tickets	3,735	4,674
Purchases of services from director related entities	127,157	54,666
	<b>167,709</b>	<b>94,840</b>

## Key management personnel compensation

Key management personnel compensation is based on normal terms and conditions.

	2023	2022
	\$	\$
Key management personnel compensation	1,387,972	1,189,916

## 24 DIRECTORS' LOANS

As at 31 October 2023, there were no loans outstanding from any Directors (2022: nil).

## 25 COMMITMENTS AND CONTINGENCIES

### Lease commitments (non-cancellable)

The Group has no lease contracts that have not commenced as at 31 October 2023.

### Other commitments - Employees

The following amounts are commitments under non-cancellable employment contracts of Cronulla-Sutherland District Rugby League Football Club which are not provided for in the financial statements as payable:

	2023	2022
	\$	\$
Within one year	14,610,014	12,442,069
Greater than one year and no later than five years	18,638,974	15,733,753
Greater than five years	1,020,000	-

# » NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2023

## 26 INFORMATION RELATING TO CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED (THE "PARENT")

	2023	2022
<b>Results of the parent</b>	<b>\$</b>	<b>\$</b>
Net surplus	2,359,296	1,636,969
Total comprehensive income of the parent entity	2,359,296	1,636,969
<b>Financial position of parent entity at year end</b>		
Current assets	21,879,359	24,385,763
<b>Total assets</b>	<b>46,818,264</b>	<b>39,674,402</b>
Current liabilities	13,073,124	12,691,053
<b>Total liabilities</b>	<b>19,781,970</b>	<b>14,997,404</b>
<b>Total equity of the parent comprising of:</b>		
Retained earnings	20,853,772	18,494,476
Other components of equity	6,182,522	6,182,522

## 27 AUDITORS' REMUNERATION

	2023	2022
<b>Audit and review services</b>	<b>\$</b>	<b>\$</b>
Audit of the financial statements of Cronulla-Sutherland Leagues Club Ltd and its controlled entities	80,000	76,000
	<b>80,000</b>	<b>76,000</b>
<b>Other services</b>		
Compilation of general purpose standalone financial statements	6,500	6,000
Compilation of general purpose consolidated financial statements	6,500	6,000
Tax services	12,500	5,000
	<b>25,500</b>	<b>17,000</b>

## 28 EVENTS AFTER THE REPORTING PERIOD

There have been no significant events occurring after the reporting period which may affect either the Group's operations or results of those operations or the Group's state of affairs.

## 29 MEMBERS' GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the constitution states that each member is to contribute a maximum of \$1 towards meeting any outstanding obligations of the Company. As at 31 October 2023, the number of financial Members totalled 24,736 (2022: 22,564).

## 30 CONTINGENT ASSETS

Remediation works related to the ongoing re-development of the Sharks Leagues site at Woolooware may generate a benefit to the Club in the next or subsequent accounting period. At the time of the report, it was considered as only a possibility and the timing of any potential economic benefit unknown.

# » DIRECTORS' DECLARATION

In the opinion of the Directors of Cronulla-Sutherland Leagues Club Ltd and its controlled entities:

- (a) the Group is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 7 to 30, are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 October 2023 and of their performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.



**Mr Steven Mace**  
Chairman

20 December 2023



# Independent Auditor's Report

To the members of Cronulla-Sutherland Leagues Club Ltd

## Opinion

We have audited the **Financial Report** of Cronulla-Sutherland Leagues Club Ltd (the Company).

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

- giving a true and fair view of the **Group's** financial position as at 31 October 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 October 2023
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities 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 Group 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 these requirements.



## Other Information

Other Information is financial and non-financial information in Cronulla-Sutherland Leagues Club Ltd'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 - Simplified Disclosures* 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
- assessing the Group 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 Group and Company or to cease operations, or have no realistic alternative but to do so.

### 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.augasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.augasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our Auditor's Report.

KPMG

Cameron Roan

Partner

Sydney

20 December 2023



Paul Green Medal winner Nicho Hynes with Green's children Jed and Emerson







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