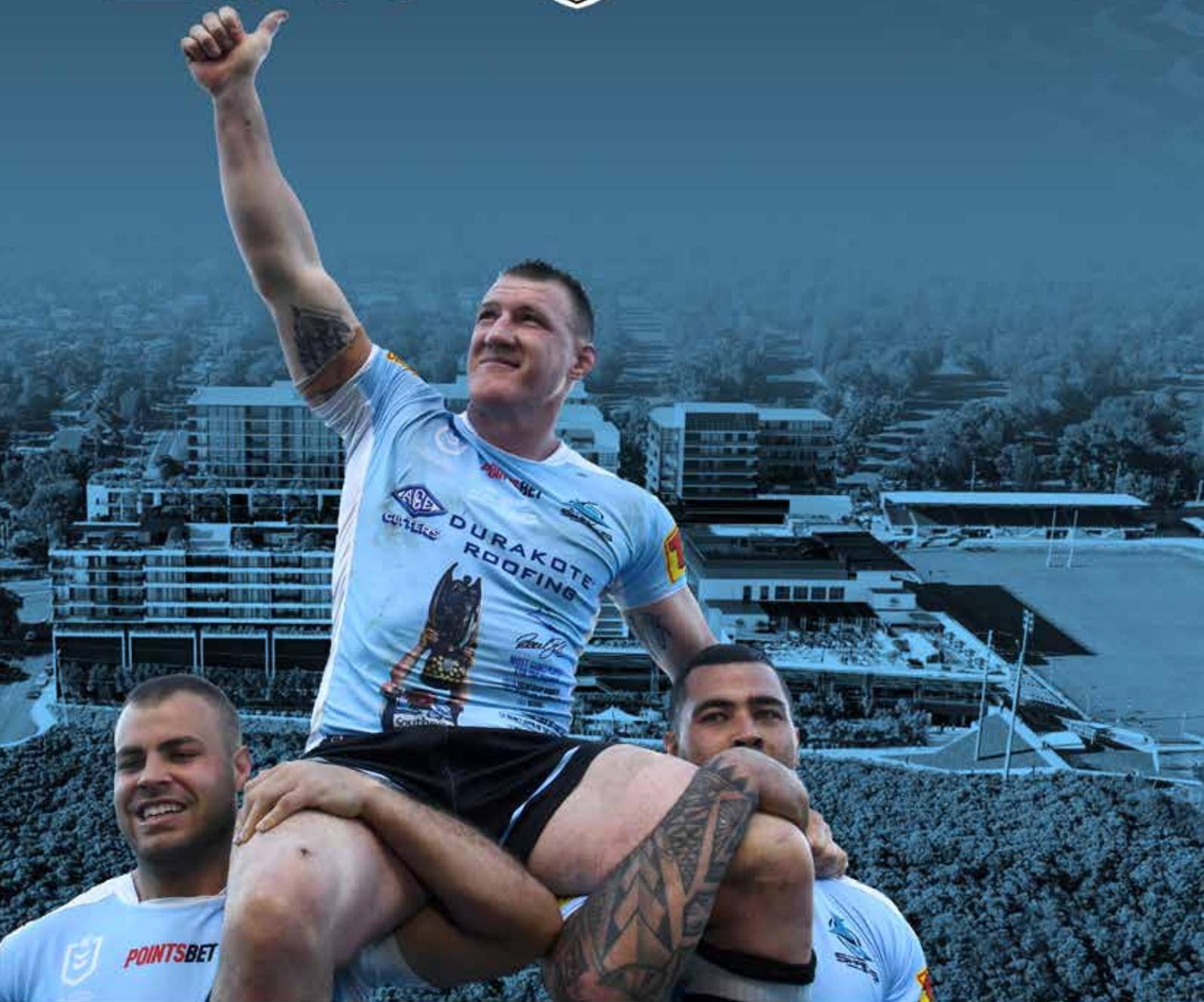


CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED  
AND CONTROLLED ENTITIES  
ABN 54 000 202 826

# ANNUAL REPORT 2019





# 2019 CRONULLA SHARKS CHAIRMAN'S REPORT

The 2019 season will be remembered as an historic one... the year when the Sharks took decisive action to secure our long-term future in the NRL, executing one of the most significant deals in the Clubs history that will now see the Sharks match it with the leading Clubs and become a powerhouse of the game.

There is still plenty of work to do but we have provided the platform for the Executive and Board to fulfil the vision and ambition of our Great Club. For the best part of the last decade, we have been one of the strongest and most resilient clubs in the Telstra Premiership. Our record speaks for itself. In the last five years the Sharks have made the finals every year – including our first Premiership win in 2016, we continue to get past adversity and always come out stronger and better with the desire and passion to succeed both on the field and off the field.

In this year's report we recap the highlights of the year, the deal that secured our future, our licensed Club trades strongly even with the disruption as a result of road works, we again play semi-final football, six debutants take to the field in the NRL squad, a packed house to farewell and join in celebrating Paul Gallen's wonderful tenure and contribution to the Club, Newtown Jets our feeder Club brings home the trophy and we enter into another chapter of our future by signing a partnership with the Fiji Kaiviti Silktales, an arrangement that helps to expand our brand and breadth across the Pacific.

So, as we present the Cronulla Sutherland Leagues Club Limited and Controlled Entities 2019 Annual Report, we thank you our members and our fans for the continued support and patronage of our Club and Team.

## Licensed Club:

Our licensed club has done us proud since it was opened way back in 1977. It has been a key part of our club's history but as part of the overall development plan the decision was taken to execute a deal with our development partner that meant we could materialise our profits up front and allow for the much anticipated works to commence. After an enormous amount of review and analysis, it was clear that the best way forward was to close the Club which we did in December last year, a decision that wasn't taken lightly knowing the enjoyment the Club has given members over the last 4.5 decades. Our original plan was to trade through the construction but as many of you would now see, it would have been near impossible to operate the venue and achieve revenues and profits under current conditions. By closing the Club, it also means we may well have an accelerated works program that sees us come back earlier than was first forecasted. What we do know is that we will be returning to a modern and state of the art facility placing us right up there as a leading Club not only in the Sutherland Shire but also throughout the State of NSW.

It will have all the facilities of the old club and more – bistro, café, Chairman's lounge, gaming, conference and function rooms as well as a new alfresco deck overlooking the water. Many hours are being spent on the Club design that we look forward to sharing in due course. It will also be the cornerstone of a new retail and residential precinct which is quickly being established in the Woollooware Bay area.

So, not only will we have a club which is the envy of other clubs in the NRL, there will be a readymade clientele right on our doorstep.

We are building an entertainment venue which will generate the patronage and business we need to ensure you, our members and supporters, can be confident about the club's viability well into the future.

It is one of the most exciting developments in the Sharks history and it will be a huge day when construction is complete and we re-open.

As a quick snapshot during the 2019 financial year our 27,683 licensed Club members made over 115,000 visits to the Club, we hosted over

300 functions including the likes of The Wiggles, Sutherland Shire Small Business Awards, Grand Final Luncheon and Paul Gallen Testimonial and we served over 115,958 meals, a significant increase on the previous year. Through our bars we also poured almost 540,000 beverages.

In its final year as the Club we have all cherished and known for so long it was an amazing result, especially given the back end of the year was heavily disrupted with the road works. Special mention and congratulations to Elie Bassil our General Manager Leagues Club and his entire team for a tremendous effort throughout the year. We also acknowledge all the good work that the entire team at Sharks headquarters do – it's truly a combined effort and greatly appreciated.

## Looking ahead

### 2020 Challenges:

Clearly when you embark on a project of this magnitude it presents challenges, however the Club has worked extremely hard to make the next two years as smooth and successful as possible. The closure of the Club, the surrounding works and loss of services and facilities meant that we could not conduct NRL games during construction at PointsBet Stadium. After seeking feedback from members, supporters, sponsors and players we decided to move our home games to Netstrata Jubilee Stadium at Kogarah.

No one wants to leave PointsBet Stadium. There is no better sight in Rugby League than the Sharks winning in front of a capacity crowd at our traditional home ground. But we aim to take that fortress mentality to Kogarah. We will need everyone to stick with us over the next two years and support our players, be part of our journey and continue to build and strengthen our Club. Our destiny and our future is in our hands so we encourage you to follow us.

Transport options will be available, we will be able to guarantee great seats for our ticketed members and we have ample hospitality and function space. In fact, the Sharks will use Netstrata Stadium more than any other sporting team over the next two years. We are going to paint the ground black, white and blue and leave no one in any doubt that it is the Sharks home ground throughout the 2020-2021 seasons.

We are also taking a game to the Sunshine Coast in Round 10 which not only gives fans the opportunity to take a mid-season holiday but will help to create a new regional supporter base for the Sharks.

The Executive and Board were also faced with the dilemma of not having a club where our fans could celebrate our victories while the Leagues Club is being redeveloped. But, again, we have come up with a solution for that.

### Kareela Amalgamation:

The club has agreed to an amalgamation with Moorebank Sports Club Limited ("Sporties"), ratified by a unanimous vote of the members, which will see the Sharks take ownership and control of Sporties @ Kareela Golf Club. We are confident the necessary regulatory approvals will be obtained in early 2020.

Again, this is a huge step in securing the club's future. Initially, Kareela will become our base for the 2020 and 2021 NRL seasons. Once approved we will officially change the name to Sharks @ Kareela Golf Club then we will really be making it our home and what better way than making our Sharks Brand a true Shire brand. Going forward we believe it is such a good investment – and such a great property – that we will continue to operate Kareela when the redevelopment of Sharks Leagues Club is completed. In other words, we will have two clubs operating – and we are confident both will be financially successful.

It means Sharks members and fans will have a choice of two licensed venues, both in the Shire.

### Football Performance:

The Sharks qualified for the NRL Finals series for the fifth year in succession after finishing seventh at the end of the competition rounds. It is a credit to the team that they have maintained an elite standard for so long.

Chad Townsend took the major club awards for 2019 including the Pontifex Player of the Year, the Tommy Bishop Player's Player and the Members Player of the Year.

Importantly, the club has blooded a group of young players who will become the backbone of the team into the future. Players like Will Kennedy, Ronaldo Mulitalo, Blayke Brailey and Billy Magoulias have emerged as stars of the future alongside Bronson Xerri, Briton Nikora, Braden Hamlin-Uele and Jack Williams who made their mark in 2019.

Our exciting Jersey Flegg team were minor premiers, performing strongly all year and were unlucky to be eliminated in the finals after losing two matches in extra time. We have some exceptional young talent coming through the ranks.

One of the highlights of the 2019 season was the success of our feeder club, the Newtown Jets. They pulled off two miraculous wins – taking out the NSWRL Canterbury Cup and the NRL State Championship – thanks to chip kicks from Billy Magoulias in the dying seconds of both Finals. It is no wonder there is so much anticipation about seeing Billy, along with some of his Jets teammates from 2019, in the Sharks NRL squad in 2020.

Special mention must go to Wade Graham who was part of the NSW Blues team which retained the State of Origin trophy with a 2-1 series win over Queensland. He is an inspirational leader and deserves the representative honours he achieves.

Wade also represented Australia in the International series at the end of the season while Andrew Fifita (Tonga), Ronaldo Mulitalo (USA and Samoa) and Briton Nikora, Shaun Johnson and Braden Hamlin-Uele (New Zealand) all achieved representative honours.

Our women players enjoyed another solid season, with both the Harvey Norman Women's Premiership team and the Tarsha Gale Cup girls qualifying for finals in their respective competitions.

### Paul Gallen:

No review of 2019 would be complete without acknowledging the remarkable contribution of one of our greatest clubmen in Paul Gallen who retired after 19 seasons with the Sharks.

No one epitomises the fighting spirit of our club like Gal.

He played 348 games for the Sharks – more than any other player in the club's history.

Paul is one of those players who literally achieved everything in Rugby League. He played 32 Tests and 11 World Cup games for Australia, 24 State of Origin matches and captained the NSW side when they won the 2014 series against one of the greatest Queensland teams ever. Paul played in 16 Finals matches for the Sharks and led the club to its only Premiership in 2016.

His record may never be surpassed.

The club will miss his passion, his skill, his determination and his genuine love of the Sharks.

Fortunately, Paul has agreed to stay with the club in a mentoring role and his experience will be invaluable to the new breed of young players coming through the ranks.

On behalf of everyone who has supported the Sharks over the last 19 seasons we say thank you Gal for everything you did for the club.

### Departing players:

The club will lose a number of popular players in 2020 and we thank them for the contribution they made during their time with the Sharks.

At the top of the list we say farewell to Matt Prior and Sosaia Feki who both played in the winning 2016 Premiership team and have now moved to England to continue their careers in the UK Super League. Both will be remembered for playing an important role in the Sharks first premiership.

The club is also farewelling Jayden Brailey, Kyle Flanagan and Kurt Capewell who have moved to other NRL clubs.

On a positive note, Jesse Ramien is back at the Sharks, local junior Connor Tracey returns, while we welcome the experienced Cameron King and promising outside back Mawene Hiroti into our NRL squad for the 2020 season.

### Vale:

While the Sharks are determined to secure the club's long-term future, we always endeavour to honour our past. In 2019 and in early 2020 we said our farewells to former players and administrators who sadly passed, including Peter Armstrong, Alan Milne, Paul Fisher and Carlos Steele.

We thank them for their valued contribution to our great club and again offer our condolences to their families and friends.

### Community – Sharks Have Heart:

Our drive to secure the long-term future of the club depends on so many people and organisations in particular, the Sharks community.

That's why the Sharks Have Heart Initiative, where we aim to inspire, engage, educate and encourage equality within our community, is so important.

It is done through a myriad of initiatives ... mentoring Indigenous students, promoting healthy lifestyles, creating career paths for students, promoting respectful relationships, engaging with the Junior League network and much more.

In 2019, Sharks Have Heart received more than \$37,000 from the Australian Sports Foundation which was put back into the community through a range of initiatives.

Sharks Have Heart reached more than 343,000 people, our players spent more than 2500 hours in the community promoting these values, while also making more than 100 school visits, engaging with 20,000 students.

Our Sharks Have Heart program has again shown that Rugby League is more than just a sport. It is way of improving lives.

### Financial Performance:

Full details of our financial performance can be found in the audited report however I can share that the group reported a loss for the year of \$3,192,920.

The Leagues Club and Sharks Property Holdings reported a profit before extraordinary items, despite the disruption with roadworks which commenced in the latter part of the year. This was largely attributed to very strong gaming revenue.

The Football Club reported a loss of \$5,454,773 which includes a number of extraordinary items such as the NRL fine.

The club financials are provided in this Annual Report and Financial Report, which covers the year ending October 31, 2019.

### Our Members and Supporters:

Finally, I want to thank all our members and supporters who have made this club so successful – and are ready to join us as we move to secure our financial future over the next two years.

We are particularly proud of the calibre of the major partners we have on board in 2020, with Ace Gutters Durakote Roofing, Capital Bluestone (Woollooware Bay), TFH, Stewart Toyota, PointsBet, VB and our women's team sponsor EISS Super returning, while we thank X-Blades, Whale Logistics, Sydney Freezers and Auto Craze for their support in 2019.

We believe we have the best and most passionate group of members and supporters in the NRL. We achieved record membership numbers, 15,823 in total last year, well ahead of some other clubs with much bigger geographical areas, and our early retention figures are strong and encouraging for the 2020 season as well. The club is especially grateful to the band of fanatical supporters who follow the Sharks around the country to watch every match they play. The players really appreciate having that block of support both at home and on the road.

Thank you also to the hard-working staff at the Sharks. We are determined to build a strong and stable leadership team which will see us through the temporary move to Kogarah, the rebuild of the Leagues Club and the transition into the new Kareela club.

I would like to personally thank my fellow Board members for their hard work and support during 2019. We all recognise that running an NRL club is not always easy, but we had a strong season on field, and we are determined to be successful off it to ensure the long-term future of the Sharks.

# OUR COMMUNITY



While most of us focus on the Sharks performance on the field, it is in the community that some of our best work is carried out.

Our Sharks Have Heart program continues to help those most in need as we embrace inclusivity and diversity, particularly among young people.

Our fans and supporters do so much to make our club successful and this is our way of giving back to the community.

The program has three pillars:

- **Inclusivity and Diversity** where we seek to promote equal opportunities for everyone and address some of the problems faced by Indigenous people
- **Social Impact** where our award-winning programs seek to deal with everything from bullying to healthy lifestyles and respectful relationships
- **Have Heart** where we give back to the community through charity raffles and donations, player appearances and Junior League engagement.

In 2019, our *Sharks Have Heart* resulted in more than 60,000 match tickets and \$76,000 worth of jerseys being donated to our community.

Our players spent more than 2500 hours in the community where they have an enormous impact on young people who look up to their sporting heroes.



We measure the results of our programs which show that 93 per cent of students are more motivated to work hard at school once they have taken part in our initiatives.

**Some of the new programs introduced in 2019 include:**

**Love Bites**

This is a school-based program raising awareness of domestic and family violence, sexual assault and consent awareness.

This program was Highly Commended at the 2019 Clubs NSW Community Awards in the education category.

**Building Resilience in Children**

This is an early intervention service which supports children and adolescents and their carers for those who have been traumatised as a result of exposure to domestic violence.

**EDYS**

This is a safe, supporting and non-judgemental place for young people to socialise with friends and explore their skills and identity. Participants can access workshops and chat to qualified youth workers about what is important to them. The program is based in Engadine in the Sutherland Shire and delivered in partnership with Sutherland Shire Family Services.



**Live Life, Get Active**

A not for profit charity that looks at addressing health, fitness and happiness issues facing people today. The program tackles issues such as obesity, diabetes, mental health and illness recovery.

The support provided by Sharks Have Heart ensures the initiative is run three times a week, without charge, to meet the needs of the local community.

The Cronulla-Sutherland District Junior Rugby League experienced a spike in numbers during the 2019 season. The CSDJRL was the number one district in growth throughout NSW. More than 4,800 participants registered – 20 per cent of those were female. This was largely due to the continued expansion of League Touch, the non-tackle version of Rugby League. The district also retained more than 75% of players from 2018.

The Sharks Leagues Club, through the Club Grants program, also contributed a significant amount of funds back into the community which was overseen by *Sharks Have Heart*.

*Sharks Have Heart would like to thank Platinum Partners, Capital Bluestone for their continued support and commitment to Sharks Have Heart.*

For more information on Sharks Have Heart, visit [www.sharkshaveheart.com.au](http://www.sharkshaveheart.com.au)



**INSPIRE ENGAGE**

CATEGORY 1 FUNDING  
CASH; \$59,540

CATEGORY 1 FUNDING  
IN KIND; \$1,655

CATEGORY 2 FUNDING  
CASH; \$239,650

CATEGORY 2 FUNDING  
IN KIND; \$104,691

**TOTAL - \$ 405,536**

**EDUCATE EQUALITY**





# DIRECTORS REPORT

(CONTINUED)

## CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES

### FINANCIAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2019 DIRECTORS REPORT

#### Strategic objectives

- Increase revenues, improve the community.
- Increase the community property.
- Increase the Rugby.

#### Principal activities

Our principal activities are to provide a high quality experience for our guests, to encourage, promote, development, playing, Rugby.

#### Performance measures

Our performance measures are operations, financial, community.

#### Performance measures (continued)

- Operations
- Financial
- Community

#### Information on directors

##### Mr Dino Mezzatesta

Qualifications: ...

##### Mr Steven Mace (Appointed: 11 December 2018)

Qualifications: ...

##### Mr Dane Sorensen

Qualifications: ...

##### Mr Scott Briggs

Qualifications: ...

##### Mr Dave Nicholson (Appointed: 27 March 2019)

Qualifications: ...

##### Mr David Blackett (Appointed: 26 August 2019)

Qualifications: ...

##### Mr Martin Kennedy (Appointed: 13 December 2018)

Qualifications: ...

##### Mr Mark McGaw (Resigned: 27 May 2019)

Qualifications: ...





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 ey.com/au

### Auditor's Independence Declaration to the Directors of Cronulla-Sutherland Leagues Club Limited

As lead auditor for the audit of Cronulla-Sutherland Leagues Club Limited for the financial year ended 31 October 2019, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Cronulla-Sutherland Leagues Club Limited and the entities it controlled during the financial year.

Ernst & Young

James Higgins  
 Partner  
 4 March 2020

## CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2019

Notes	2019 \$	2018 \$
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<b>(Deficit)/surplus before finance cost</b>	<b>(5,993,354)</b>	<b>925,560</b>
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<b>(Deficit)/surplus before tax</b>	<b>(6,194,881)</b>	<b>420,842</b>
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<b>(Deficit)/surplus after tax</b>	<b>(3,192,920)</b>	<b>420,842</b>
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<b>Total comprehensive (loss)/income for the year</b>	<b>(3,192,920)</b>	<b>420,842</b>

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

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 31 OCTOBER 2019**

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 OCTOBER 2019**

	Notes	2019 \$	2018 \$
<b>Assets</b>			
<b>Current assets</b>			
Trade receivables			
Prepaid expenses			
Other receivables			
Inventory			
Cash and cash equivalents			
<b>Total current asset</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Intangible assets			
Other non-current assets			
<b>Total non-current assets</b>			
<b>Total assets</b>		<b>36,638,278</b>	<b>46,990,035</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade payables			
Other payables			
Provisions			
Other current liabilities			
<b>Total current liabilities</b>			
<b>Non-current liabilities</b>			
Long-term debt			
Other non-current liabilities			
<b>Total non-current liabilities</b>			
<b>Total liabilities</b>		<b>5,890,918</b>	<b>13,049,755</b>
<b>Net assets</b>		<b>30,747,360</b>	<b>33,940,280</b>
<b>Equity</b>			
Share capital			
<b>Total equity</b>		<b>30,747,360</b>	<b>33,940,280</b>

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

	Retained earnings \$	Total equity \$
<b>At 1 November 2018</b>	<b>33,940,280</b>	<b>33,940,280</b>
Profit for the year		
Dividends paid		
Other changes in equity		
<b>At 31 October 2019</b>	<b>30,747,360</b>	<b>30,747,360</b>
<b>At 1 November 2017</b>	<b>33,519,438</b>	<b>33,519,438</b>
Profit for the year		
Dividends paid		
Other changes in equity		
<b>At 31 October 2018</b>	<b>33,940,280</b>	<b>33,940,280</b>

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

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 OCTOBER 2019**

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 OCTOBER 2019**

	2019	2018
Notes	\$	\$
<b>Operating activities</b>		
Receipts from membership fees	1,234,567	1,123,456
Receipts from other sources	567,890	456,789
Payments for operating expenses	(2,345,678)	(2,234,567)
Net cash flows used in operating activities	<b>(7,562,511)</b>	<b>(2,898,575)</b>
<b>Investing activities</b>		
Proceeds from the sale of property	2,565,113	6,004,188
Net cash flows from investing activities	<b>25,565,113</b>	<b>6,004,188</b>
<b>Financing activities</b>		
Proceeds from the issue of shares	3,213,556	3,060,357
Net cash flows used in financing activities	<b>(3,213,556)</b>	<b>(3,060,357)</b>
<b>Cash and cash equivalents at 31 October</b>	<b>16,348,777</b>	<b>1,559,731</b>

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

**1. Corporate information**

The consolidated financial statements represent the financial performance of the Cronulla-Sutherland Leagues Club Limited and its controlled entities (collectively, the "Group") for the year ended 31 October 2019.

The Group is a not-for-profit entity. The Group's principal activity is the operation of Rugby Union clubs. The Group consists of Cronulla-Sutherland Leagues Club Limited, Cronulla-Sutherland Leagues Club Pty Ltd, and Cronulla-Sutherland Leagues Club Property Pty Ltd, all of which are controlled by the Group.

The Group's principal place of operations is at Captain Drive, Cronulla, New South Wales.

The Group's operations are reported in the consolidated financial statements. The Group's reporting currency is Australian dollars.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial report is prepared for the purpose of providing information to members and is prepared in accordance with the Corporations Act 2001, the Australian Accounting Standards, and the pronouncements of the Australian Accounting Standards Board. The Group is a not-for-profit entity and is not publicly traded.

The financial report is prepared on an accrual basis and is presented in Australian dollars, except where otherwise indicated.

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

**2.2 Changes in accounting policies and disclosures**

**New and amended standards and interpretations**

The Group applied the Financial Instruments standard from 1 January 2018. The adoption of this standard had no impact on the Group's financial statements.

The Group also applied the interpretations of the Financial Instruments standard issued by the Australian Accounting Standards Board. The impact of these interpretations on the Group's financial statements is not material.

**AASB 9**

The Group applied AASB 9, Financial Instruments, which replaces the previous standard. AASB 9 introduces changes to the recognition and measurement of financial instruments. The Group's financial statements are not materially affected by the application of AASB 9.

The Group applied AASB 9 on a comparative basis.

The Group's financial statements are not materially affected by the application of AASB 9.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

2. Significant accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

Accounting policy changes and disclosures for the year ended 31 October 2019.

Revenue from Contracts with Customers, Income of Not-for-Profit Entities, and Leases.

2.3 Summary of significant accounting policies

a) Basis of consolidation

The consolidated financial statements are prepared on the basis of consolidation.

1. The consolidated financial statements are prepared on the basis of consolidation.

2. The consolidated financial statements are prepared on the basis of consolidation.

3. The consolidated financial statements are prepared on the basis of consolidation.

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11. The consolidated financial statements are prepared on the basis of consolidation.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

b) Going concern

The entity is a going concern.

c) Current versus non-current classification

Assets and liabilities are classified as current or non-current.

1. Assets and liabilities are classified as current or non-current.

2. Assets and liabilities are classified as current or non-current.

3. Assets and liabilities are classified as current or non-current.

4. Assets and liabilities are classified as current or non-current.

5. Assets and liabilities are classified as current or non-current.

6. Assets and liabilities are classified as current or non-current.

7. Assets and liabilities are classified as current or non-current.

8. Assets and liabilities are classified as current or non-current.

9. Assets and liabilities are classified as current or non-current.

10. Assets and liabilities are classified as current or non-current.

11. Assets and liabilities are classified as current or non-current.

12. Assets and liabilities are classified as current or non-current.

13. Assets and liabilities are classified as current or non-current.

d) Revenue recognition

Revenue is recognized when the performance obligation is satisfied.

1. Revenue is recognized when the performance obligation is satisfied.

2. Revenue is recognized when the performance obligation is satisfied.

3. Revenue is recognized when the performance obligation is satisfied.

4. Revenue is recognized when the performance obligation is satisfied.

5. Revenue is recognized when the performance obligation is satisfied.

6. Revenue is recognized when the performance obligation is satisfied.

7. Revenue is recognized when the performance obligation is satisfied.

8. Revenue is recognized when the performance obligation is satisfied.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

d) Revenue recognition (continued)

Distribution:
The Cronulla-Sutherland Leagues Club ("NRL") is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

e) Taxes

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited (1997).

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

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The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

(GST)

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

e) Taxes (continued)

(GST) (continued)
The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

f) Impairment of non-financial assets

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

g) Cash and cash equivalents

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

h) Financial instruments

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

(i) Initial recognition and measurement

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

Subsequent measurement

(debt instruments)

The Cronulla-Sutherland Leagues Club Limited is a not-for-profit organisation that is controlled and managed by the members of the Cronulla-Sutherland Leagues Club Limited.

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CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

h) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement (continued)

amortised cost (debt instruments) (continued)

Financial assets measured at amortised cost are debt instruments that are held for the collection of contractual cash flows...

fair value through profit or loss

Financial assets measured at fair value through profit or loss are those that are not held for the collection of contractual cash flows...

Trade and other receivables

Trade and other receivables are recognised at the amount of cash or cash equivalents that the entity is entitled to receive...

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or the entity transfers...

When the entity transfers financial assets and retains some or all of the risk and rewards of ownership...

When the entity transfers financial assets and retains some or all of the risk and rewards of ownership, but does not retain control...

When the entity transfers financial assets and does not retain any of the risk and rewards of ownership, and does not retain control...

Impairment of financial assets

Financial assets are measured at amortised cost less any impairment losses. Impairment losses are recognised when there is objective evidence...

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when the entity becomes a party to the financial instrument with a contractual obligation to pay cash or another financial asset...

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

h) Financial instruments (continued)

(i) Financial assets (continued)

Recognition and measurement (continued)

Financial assets are recognised when the entity acquires or originates a financial instrument that meets the definition of a financial asset...

Financial assets are measured at fair value at initial recognition. Subsequent measurement is determined by the classification of the asset...

Subsequent measurement

Financial assets are measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income...

Trade and other

Trade and other receivables are recognised at the amount of cash or cash equivalents that the entity is entitled to receive...

Loans and borrowings

Loans and borrowings are recognised when the entity becomes a party to the financial instrument with a contractual obligation to pay cash or another financial asset...

Loans and borrowings are measured at fair value at initial recognition. Subsequent measurement is determined by the classification of the liability...

When the entity transfers financial liabilities and retains some or all of the risk and rewards of ownership, but does not retain control...

Derecognition

Financial liabilities are derecognised when the contractual obligation to pay cash or another financial asset expires or the entity transfers...

i) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis...

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

j) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis...

Property, plant and equipment are derecognised when the disposal of the asset is completed or the asset is abandoned...

When the entity transfers property, plant and equipment and retains some or all of the risk and rewards of ownership, but does not retain control...

Table with 2 columns: Description and Percentage. Rows include: Property, plant and equipment 1.6%-36%; Intangible assets 5%-33.3%; Financial assets 6.7%-33.3%

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

j) Property, plant and equipment (continued)

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis over the expected useful life of the asset.

k) Leases

Leases are classified as finance leases when the lessee has the right to use the asset and the lease term covers the majority of the asset's economic life. All other leases are classified as operating leases.

Leases are classified as finance leases when the lessee has the right to use the asset and the lease term covers the majority of the asset's economic life. All other leases are classified as operating leases.

l) Provisions and employee benefit liabilities

Provisions are recognised when the entity has a present obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Employee benefit liabilities are measured at the present value of the benefits expected to be paid to employees in the future.

Wages, salaries, superannuation and other employee benefits

Wages, salaries, superannuation and other employee benefits are recognised as an expense when the employee has rendered service to the entity.

Provisions for employee benefits

Provisions for employee benefits are measured at the present value of the benefits expected to be paid to employees in the future.

m) Borrowing costs

Borrowing costs are recognised as an expense when the funds are available for use by the entity.

3. Significant accounting judgements, estimates and assumptions

The consolidated financial statements are prepared using accounting policies that require the use of estimates and assumptions. The most significant estimates and assumptions are discussed below.

Estimates and assumptions

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Directors' remuneration and benefits financial

Directors' remuneration and benefits are disclosed in the financial statements. The consolidated financial statements are prepared using accounting policies that require the use of estimates and assumptions.

3. Significant accounting judgements, estimates and assumptions (continued)

Estimates and assumptions (continued)

The consolidated financial statements are prepared using accounting policies that require the use of estimates and assumptions. The most significant estimates and assumptions are discussed below.

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CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019**

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019**

4. Revenue

	2019	2018
	\$	\$
<b>Sale of goods</b>		
• Sale of goods	4,446,605	5,963,596
<b>Rendering of services</b>		
• Rendering of services	8,823,845	9,140,921
<b>Other revenue</b>		
• Other revenue	22,105,047	22,910,625
	<u>35,375,497</u>	<u>38,015,142</u>

5. Other income

	2019	2018
	\$	\$
• Other income	10,134,656	5,063,375

6. Expenses included under administrative expenses

	2019	2018
	\$	\$
• Allowance for expected credit losses		

7 Other expenses

	2019	2018
	\$	\$
• Other expenses	10,456,398	1,889,580

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES

8. Finance costs

	2019	2018
	\$	\$
• Finance costs	201,527	504,718

9. Income tax

	2019	2018
	\$	\$
• Income tax benefit reported in the consolidated statement of profit or loss	(3,001,961)	-

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES

	2019	2018
	\$	\$
• Income tax benefit reported in the consolidated statement of profit or loss	(3,001,961)	-

Deferred tax

	2019	2018
	\$	\$
• Deferred tax liabilities comprise temporary differences attributable to		
• Amounts recognised in liabilities	-	813,047

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019**

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019**

9. Income tax (continued)

Deferred tax (continued)

	2019	2018
Deferred tax assets comprise temporary differences attributable to:	\$	\$
Amounts recognised in assets	<u>2,148,027</u>	<u>-</u>
	2019	2018
	\$	\$
Current tax (receivables)/liabilities	<u></u>	<u></u>

10. Cash and cash equivalents

	2019	2018
	\$	\$
	<u>16,348,777</u>	<u>1,559,731</u>

11. Trade and other receivables

	2019	2018
	\$	\$
	<u>631,738</u>	<u>426,161</u>
	2019	2018
	\$	\$
As at 31 October	<u>(98,494)</u>	<u>283,250</u>

12. Inventories

	2019	2018
	\$	\$
Current	<u>411,806</u>	<u>967,846</u>

At 31 October 2019, inventories are valued at \$411,806 (2018: \$967,846). Inventories are measured at the lower of cost and net realisable value. The cost of inventories is determined on the basis of the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs of sales. At 31 October 2019, there is no impairment of inventories. At 31 October 2018, there is no impairment of inventories.

13. Property, plant and equipment

	Buildings and building improvements*	Plant and equipment*	Leased plant and equipment*	Work in progress	Total
	\$	\$	\$	\$	\$
Cost					
At 31 October 2019	<u>1,076,436</u>	<u>22,229,427</u>	<u>6,824,474</u>	<u>1,638,017</u>	<u>33,529,990</u>
Accumulated depreciation					
At 31 October 2019	<u>-</u>	<u>9,760,857</u>	<u>5,954,596</u>	<u>966,329</u>	<u>16,681,782</u>
Net book value					
At 31 October 2019	<u>1,076,436</u>	<u>12,468,570</u>	<u>869,878</u>	<u>671,688</u>	<u>16,848,208</u>
At 31 October 2018	<u>1,076,436</u>	<u>20,785,510</u>	<u>1,321,302</u>	<u>882,695</u>	<u>25,362,785</u>

\* Buildings and building improvements are measured at cost less accumulated depreciation. Plant and equipment are measured at cost less accumulated depreciation. Leased plant and equipment are measured at the present value of the minimum lease payments. Work in progress is measured at cost. At 31 October 2019, there is no impairment of property, plant and equipment. At 31 October 2018, there is no impairment of property, plant and equipment.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019**

**13. Property, plant and equipment (continued)**

\$202,453 2019 2018  
 2019 2018  
 4

**14. Financial asset**

	2019	2018
	\$	\$
<b>Non-current</b>		
2019 2018	58,264	18,412,741

3 year, 2

**Analysis of movement in financial asset**

18,412,741	20,946,283
(18,409,344)	(6,586,866)
	7,561
54,867	4,045,763
<b>58,264</b>	<b>18,412,741</b>

As at 31 October

31 2019, \$54,867 (2018: \$4,045,763)

**15. Trade and other payables**

	2019	2018
	\$	\$
1,129,563	1,182,253	
1,331,453	2,706,629	
129,087	256,738	
<b>2,590,103</b>	<b>4,145,620</b>	

**16. Interest-bearing loans and borrowings**

	2019	2018
	\$	\$
<b>Current</b>		
<b>Secured</b>		
411,034	537,247	
	2,500,000	
411,034	3,037,247	
<b>Unsecured</b>		
56,895	60,128	
	500,000	
56,895	560,128	
<b>467,929</b>	<b>3,597,375</b>	

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019**

**16. Interest-bearing loans and borrowings (continued)**

	2019	2018
	\$	\$
<b>Non-current</b>		
2019 2018	277,977	362,087

\$2,500,000 7.5%

\$500,000 7.5% 15

	2019	2018
	\$	\$
<b>First mortgage</b>		
1,076,436	12,190,592	
	13,267,028	
<b>Finance leases</b>		
844,527	14,111,555	

**17. Employee benefit liabilities**

	2019	2018
	\$	\$
<b>Current</b>		
345,569	441,887	
149,140	87,221	
<b>494,709</b>	<b>529,108</b>	
<b>Non-current</b>		
90,873	71,991	





**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND  
CONTROLLED ENTITIES  
DECLARATION BY DIRECTORS  
FOR THE YEAR ENDED 31 OCTOBER 2019**

In accordance with a resolution of the directors of Cronulla-Sutherland Leagues Club Ltd and its controlled entities, I state that:

In the opinion of the directors:

- (a) the consolidated financial statements and notes of Cronulla-Sutherland Leagues Club Ltd and its controlled entities for the financial year ended 31 October 2019 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 2019 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

On behalf of the board



Mr Dino Mezzatesta  
Chairman  
4 March 2020



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Sydney NSW 2000 Australia  
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## Independent Auditor's Report to the Members of Cronulla-Sutherland Leagues Club Limited

### Opinion

We have audited the financial report of Cronulla-Sutherland Leagues Club Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 October 2019, the 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 to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 October 2019 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

### Basis for Opinion

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

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

### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the directors' report accompanying the financial report, but does not include the annual report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Ernst & Young

James Higgins

Partner

Sydney

4 March 2020

