

CRONULLA SUTHERLAND LEAGUES CLUB LIMITED
AND CONTROLLED ENTITIES

ABN: 54 000 202 826

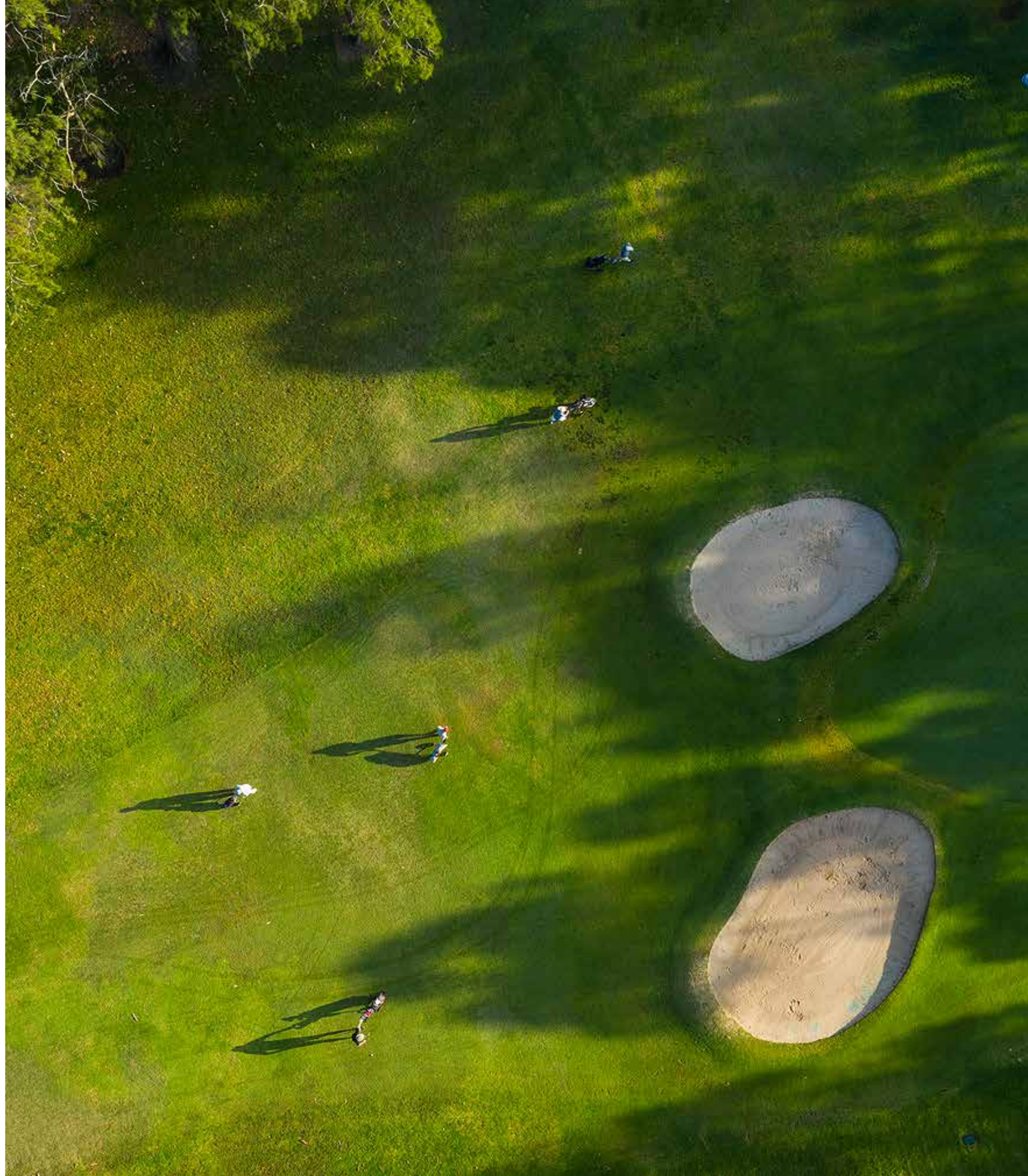
ANNUAL REPORT 2020



FINANCIAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

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2020 CRONULLA SHARKS CHAIRMAN'S WELCOME

Steve Mace

The 2020 NRL season will be remembered as unique, due mainly to the COVID pandemic and the challenges which surrounded it.

The NRL did an outstanding job with the resumption of the season, then being able to complete the year with the Grand Final, although later than previously scheduled, before the State of Origin series in November.

It was a long and difficult season, however it was one which our Club handled professionally both on and off the field, the team qualifying for the Finals, while Sharks at Kareela was well patronised by our Members through what were unprecedented times.

Thanks must go to the management team at the Sharks and our dedicated staff for steering us through 2020, to my fellow Board

of Directors for their hard work and support, and to our members and supporters for remaining loyal and making the last season a successful one.

We are determined to continue to build upon this strong and stable leadership, one which navigates the Club through the 2021 season with Netstrata at Kogarah as our temporary home, the completion of works to our Leagues Club at Woollooware and the ongoing operations of our second licensed facility at Kareela.

I would like to welcome Sharks Members in presenting the Cronulla Sutherland Leagues Club Limited and Controlled Entities 2020 Annual Report which contains a detailed analysis of our Financials, as well as a more expansive welcome with highlights of our year from CEO Dino Mezzatesta.



2020 CRONULLA SHARKS CEO REPORT

Dino Mezzatesta

Last year we took action to secure our long-term future in committing to the Woollooware Bay development and finalising the agreement and after a delay attributed to the COVID pandemic and the complications surrounding it, pleasingly works have now begun.

We now look forward to the completion of the exciting new Woollooware Bay precinct, one which contains a state-of-the-art Sharks Leagues Club as the focal point.

The amalgamation with Sporties at Kareela Golf was in the planning stages at the time of our previous Annual Report and after taking over control in June the results across the board have been extremely positive. Members have accepted the facility as a second Sharks home, with Sharks at Kareela a viable asset as a part of the Club's property portfolio. Not only are we delighted with the Club, the service and the facilities it offers but we are also now holding a reasonable parcel of land, approximately 12,000sqm as part of the asset, which is something that can be looked at down the track for a development opportunity whilst still maintaining the licensed club as the core business.

In relation to football, COVID and the bubble conditions the players, coaches and football staff were forced to work in proved challenging, however all concerned handled the situation efficiently.

See following the highlights of the year across all aspects of the business.

Licensed Club – Sharks Leagues Club/Woollooware Bay Town Centre

Those who frequent Captain Cook Drive and the area around PointsBet Stadium would have noticed the significant progress relating to the Woollooware Town centre and Sharks Leagues Club redevelopment.

The roadworks were completed as per the schedule during 2020 and after a period of disruption, the construction phase in and around the Leagues Club site has begun following delays due to COVID and associated issues.

Our plans for the new Leagues Club are near finalised and we are on track for a 2023 reopening.

We are confident the final product will be spectacular and appreciate the patience of members during this construction process.

Licensed Club – Sharks at Kareela

The Sharks took over the licensed premises at the Kareela Golf Club from Sporties Group in June, finalising the amalgamation.

COVID delayed the official opening of Sharks at Kareela, however since assuming control the trading outcomes have exceeded expectations and feasibility.

Refurbishments and upgrades of the existing Kareela Golf club were undertaken, giving it a fresh new look and discussions with council continue in relation to an improved and functioning car park.

Immediately following the amalgamation membership increased substantially, by more than 8,000 to where we had over 26,500 Sharks and Sharks at Kareela members, which was an excellent result, and we hope to increase that membership base over time. Sharks at Kareela General Manager Elie Bassil and his team are focused on offering first class customer service and Member offerings such as Themed Dinners, Monthly Beverage Specials, Children's School Holiday Activities, Music and Live Shows, while promoting the club as the Home of Sport, with major events broadcast on our big screen, activities and promotions that are sure to enhance the experience and help to increase club visitation.

In addition, the Cove Bar and Grill has enjoyed a spike in their business with the positive trade across all aspects of Sharks at Kareela, a great achievement considering since taking over we have operated under the various COVID restrictions.

Football Performance

During a challenging 2020 NRL season the performance of our NRL team was commendable as they qualified for a sixth consecutive finals series.

After 10 wins and 10 losses we finished in eighth position, travelled to Canberra for week one of the finals and only for some untimely injuries, both in the matches leading up to and during that game, we may have advanced past the Raiders and further in the competition.

With a young squad who will be better for the experience, and in hoping for a better outcome on the injury front, we are optimistic about our chances heading into the 2021 season.

Congratulations go to our high achievers and award winners from last season, with Shaun Johnson the recipient of the first Porter-Gallen Medal. In 2020 the decision was made to include the names of our first captain Monty Porter, and arguably our greatest ever captain in Paul Gallen, on the annual award presented to our best player for the year. Monty Porter's three children with wife Nola, along with Paul, his wife Anne and their children, were present at the presentation night to crown Shaun as the inaugural winner.

Following an outstanding season, Shaun was also recognised as the Members Player of Year, Siosifa Talakai was the Player's Player for 2020 in his first year at the Club, while Toby Rudolf was our Rookie of the Year. In recognising his wonderful work in the community space, Ronaldo Mulitalo was our Sharks Have Heart Community Award winner and was an extremely worthy Club nominee for the NRL's Ken Stephen Medal.

In following on from the previous year when a number of players earned a taste of the NRL, we had another five NRL debutants and another five who played their first top grade games for the Cronulla Club. Congratulations to all and no doubt these players will form the backbone of our team in the years to come.

Unfortunately, there was no senior NSWRL competition last year due to COVID, similarly the under-20 Jersey Flegg was cancelled and the Matthews Cup, SG Ball and Tarsha Gale teams played abbreviated seasons. Should things return to some sort

of normality this year we look forward to seeing our successful pathways again operating in providing all players under the Sharks umbrella the opportunity to chase their NRL dreams.

One competition which did reach a conclusion was the Harvey Norman Women's Premiership and after finishing second following the regular season, our girls bowed out one week before the Grand Final. Coming so close and while possibly disappointed by the season outcome, we were proud of the efforts of the girls and congratulate them on a successful year.

We also had player milestones, amongst them Josh Dugan and Aaron Woods reached 200 NRL games, with our Captain Wade Graham playing his 200th First Grade game in the black, white and blue. Well done to all.

While in relation to our departing players, we thank Jayson Bukuya, Scott Sorensen, Cameron King and Bryson Goodwin for their service to the Sharks and wish them well in their future endeavours.

Vale

During the last 12 months we lost a number of people near and dear to the Sharks, with their legacy to live on well into the future.

We mourned the passing of Jack Stewart, for 19 years the President of the Sharks Leagues Club. A wonderful servant to the Sharks throughout his time as a Leagues and Football Club administrator, Jack was aged 99 at the time of his passing.

Also, sadly Kevin Hogan, a former player, Shark #51, a coach who mentored club greats such as Mark McGaw, Jonathan Docking, and Andrew Ettingshausen, then later a Board member who helped the Sharks survive in stressful economic times during the mid to late 1980's, passed away in August.

Both Kevin and Jack were true pioneers of the Cronulla Club.

Adam Maher, Shark #293, lost his battle with Motor Neuron Disease in February, aged just 47, while 20-year-old former junior representative player Stevenson 'Stevie' Uplasi tragically passed away in July.

From the Sharks family, to families and friends of the former players, officials, and club stalwarts who passed in 2020, we thank them for their contribution to our great club and again offer our sincere condolences.

Community – Sharks Have Heart

In pre-empting our Community Report to follow, once again George Nour our Head of Community, his Sharks Have Heart team, the NRL playing group and our club on a whole should be proud of the great work carried out by our Club in the community.

This will be covered in more detail in the Community Report, however in a snapshot, during 2020 Sharks Have Heart assisted in the delivery of 19 different programs and initiatives, supported 37 charities and made cash donations of \$187,000 throughout the year.

The NRL squad assisting bushfire clean-up efforts on the South Coast, primarily in Kangaroo Valley, our visit to Port Moresby, PNG and a highly successful venture, with the team and club representatives warmly received by all for what they accomplished off the field, as much as for the entertainment they provided in our trial game, and the renewal of our partnership with the Deadly Choices indigenous health organisation, where the Sharks appointed a full-time program coordinator, were highlights of our community efforts during 2020.

We are proud of Sharks Have Heart and all who contribute to the community programs they run and support. We are proud to say we have a great impact in both the local and wider community outside of what takes place on the field. Community engagement will continue to be a major focus for our business moving forward.

Financial Performance

Full details of our financial performance can be found in the audited report however I can share that the group reported a profit after tax of \$10,211,695.

Included in this financial year was the finalisation of the sale of the property assets and land to ensure maximum commercial return.

The Football Club reported a profit of \$56,714 in comparison to a \$5,454,773 loss in 2019. Some of the contributing factors to the significant turnaround can be attributable to the following:

Football Club

The Club conducted a business restructure and implementation of efficiencies, while also financially benefitting from the increase in grant funding from the NRL and reduction in player payments, the Job Keeper subsidies, and the effective implementation of a remediation plan.

Also positive was the fact that we were successful in retaining our key Major Sponsors, as well as our Commercial revenues throughout the COVID-19 pandemic.

Leagues Club

The successful shutdown of the Cronulla Sutherland Leagues Club avoided the adverse trading environment for the hospitality industry through the COVID restrictions, while we also gained a commercial benefit in closing the club.

The acquisition of the Kareela Golf Club, which opened in June as Sharks at Kareela, provided the club with a revenue stream, at the same time expanding the Sharks footprint in the local area.

The club financials are provided in this Annual Report and Financial Report, which covers the year ending October 31, 2020.

Our Members and Supporters

Finally, I would like to thank the commercial partners, members and supporters who continue with us on the journey and help to make the Club successful. I will reiterate what I said in the 2019 Annual Report, that I believe we have the best and most passionate group of members and supporters in the NRL.

Last year was difficult, as we moved away from PointsBet to Netstrata at Kogarah as we look to secure our financial future, and when coupled with the COVID issues, it was a season like one we have never experienced before.

We appreciate your understanding and thank you for your continued support.

In all, just over 13,000 members remained on board during 2020, we trust we will see you in the stands and at our games again in 2021, hopefully in increasing numbers as restrictions lift, and as we work towards coming back to our spiritual home in 2022 that you will continue to support your Club.

From a commercial standpoint, special mention and thanks to Don Anderson and Ace Gutters Durakote Roofing for their valued contribution as major jersey partner for the past two seasons, which was the culmination of a long-time association between Don and the Sharks. We are also proud of the calibre of our other major partners from 2020, including TFH, PointsBet, Capital Bluestone, Dynasty, Stewart Toyota and VB, while recently we were able to announce Aramex Australia and Zambrero who will join us as major partners in 2021.

To EISS our Women's team sponsor, all our Academy partners and to the many player sponsors and hospitality partners, we also thank you for seeing the Sharks as a viable option to promote your business or as an opportunity to enjoy a day at the football.

Last but not least, thanks to staff, players, club management and our Board of Directors, for not only helping to make the Club what it is today, but for being central to our efforts in ensuring a successful long-term future for the Sharks.



OUR COMMUNITY

Sharks Have Heart

Despite the challenging times associated with the COVID-19 pandemic, the Sharks Have Heart program continued to have an impact in helping those most in need.

Our fans and supporters are integral to the success of the Club and this is our way of giving back to the community.

We again embraced inclusivity and diversity, particularly among young people, enjoyed significant social impact and engaged with the community in the ways of player appearances, albeit in a limited capacity due to COVID restrictions, and through charities and raffles.

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

In 2020, Sharks Have Heart assisted in the delivery of 19 different programs and initiatives, supported 37 charities and made cash donations of \$187,000 throughout the year.

While our in-person appearance hours were down due to the restrictions associated with COVID, we continued to regularly engage through video technology in attempting to motivate and encourage, especially in relation to our schools programs.

Sharks Stars

A new program in 2020, Sharks Stars was managed by a full-time coordinator in Brendon Coombes, with the focus on empowering young adults with disability who were interested in entering the workforce, by helping them to understand their capabilities through developing career-based skills and self-confidence. Sharks Stars was funded by the NDIS.

In all 20 participants took part in the 12-week program, which helped to instil a new level of self-confidence in preparation for entry into the workforce.

Deadly Choices

Sharks Have Heart renewed their partnership with Deadly Choices, the initiative aiming to improve the knowledge, attitudes and behaviours of Aboriginal and Torres Strait Islander people around healthy lifestyle.



Administered and delivered on behalf of the Sharks by fulltime coordinator Rachal Allan, the Deadly Choices and Sharks program engaged with 300 participants in 2020, with 240 health checks completed.

PNG Visit

As a part of their trial match visit to the Port Moresby region in PNG last February, the entire Sharks playing group conducted a number of community related activities in PNG.

Some of the work players were involved in included visiting a local school where players delivered solar lights, at the PNG General Hospital Coach John Morris, CEO Dino Mezzatesta, team members and Club staff met Doctor Ian Nicholson, an Australian doing outstanding work for the Open Heart Foundation, while Junior League coaching clinics for local kids were also conducted by Sharks squad members aided by Game Development Officers.

In addition, Sharks Coaching Staff presented a Junior League coach education session, the entire Sharks travelling party attended a dinner at the High Commission in Port Moresby, a Community/Fan public signing session and visited the Bomana War Memorial.

Bushfire Appeal

A Sharks Bushfire Relief appeal was set up, Sharks players past and present, donated special memorabilia items for auction to support individuals, families and communities on the South Coast of NSW affected by the catastrophic events of early 2020.

Proceeds of the appeal, which totalled \$25,000, were later distributed to four worthy organisations in the form of grants, offered in an effort to ease the hardships and to raise the spirits of those hardest hit.

The entire Sharks NRL squad of almost 40 players, led by the coaching team and assisted by Sharks Have Heart staff, also spent a day volunteering in the clean up process in Kangaroo Valley, an area devastated and badly damaged by the fires.

Club Grants

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, Aoyuan Group-Woollooware Bay for their continued support and commitment to Sharks Have Heart.

For more information on Sharks Have Heart, visit www.sharkshaveheart.com.au



CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES

FINANCIAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2020 DIRECTORS REPORT



Mr Steve Mace

Title: Vice Chairman, Director from 1 November 2019 - 28 February 2020; 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 Liaison (NRL and Admin)/Junior League/Pathways, Investment Committee



Mr Dino Mezzatesta (Resigned: 1 March 2020)

Title: Chairman

Qualifications: MBA, ADV DIP in Hospitality & Tourism, AICD

Experience and Expertise: Club Director, Company Director, Chief Executive Officer, Chief Operating Officer

Special responsibilities: Remunerations and Appointments Committee, Nominations Committee, Building Committee, Centre of Excellence Sub-committee, Investment Sub-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 League Football Club

Special responsibilities: Special responsibilities: Football Liaison (NRL and Admin)/Junior League/Pathways (Chair), Remuneration and Appointments Committee, Building Committee, Nominations Committee



Mr Dane Sorensen

Title: Director

Qualifications: NSW LC Building Contractor

Experience and Expertise: Club Director, Past Club Elite Player

Special responsibilities: Football Liaison (NRL and Admin)/Junior League/Pathways



Mr Martin Kennedy

Title: Director

Qualifications: Cert IV in Banking Services, Cert IV in Finance and Mortgage Broking, GAICD (Foundation for Directors)

Experience and Expertise: Executive Director - Head of Capital Advisory - PKF Hospitality, Board Director - Aureus Mining Limited

Special responsibilities: Audit and Risk Committee, Investment Committee (Chairman)

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES

FINANCIAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2020 DIRECTORS REPORT



Mr David Blackett

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 and certifier in government projects and sporting infrastructure and facilities
Special responsibilities: Building Committee (Chairman), Remuneration and Appointments Committee (Chairman), Nominations Committee (Chairman) and Disciplinary Committee



Mr Mark Deutsch (Appointed: 31 March 2020)

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



Ms Laura McKay (Appointed: 30 December 2019)

Title: Director

Qualifications: Licenced Real Estate Agent, Licenced Auctioneer and Licensee in Charge

Experience and Expertise: Business Partner and General Manager of Highland Property Group's executive team, Instrumental in the growth of the business which started as 25 staff members in 2009, to today leading and mentoring a team of over 120 employees across three offices located throughout the Sutherland Shire
Proudest achievements: Laura's proudest achievements are her two children Jackson and Charlotte, who both attend local primary schools



Mr Scott Briggs (Resigned: 1 March 2020)

Title: Director

Qualifications: B. Juris, LLB

Experience and Expertise: Club Director, Company Director, Chief Executive Officer

Special responsibilities: Director, Nominations Committee (Chair), Remuneration and Appointment Committee, Centre of Excellence Sub-committee (Chair)



CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED
AND CONTROLLED ENTITIES
**FINANCIAL REPORT FOR THE YEAR
ENDED 31 OCTOBER 2020**

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 2020.

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 Steve Mace**
- Mr Dino Mezzatesta (Resigned: 1 March 2020)**
- Mr Dane Sorensen**
- Mr Scott Briggs (Resigned: 1 March 2020)**
- Mr Dave Nicholson**
- Mr David Blackett**
- Mr Martin Kennedy**
- Mr Mark Deutsch (Appointed: 31 March 2020)**
- Ms Laura McKay (Appointed: 30 December 2019)**

Strategic Objectives

The strategic objectives of the Club are to:

- Grow revenues, enabling a sustainable football club and further investment into the Leagues Club for the benefit of our members and the community.
- Provide strong support to the local football club community throughout the Sutherland Shire.
- Optimise the value from the 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 the 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
- Total grants paid to the football club and community organisations
- Attendances at the Club

Operating and financial review

The net surplus after tax of the Group for year ended 31 October 2020 was \$10,211,695 (2019: deficit of \$3,192,920).

The Group has completed another successful year which is

illustrated by the following key achievements and milestones:

- The successful closure of the Cronulla Sutherland League Club to avoid operating in a challenging environment and gaining a commercial return in doing so
- The acquisition of the Kareela Golf Club expanding our footprint in the local area in providing a wonderful facility and licensed club
- Finalisation of the sale of property assets and land to ensure maximum commercial return
- Design of the new Cronulla Sutherland League Club

Significant changes in the state of affairs

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

The outbreak and the response of Governments and World Health Organization in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of

these developments remain uncertain as at the date of this report however they will have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's near-term and longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Group at this time.

There were no other 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 Steve Mace	12	12
Mr Dino Mezzatesta	4	4
Mr Dane Sorensen	12	11
Mr Scott Briggs	4	1
Mr Dave Nicholson	12	10
Mr David Blackett	12	12
Mr Martin Kennedy	12	12
Mr Mark Deutsch	8	6
Ms Laura McKay	11	8

*Represents the number of meetings held during the time the 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 that 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 22,036 (2019: 27,683) members of the Leagues Club.

Indemnification of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young (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 Ernst & Young (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 5.

Signed in accordance with a resolution of the directors.



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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 2020, I declare to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- 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
28 January 2021

Signed in accordance with a resolution of the Board of Directors, pursuant to section 298(2)(a) of the Corporations Act at Cronulla this 30 day of January 2020.

Mr Steve Mace
Chairman

D Mezzatesta
CEO



**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 31 OCTOBER 2020**

	Notes	2020 \$	2019 \$
Revenue from operations	1	1,234,567	1,123,456
Other income	2	123,456	112,345
Expenses	3	(1,123,456)	(1,012,345)
Surplus/(deficit) before finance cost		12,995,667	(5,993,354)
Finance cost	4	(123,456)	(112,345)
Surplus/(deficit) before tax		12,953,937	(6,194,881)
Income tax expense	5	(1,742,042)	(3,012,345)
Surplus/(deficit) after tax		10,211,695	(3,192,920)
Other comprehensive income/(loss)		0	0
Total comprehensive income/(loss) for the year		10,211,695	(3,192,920)

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**

**STATEMENT OF FINANCIAL POSITION AS AT
31 OCTOBER 2020**

	Notes	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	1	1,234,567	1,123,456
Accounts receivable	2	123,456	112,345
Inventory	3	123,456	112,345
Prepaid expenses	4	123,456	112,345
Other current assets	5	123,456	112,345
Total current assets		1,514,935	1,453,846
Non-current assets			
Property, plant and equipment	6	1,234,567	1,123,456
Intangible assets	7	123,456	112,345
Investments	8	123,456	112,345
Other non-current assets	9	123,456	112,345
Total non-current assets		1,604,935	1,458,491
Total assets		56,476,135	36,638,278
Liabilities			
Current liabilities			
Accounts payable	1	1,234,567	1,123,456
Accounts receivable	2	123,456	112,345
Inventory	3	123,456	112,345
Prepaid expenses	4	123,456	112,345
Other current liabilities	5	123,456	112,345
Total current liabilities		1,514,935	1,453,846
Non-current liabilities			
Long-term debt	6	1,234,567	1,123,456
Other non-current liabilities	7	123,456	112,345
Total non-current liabilities		1,358,023	1,235,801
Total liabilities		9,334,559	5,890,918
Net assets		47,141,576	30,747,360
Equity			
Share capital	1	1,234,567	1,123,456
Reserves	2	123,456	112,345
Total equity		47,141,576	30,747,360

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

**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Amalgamation reserve	Retained earnings	Total equity
	\$	\$	\$
At 1 November 2019	-	30,747,360	30,747,360
Profit/(loss) for the year	-	(1,000,000)	(1,000,000)
Transfer from/(to) retained earnings	-	-	-
Transfer from/(to) amalgamation reserve	-	-	-
	-	-	-
At 31 October 2020	6,182,521	40,959,055	47,141,576
At 1 November 2018	-	33,940,280	33,940,280
Profit/(loss) for the year	-	(1,000,000)	(1,000,000)
Transfer from/(to) retained earnings	-	-	-
Transfer from/(to) amalgamation reserve	-	-	-
	-	-	-
At 31 October 2019	-	30,747,360	30,747,360

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
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Notes	2020 \$	2019 \$
Operating activities			
Profit/(loss) for the year		(1,000,000)	(1,000,000)
Changes in non-current assets and liabilities		(1,000,000)	(1,000,000)
Changes in current assets and liabilities		(1,000,000)	(1,000,000)
Interest received		(1,000,000)	(1,000,000)
Interest paid		(1,000,000)	(1,000,000)
Dividends received		(1,000,000)	(1,000,000)
Dividends paid		(1,000,000)	(1,000,000)
Net cash flows from/(used in) operating activities		3,098,508	(7,562,511)
Investing activities			
Proceeds from/(used in) investing activities		(1,000,000)	(1,000,000)
Proceeds from/(used in) investing activities		(1,000,000)	(1,000,000)
Proceeds from/(used in) investing activities		(1,000,000)	(1,000,000)
Proceeds from/(used in) investing activities		(1,000,000)	(1,000,000)
Net cash flows from investing activities		5,250,714	25,565,113
Financing activities			
Proceeds from/(used in) financing activities		(1,000,000)	(1,000,000)
Proceeds from/(used in) financing activities		(1,000,000)	(1,000,000)
Proceeds from/(used in) financing activities		(1,000,000)	(1,000,000)
Proceeds from/(used in) financing activities		(1,000,000)	(1,000,000)
Net cash flows used in financing activities		(279,753)	(3,213,556)
Cash and cash equivalents at 31 October		24,418,246	16,348,777

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

**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Significant accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)**AASB 1058 *Income of Not-For-Profit Entities***

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AASB 16 Leases

2. Significant accounting policies

2.1 Basis of preparation

Amendments to Australia Accounting Standards - Right-of-use Assets of Not-for-Profit Entities

[illegible][illegible]

2.2 Changes in accounting policies and disclosures

New and amended standards and interpretations

Leases previously classified as finance leases

[illegible]

AASB 15 *Revenue from Contracts with Customers*

Leases previously accounted for as operating leases

[illegible]

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.2 Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

AASB 16 Leases (continued)

Leases previously accounted for as operating leases (continued)

On 1 January 2020, the Group adopted the amendments to AASB 16 Leases that:

- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.
- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.
- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.
- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.

On 1 January 2020, the Group adopted the amendments to AASB 16 Leases that:

- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.
- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.
- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.

On 1 January 2020, the Group adopted the amendments to AASB 16 Leases that:

	\$
Lease liabilities as at 1 November 2019	494,422
	5%
	488,200
	671,688
	1,159,888

Accounting Standards and Interpretations issued but not yet effective

The Group has not adopted the amendments to AASB 16 Leases that:

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies

a) Basis of consolidation

The Group has adopted the amendments to AASB 16 Leases that:

- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.
- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.
- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.

On 1 January 2020, the Group adopted the amendments to AASB 16 Leases that:

- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.
- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.
- the Group has the right to extend the lease term, and the Group has the right to terminate the lease, and the Group has the right to sublease the leased asset.

On 1 January 2020, the Group adopted the amendments to AASB 16 Leases that:

On 1 January 2020, the Group adopted the amendments to AASB 16 Leases that:

On 1 January 2020, the Group adopted the amendments to AASB 16 Leases that:

On 1 January 2020, the Group adopted the amendments to AASB 16 Leases that:

b) Business combinations

On 1 January 2020, the Group adopted the amendments to AASB 16 Leases that:

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

c) Current versus non-current classification

Assets and liabilities are classified as current or non-current based on the expected timing of realisation or settlement. Assets and liabilities are classified as non-current if they are not due to be realised or settled within 12 months of the reporting date.

Assets and liabilities are classified as current if they are due to be realised or settled within 12 months of the reporting date.

Assets and liabilities are classified as non-current if they are not due to be realised or settled within 12 months of the reporting date.

Assets and liabilities are classified as current if they are due to be realised or settled within 12 months of the reporting date.

Assets and liabilities are classified as non-current if they are not due to be realised or settled within 12 months of the reporting date.

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Assets and liabilities are classified as non-current if they are not due to be realised or settled within 12 months of the reporting date.

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Assets and liabilities are classified as non-current if they are not due to be realised or settled within 12 months of the reporting date.

Assets and liabilities are classified as current if they are due to be realised or settled within 12 months of the reporting date.

Assets and liabilities are classified as non-current if they are not due to be realised or settled within 12 months of the reporting date.

Assets and liabilities are classified as current if they are due to be realised or settled within 12 months of the reporting date.

Assets and liabilities are classified as non-current if they are not due to be realised or settled within 12 months of the reporting date.

Assets and liabilities are classified as current if they are due to be realised or settled within 12 months of the reporting date.

d) Revenue recognition

For the year ended 31 October 2020

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Sale of goods

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Rendering of services

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Grant income

Grants received from the National Rugby League:

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

d) Revenue recognition (continued)

For the year ended 31 October 2020 (continued)

Membership, ticketing and game day revenue

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Sponsorships

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Contract balances

Contract liabilities

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

For the year ended 31 October 2019

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Sale of goods

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Rendering of services

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

Grant

National Rugby League Distribution:

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

e) Finance income

Interest revenue

Revenue is recognised when the entity has satisfied the following conditions: the amount of revenue can be measured reliably; the economic benefits associated with the revenue will flow to the entity; and the costs incurred or to be incurred in generating the revenue can be measured reliably.

**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

f) Government grants

JobKeeper payment

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The JobKeeper payment is included in the consolidated financial statements for the year ended 31 October 2020 as a non-recurring income. The JobKeeper payment is included in the consolidated financial statements for the year ended 31 October 2020 as a non-recurring income.

The JobKeeper payment is included in the consolidated financial statements for the year ended 31 October 2020 as a non-recurring income.

The JobKeeper payment is included in the consolidated financial statements for the year ended 31 October 2020 as a non-recurring income.

g) Taxes

Current income tax

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

Deferred tax

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

Tax consolidation

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES**
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

g) Taxes (continued)

Goods and services tax (GST)

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

h) Impairment of non-financial assets

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

i) Cash and cash equivalents

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

j) Financial instruments

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

(i) Financial assets

Initial recognition and measurement

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

The Company has received a JobKeeper payment from the Australian Government of \$1,500 per employee per week for the period 1 July 2020 to 30 September 2020, which is included in the consolidated financial statements for the year ended 31 October 2020.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

j) Financial instruments (continued)

(i) Financial assets (continued)

Subsequent measurement

Financial assets at amortised cost (debt instruments)

These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Trade and other receivables

Trade receivables are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the assets expire, or when the assets are transferred to another entity and the transferor has relinquished control over the assets and cannot enforce its rights to the assets.

- These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

Financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

j) Financial instruments (continued)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial liabilities are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement

Trade and other payables

Trade payables are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Loans and borrowings

Financial liabilities are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Derecognition

Financial liabilities are derecognised when the contractual obligations to the cash flows from the liabilities expire, or when the liabilities are transferred to another entity and the transferor has relinquished control over the liabilities and cannot enforce its rights to the liabilities.

k) Inventories

Inventories are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

l) Property, plant and equipment

Property, plant and equipment are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These financial assets are measured at amortised cost if they are held within a business model whose objective is to hold the financial assets in order to collect the contractual cash flows, and the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

m) Leases (continued)

Group as a lessee (continued)

(ii) Lease liabilities (continued)

[illegible][illegible]

(iii) Short-term leases and leases of low-value assets

[illegible]

n) Intangible assets

1. **Содержание**

[illegible][illegible][illegible][illegible]

	Licences
Useful lives	□□□□□□□□
Amortisation method used	□ □ □ □ □□□□□□
Internally generated or acquired	□ □□□□□□□

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Significant accounting policies (continued)

2.3 Summary of significant accounting policies (continued)

o) Provisions and employee benefit liabilities

General

Provisions are liabilities of uncertain timing or amount. A provision is recognised when the club has a present obligation (legal or constructive) as a result of a past event, 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. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where the club expects to settle a liability within 12 months after the reporting date, the liability is measured at its nominal value. Where the liability is not expected to be settled within 12 months, the liability is measured at the present value of the amount required to settle the liability. Provisions are reviewed at each reporting date and adjusted to reflect changes in the club's estimate of the amount required to settle the obligation.

Wages, salaries, and sick leave

Wages, salaries, and sick leave are recognised as liabilities when the club has a present obligation to pay amounts to its employees or to its superannuation funds. The liability is measured at the amount of cash or cash equivalents that the club expects to pay to settle the obligation. The liability is recognised when the club has a present obligation to pay amounts to its employees or to its superannuation funds. The liability is measured at the amount of cash or cash equivalents that the club expects to pay to settle the obligation.

Long service leave and annual leave

Long service leave and annual leave are recognised as liabilities when the club has a present obligation to pay amounts to its employees or to its superannuation funds. The liability is measured at the amount of cash or cash equivalents that the club expects to pay to settle the obligation. The liability is recognised when the club has a present obligation to pay amounts to its employees or to its superannuation funds. The liability is measured at the amount of cash or cash equivalents that the club expects to pay to settle the obligation.

p) Borrowing costs

Borrowing costs are recognised as an expense when the club has a present obligation to pay amounts to its lenders or to its superannuation funds.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

3. Significant accounting judgements, estimates and assumptions

The club has made judgements, estimates and assumptions in preparing the financial statements. The club has made judgements, estimates and assumptions in preparing the financial statements. The club has made judgements, estimates and assumptions in preparing the financial statements.

Estimates and assumptions

The club has made judgements, estimates and assumptions in preparing the financial statements. The club has made judgements, estimates and assumptions in preparing the financial statements. The club has made judgements, estimates and assumptions in preparing the financial statements.

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The club has made judgements, estimates and assumptions in preparing the financial statements. The club has made judgements, estimates and assumptions in preparing the financial statements.

Assessment of impairment and remaining useful lives of property, plant and equipment

The club has made judgements, estimates and assumptions in preparing the financial statements. The club has made judgements, estimates and assumptions in preparing the financial statements. The club has made judgements, estimates and assumptions in preparing the financial statements.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

4. Business combination

Acquisitions in 2020

The Club acquired 100% of Cronulla Sporties Pty Ltd (Sporties") on 1 October 2020. Sporties is a company that provides sports equipment and services to clubs and individuals. The acquisition was completed on 1 October 2020. The fair value of the net assets acquired was \$13,127,615. The purchase consideration was \$8,527,615. The gain recognised as an equity acquisition reserve was \$6,182,521.

Assets acquired and liabilities assumed

The following table shows the fair value of the assets acquired and liabilities assumed at the acquisition date.

	Fair value recognised on acquisition \$
Assets	
Property, plant and equipment	1,234,567
Intangible assets	1,234,567
Financial assets	1,234,567
Other assets	1,234,567
Liabilities	
Trade payables	(76,643)
Other payables	(110,217)
Other liabilities	(17,322)
Total identifiable net assets at fair value	12,923,433
Purchase consideration	
Cash paid	8,527,615
Gain recognised as an equity acquisition reserve	6,182,521
Analysis of cash flows on acquisition:	
Net cash flow on acquisition	4,395,818

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

5. Revenue

5.1 Revenue from contracts with customers - AASB 15

	2020 \$
Sale of goods	
Sale of goods	1,655,223
Rendering of services	
Rendering of services	2,438,165
Other revenue	
Other revenue	21,673,087
Total revenue	25,766,475

5.2 Revenue recognised under AASB 1058

	2020 \$
Revenue recognised under AASB 1058	2,174,558

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

5. Revenue (continued)

5.3 Revenue

	2019
	\$
Sale of goods	
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	4,446,605
Rendering of services	
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□ □ □ □ □ □ □ □ □ □ □ □ □ □	□ □ □ □ □ □ □ □ □ □
	8,823,845
Other revenue	
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	22,105,047
	35,375,497

6. Other income

[illegible]

7. Expenses

	2020	2019
	\$	\$
Included under administrative expenses:		
(Reversal of)/allowance for expected credit losses		
□□□□□ □□□□□□□□□□	□□□□□□□□	□□□□□□□□
Included under occupancy, administrative, gaming and other expenses:		
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CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

8 Other expenses

	2020	2019
	\$	\$
<p> 2020年12月31日及2019年12月31日，本公司在资产负债表上列示的金融资产和负债，其公允价值与账面价值无重大差异。 </p> <p> 2020年12月31日及2019年12月31日，本公司在资产负债表上列示的金融资产和负债，其公允价值与账面价值无重大差异。 </p> <p> 2020年12月31日及2019年12月31日，本公司在资产负债表上列示的金融资产和负债，其公允价值与账面价值无重大差异。 </p>	<p> 2020年12月31日及2019年12月31日，本公司在资产负债表上列示的金融资产和负债，其公允价值与账面价值无重大差异。 </p> <p> 2020年12月31日及2019年12月31日，本公司在资产负债表上列示的金融资产和负债，其公允价值与账面价值无重大差异。 </p> <p> 2020年12月31日及2019年12月31日，本公司在资产负债表上列示的金融资产和负债，其公允价值与账面价值无重大差异。 </p>	<p> 2020年12月31日及2019年12月31日，本公司在资产负债表上列示的金融资产和负债，其公允价值与账面价值无重大差异。 </p> <p> 2020年12月31日及2019年12月31日，本公司在资产负债表上列示的金融资产和负债，其公允价值与账面价值无重大差异。 </p> <p> 2020年12月31日及2019年12月31日，本公司在资产负债表上列示的金融资产和负债，其公允价值与账面价值无重大差异。 </p>
	919,140	10,456,398

9. Finance costs

	2020	2019
	\$	\$
Depreciation expense	\$ 6,780	\$ 10,000
Amortization expense	\$ 6,780	\$ 10,000
Impairment loss on equipment	\$ 10,000	\$ -
	41,730	201,527

10. Income tax

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[illegible]

	2020	2019
	\$	\$

Current income tax charge:

[illegible]

Deferred tax:

[illegible]

Income tax expense/(benefit) reported in the consolidated statement of profit or loss

[illegible]

	2020	2019
	\$	\$

[illegible][illegible]

Income tax expense/(benefit) reported in the consolidated statement of profit or loss

profit or loss	2,742,242	(3,001,961)
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**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020**

10. Income tax (continued)

Deferred tax

Deferred tax liabilities comprise temporary differences attributable to:

2020	2019
\$	\$

Amounts recognised in liabilities

2,345,094	-
------------------	----------

Deferred tax assets comprise temporary differences attributable to:

2020	2019
\$	\$

Amounts recognised in assets

- 2,148,027

Current tax liabilities/(receivables)

634,687 (12,167)

11. Cash and cash equivalents

	2020	2019
	\$	\$

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12. Trade and other receivables

2020	2019
\$	\$

Current

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547,841	631,738

Non-current

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1,800,000	-
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[illegible]

13. Inventories

2020	2019
\$	\$
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266,279	411,806

Current

444

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

14. Property, plant and equipment

	Freehold land	Buildings and building improvements*	Plant and equipment*	Leased plant and equipment*	Work in progress	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 1 November 2019 (on adoption of AASB 16)						
At 31 October 2020	3,987,999	30,979,483	7,838,628	-	1,879,944	44,686,054
Accumulated depreciation						
At 1 November 2019 (on adoption of AASB 16)						
At 31 October 2020	-	10,453,892	6,294,358	-	-	16,748,250
Net book value						
At 31 October 2020	3,987,999	20,525,591	1,544,270	-	1,879,944	27,937,804

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

14. Property, plant and equipment (continued)

15. Leases

Group as a lessee

	Plant and equipment	Computer equipment	Land and buildings	Motor vehicles	Total
	\$	\$	\$	\$	\$
As at 1 November 2019 (on adoption of AASB 16)	617,693	27,851	467,928	29,092	1,142,564
At 31 October 2020	142,299	-	449,022	17,028	608,349

	2020
	\$
As at 1 November 2019 (on adoption of AASB 16)	1,159,888
At 31 October	608,289
	137,564
	470,725

**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

15. Leases (continued)

Group as a lessee (continued)

	2020
	\$
<p> 1. 2020年12月31日，本公司持有的金融资产账面价值如下： </p> <p> 2. 2020年12月31日，本公司持有的金融负债账面价值如下： </p> <p> 3. 2020年12月31日，本公司持有的金融资产和金融负债的公允价值如下： </p> <p> 4. 2020年12月31日，本公司持有的金融资产和金融负债的公允价值如下： </p>	<p>362,959</p>

\$384,705

16. Intangible assets

[illegible]

17. Financial asset

	2020	2019
	\$	\$
Non-current		
Intangible assets	-	58,264
Analysis of movement in financial asset		
At 1 January	58,264	18,412,741
Disposals	-	(18,409,344)
Net change in fair value	-	54,867
At 31 October	(58,264)	-
As at 31 October	-	58,264

**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020**

18. Trade and other payables

	2020	2019
	\$	\$
Depreciation expense	\$ 67,800	\$ 67,800
Amortization expense	\$ 1,000,000	\$ 1,000,000
Impairment loss on intangible assets	\$ 1,886,297	\$ -
	3,564,097	2,590,103

19. Interest-bearing loans and borrowings

	2020	2019
	\$	\$
Current		
Secured		
Accounts receivable, net	10,000	10,000
Inventory	10,000	10,000
Prepaid expenses	10,000	10,000
Other current assets	10,000	10,000
Unsecured		
Accounts payable	10,000	10,000
Accrued liabilities	10,000	10,000
Non-current		
Property, plant and equipment, net	470,725	277,977
Intangible assets, net	192,824	467,929

20. Employee benefit liabilities

	2020	2019
	\$	\$
Current		
Accounts receivable	1,000,000	1,000,000
Inventory	1,000,000	1,000,000
	421,514	494,709
Non-current		
Property, plant and equipment	91,652	90,873

[illegible]

**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

21. Contract liabilities

	2020	2019
	\$	\$
Current		
Trade receivables, net of allowance for doubtful accounts	1,013,966	-
Prepaid expenses and other receivables	600,000	-
	<u>1,013,966</u>	<u>-</u>
Non-current		
Long-term receivables, net of allowance for doubtful accounts	600,000	-
	<u>600,000</u>	<u>-</u>

22. Income in advance

	2020	2019
	\$	\$
Current		
Trade receivables, net of allowance for doubtful accounts	1,000,000	1,000,000
Prepaid expenses and other assets	500,000	500,000
Inventory, net of reserve for obsolescence	1,500,000	1,500,000
Property, plant and equipment, net of accumulated depreciation	2,000,000	2,000,000
	<u>5,000,000</u>	<u>5,000,000</u>
	-	769,327
Non-current		
Long-term debt, net of current portion	-	1,200,000

23. Related party transactions

23.1 Information about controlled entities

Name	Principal activities
<p> 1. Identify the problem 2. Define the problem 3. Generate hypotheses 4. Test hypotheses 5. Evaluate results 6. Communicate findings 7. Reflect on the process 8. Apply the knowledge </p>	<p> 1. Identify the problem 2. Define the problem 3. Generate hypotheses 4. Test hypotheses 5. Evaluate results 6. Communicate findings 7. Reflect on the process 8. Apply the knowledge </p>

**CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020**

23. Related party transactions (continued)

23.2 Transactions with related parties

Transactions with Directors and Director Related Entities

1990 年 1 月 1 日以前，中国居民个人取得的境外所得，已在境外缴纳的个人所得税税额，可抵免其在中国应纳税额。

[illegible]

23.3 Key management personnel compensation

	2020	2019
	\$	\$
□□□ □ □□□□ □□□□ □□□□□□	1,485,654	1,000,949

23.4 Directors' loans

24. Commitments and contingencies

Lease commitment (non-cancellable)

[illegible]

Contingent liabilities

[illegible]

25. Information relating to Cronulla-Sutherland Leagues Club Limited (the "Parent")

[illegible]

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

26. Events after the reporting period

There are no events after the reporting period that have resulted in adjustments to the financial statements for the year ended 31 October 2020.

27. Members Guarantee

The Club has a guarantee from its members in the amount of \$1 million. The guarantee is a guarantee of the Club's financial position at 31 October 2019.

CRONULLA-SUTHERLAND LEAGUES CLUB LIMITED AND
CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

The Club has a guarantee from its members in the amount of \$1 million. The guarantee is a guarantee of the Club's financial position at 31 October 2020.

The Club has a guarantee from its members in the amount of \$1 million.

The Club has a guarantee from its members in the amount of \$1 million. The guarantee is a guarantee of the Club's financial position at 31 October 2020.

The Club has a guarantee from its members in the amount of \$1 million. The guarantee is a guarantee of the Club's financial position at 31 October 2020.

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The Club has a guarantee from its members in the amount of \$1 million. The guarantee is a guarantee of the Club's financial position at 31 October 2020.

The Club has a guarantee from its members in the amount of \$1 million.



The Club has a guarantee from its members in the amount of \$1 million. The guarantee is a guarantee of the Club's financial position at 31 October 2020.



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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 2020, 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 2020 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 (including Independence Standards)* (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
28 January 2021

