

**CABRAMATTA RUGBY LEAGUE CLUB  
LIMITED  
A.B.N. 24 000 650 206**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED  
31 DECEMBER 2023**

## DIRECTORS' REPORT

Your directors submit their report for the year ended 31 December 2023.

### 1. DIRECTORS

The names of the directors in office during the year and their attendances at full board and other meetings held during the year were as follows:

	Board Meetings Held	Board Meetings Attended
Edward Flahey	4	4
Ian Morris	4	4
Jamie Bransby	4	4
Bradley Jennings	4	4
Craig Jeffrey	4	4
Chris Yates (appointed 9/3/2023)	2	2
Leonard Windshuttle (appointed 9/3/2023)	2	1
Graham Jamieson (resigned 28/2/2023)	2	1
Robert Willebrands (resigned 28/2/2023)	2	1

### 2. PRINCIPAL ACTIVITIES OF THE COMPANY

The principal activities of the company during the year were to encourage and promote the game of Rugby League. The company also provided members and guests with the facilities of a Registered Club. The club finalised the amalgamation of the Aberdeen Bowling Club Limited and Aberdeen RSL Club limited during the year. Apart from the amalgamations there has been no change in the nature of these activities during the year.

### 3. TRADING RESULTS

The result of the company before profit on amalgamation, interest, depreciation, impairments and taxation was a profit of \$2,032,355 (2022: \$3,471,920 profit).

The net profit of the company for the year after profit on amalgamation, interest, depreciation, impairments and taxation was \$2,339,306 (2022: \$1,660,730).

The current years results include a profit on amalgamation of the Aberdeen Bowling Club Limited and Aberdeen RSL Club Limited of \$2,833,479.

### 4. DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends, as the Club is prohibited from paying dividends by its Constitution.

DIRECTORS' REPORT (continued)

## 5. SHORT AND LONG TERM OBJECTIVES

The Club's short term and long term objective is to become a sustainable and profitable organization that can give back to the community. With our growth, Cabra Leagues has now emerged as Cabra Leagues Sports and Community Group, with Cabra Leagues at the helm. We are dedicated to promoting a sense of community and inclusivity through our events, partnerships, and community outreach programs. To nurture and foster growth in Rugby League, Bowls while supporting our sub-clubs.

In addition to our community focused initiatives, we also prioritize the well-being of our members and guests. We have implemented responsible gambling practices and offer support services for those who may need it. We also have a strong focus on sustainability, which includes exploring other avenues to become non-dependent on gaming and have implemented various environmentally friendly practices throughout our venues.

As we continue to grow and evolve, we are committed to upholding our values of integrity, respect, teamwork, and excellence in everything we do. We strive to create a welcoming and enjoyable atmosphere for all who visit our venues, whether it be a sporting event, a night out with friends or a community event.

We are proud to be a part of the Cabramatta and Northern Communities and will continue to work towards providing the best possible experience for all those who walk through our doors.

Our long-term objectives reflect our dedication to growth, sustainability, community, excellence, and up-hold our name, Cabra Leagues Sports and Community Group as being the number one group in Cabramatta for fostering sport and community.

## 6. STRATEGIES FOR ACHIEVING OBJECTIVES

The Club undertakes a number of strategies to achieve the above objectives.

- The Board and Management are revisiting the Strategic Plan on a regular basis
- High level of financial support for community organisations in accordance with the Club's Charter
- The Club is considering diversification options to reduce the Club's reliance on gaming revenue while at the same time master planning for capital investment in all facilities to ensure they continue to meet member expectations
- Continued development in the charter of rugby league by providing quality Coaches and Officials to complement the state of the art facilities we have available.

CABRAMATTA RUGBY LEAGUE CLUB LIMITED  
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DIRECTORS' REPORT (continued)

## 7. MEASUREMENT OF PERFORMANCE

The Club measures financial and operational performance using the following key indicators:

- Quarterly Profit and Loss reports are presented and tabled quarterly at board meetings.
- EBITDARD performance to industry standards.
- Monthly cash flow and banking reconciliation
- Monitoring of Patronage entering the premises, utilising the courtesy bus, and frequenting bingo, and cash housie
- Mystery Shopper reviews
- Members surveys and feedback
- Market research
- Success of Junior Football teams in terms of premierships, representative honours, and progression from grass roots to first grade level

## 8. DIRECTORS' REMUNERATION

No director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the director or with a company in which they have a substantial financial interest other than as disclosed in the financial report.

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DIRECTORS' REPORT (continued)

## 9. INFORMATION ON DIRECTORS

The directors in office at the date of this report and their relevant qualifications are as follows:

Edward Flahey President	Self Employed Director from 2021
Ian Morris	Australia Post Director from 2021
Jamie Bransby	Self Employed Director from 2021
Bradley Jennings	Insurance Accessor Director from 2021
Craig Jeffrey	Ausgrid Director from 2021
Chris Yates	Business Development Manager Director from 9 March 2023
Leonard Windshuttle	Dockhand Director from 9 March 2023

For and on behalf of the Board



President



Vice President

Cabramatta  
9 April 2024

AUDITORS' INDEPENDENCE DECLARATION TO THE DIRECTORS OF  
CABRAMATTA RUGBY LEAGUE CLUB LIMITED  
(a company limited by guarantee)

I declare that, to the best of my knowledge and belief, in relation to the audit of Cabramatta Rugby League Club Limited for the year ended 31 December 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; or
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**KellyPartners+BergerPiepers**



W J Piepers FCA

Senior Client Partner

9 April 2024  
Penrith, NSW

Kelly Partners (Western Sydney) Pty Ltd ABN 66 059 148 319

Level 1, 286 High, Penrith NSW 2750  
PO Box 999, Penrith NSW 2751

+61 2 4726 9666 [westernsydney@kellypartners.com.au](mailto:westernsydney@kellypartners.com.au)

[kellypartners.com.au](http://kellypartners.com.au)

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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
CABRAMATTA RUGBY LEAGUE CLUB LIMITED  
(a company limited by guarantee)  
A.C.N. 000 650 206

## SCOPE

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Cabramatta Rugby League Club Limited, which comprises the statement of financial position as at 31 December 2023, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, the accompanying financial report of Cabramatta Rugby League Club Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2023 and of the financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis of 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 company 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Cabramatta Rugby League Club Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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

## **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 and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the consolidated company 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 company or to cease operations, or have no realistic alternative but to do so.

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

Our 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 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 judgement and maintain professional skepticism 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 company'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 company'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 company to cease to continue as a going concern;

## Auditor's Responsibilities for the Audit of the Financial Report (continued)

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

**KellyPartners+BergerPiepers**



W J Piepers FCA

Senior Client Partner

9 April 2024  
Penrith, NSW

CABRAMATTA RUGBY LEAGUE CLUB LIMITED  
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## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,052,036	2,040,557
Trade and other receivables	6	822,673	130,650
Inventories	7	117,939	48,768
Other	8	<u>308,045</u>	<u>547,111</u>
<b>TOTAL CURRENT ASSETS</b>		<u>2,300,693</u>	<u>2,767,086</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	32,069,361	24,959,837
Intangible assets	10	<u>4,143,953</u>	<u>1,103,953</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>36,213,314</u>	<u>26,063,790</u>
<b>TOTAL ASSETS</b>		<u>38,514,007</u>	<u>28,830,876</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	3,222,896	2,174,175
Provisions	12	418,606	368,097
Other	13	6,331	6,459
Borrowings	14	<u>1,418,596</u>	<u>619,876</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>5,066,429</u>	<u>3,168,607</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	12	155,002	83,692
Borrowings	14	<u>9,291,873</u>	<u>3,917,180</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>9,446,875</u>	<u>4,000,872</u>
<b>TOTAL LIABILITIES</b>		<u>14,513,304</u>	<u>7,169,479</u>
<b>NET ASSETS</b>		<u>24,000,703</u>	<u>21,661,397</u>
<b>MEMBERS' EQUITY</b>			
Reserves	15	4,289,447	2,868,439
Retained profits		<u>19,711,256</u>	<u>18,792,958</u>
<b>TOTAL MEMBERS' EQUITY</b>		<u>24,000,703</u>	<u>21,661,397</u>

The accompanying notes form part of these financial statements.

CABRAMATTA RUGBY LEAGUE CLUB LIMITED  
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## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
<b>Revenue</b>			
Sale of goods and services	3(a)	15,508,002	14,103,859
Finance income	3(b)	<u>397</u>	<u>24</u>
<b>TOTAL REVENUE</b>		<u>15,508,399</u>	<u>14,103,883</u>
<b>Expenses</b>			
Cost of goods sold		(1,170,964)	(832,764)
Employee benefits	3(c)	(3,415,331)	(2,365,732)
Poker machine revenue tax		(2,333,334)	(2,445,200)
Donations		(101,803)	(108,947)
Entertainment and promotional expenses		(1,890,517)	(1,731,098)
Security		(470,123)	(413,799)
Football expenses		(264,322)	(218,287)
Other expenses	3(d)	<u>(3,829,650)</u>	<u>(2,816,136)</u>
<b>TOTAL OPERATING EXPENSES</b>		<u>(13,476,044)</u>	<u>(10,631,963)</u>
<b>PROFIT BEFORE INTEREST, DEPRECIATION AND INCOME TAX</b>		2,032,355	3,471,920
Finance expenses	3(e)	(328,947)	(51,350)
Depreciation	3(f)	<u>(2,197,582)</u>	<u>(1,759,841)</u>
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		(494,173)	1,660,730
Income tax expense	4	<u>-</u>	<u>-</u>
<b>NET PROFIT/(LOSS)</b>		(494,173)	1,660,730
<b>OTHER COMPREHENSIVE INCOME</b>			
Profit on amalgamation		<u>2,833,479</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME</b>		<u>2,833,479</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>2,339,306</u>	<u>1,660,730</u>

The accompanying notes form part of these financial statements.

CABRAMATTA RUGBY LEAGUE CLUB LIMITED  
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## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	NOTE	2023 \$	2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		16,397,260	15,482,612
Payments to trade creditors, other suppliers and creditors and employees		(14,091,655)	(11,441,943)
Interest and other costs of finance paid		(328,947)	(51,350)
Interest received		397	24
		<u>1,977,055</u>	<u>3,989,343</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		26,591	24,450
Payments for intangible assets		(3,040,000)	(762,972)
Payments for property, plant and equipment		(3,264,585)	(6,527,768)
Proceeds from amalgamation		301,067	-
		<u>(5,976,927)</u>	<u>(7,266,290)</u>
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Bank loans - net		3,946,159	3,165,469
Finance lease repayments		(934,808)	(158,959)
		<u>3,011,351</u>	<u>3,006,510</u>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>			
NET DECREASE IN CASH HELD		(988,521)	(270,437)
Cash at the beginning of the financial year		<u>2,040,557</u>	<u>2,310,994</u>
CASH AT THE END OF THE FINANCIAL YEAR	5	<u><u>1,052,036</u></u>	<u><u>2,040,557</u></u>

The accompanying notes form part of these financial statements.

CABRAMATTA RUGBY LEAGUE CLUB LIMITED  
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STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Retained Profits \$	Reserves (Note 15) \$	Total Equity \$
<b>As at 1 January 2022</b>	17,132,228	2,868,439	20,000,667
Profit for the year	1,660,730	-	1,660,730
Other comprehensive income	-	-	-
<b>As at 31 December 2022</b>	18,792,958	2,868,439	21,661,397
Loss for the year	(494,173)	-	(494,173)
Other comprehensive income	1,412,471	1,421,008	2,833,479
<b>As at 31 December 2023</b>	<u>19,711,256</u>	<u>4,289,447</u>	<u>24,000,703</u>

The accompanying notes form part of these financial statements.

CABRAMATTA RUGBY LEAGUE CLUB LIMITED  
(a company limited by guarantee)  
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NOTES TO THE FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2023

1. CORPORATE INFORMATION

Cabramatta Rugby League Club Limited is a company limited by guarantee with each member of the company liable to contribute an amount not exceeding \$2.00 in the event of the company being wound up.

The principal activities of the company during the financial year were the promotion of the game of Rugby League and that of a registered club, providing facilities for its members and their guests. The company operates in two geographical locations, being Cabramatta and Aberdeen New South Wales.

Principal place of business:           24 Sussex Street  
Cabramatta NSW 2166

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial report has also been prepared on an historical cost basis and, except where stated, does not take into account current valuations of non-current assets.

The financial statements comprise the financial statements of Cabramatta Rugby League Club Limited and the entities it controls. For the purposes of preparing the financial statements, the Company is a not for-profit entity.

The presentation currency used in these financial statements is Australian dollars (\$). Amounts in these financial statements are stated in Australian dollars unless otherwise noted.

(b) Statement of compliance

The financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and the disclosure requirements in AASB 1060. Accordingly, the financial statements comply with Australian Accounting Standards – Simplified Disclosures.

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Significant accounting judgements, estimates and assumptions

##### *Significant accounting judgements*

In the process of applying the company's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the financial statements.

##### **Significant accounting estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimate and assumption that has a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period is:

- **Impairment of intangibles with indefinite useful lives**

The company determines whether intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

#### (d) Property, plant and equipment

Plant and equipment is stated at historic cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing parts is incurred. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

- Buildings 40 years
- Plant and equipment 3 to 10 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognised.

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (d) Property, plant and equipment (continued)

##### *Impairment*

Non-financial assets, other than goodwill and indefinite life intangibles, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

The company conducts an annual internal review of asset values, which is used as a source of information to assess for any indicators of impairment. External factors, such as changes in expected future processes, technology and economic conditions, are also monitored for indicators of impairment. If any indication of impairment exists, an estimate of the assets recoverable amount is calculated.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets, other than goodwill, that suffered an impairment, are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

#### (e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period in which they occur.

#### (f) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

Costs have been assigned to inventory on hand at balance date using the first in first out basis and are determined based on invoice prices.

#### (g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless it is probable that the company will have the right to defer settlement of the liability for at least twelve months after the reporting date.

#### (i) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

#### (j) Leases

Finance leases, which transfer to the company substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are amortised over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all of the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight line basis over the lease term.

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (k) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of goods*

Control of the goods has passed to the buyer.

##### *Rendering of services*

Control of the right to receive payment for the services performed has passed to the company.

##### *Interest*

Control of the right to receive the interest payment has passed to the company as the interest accrues.

#### (l) Taxes

##### *Income taxes*

The company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

##### *Goods and Services Tax (GST)*

Revenues, expenses and assets are recognised net of the amount of GST except where:

- the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (m) Intangible assets

Intangible assets are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment for indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

#### (n) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets and liabilities transferred. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date.

CABRAMATTA RUGBY LEAGUE CLUB LIMITED  
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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

	2023	2022
	\$	\$
<b>3. REVENUES AND EXPENSES</b>		
<b>(a) Sale of goods and services</b>		
Poker machine revenue	11,320,935	11,056,213
Liquor revenue	2,751,974	1,910,588
Café revenue	28,805	53,467
Keno revenue	70,078	34,129
TAB revenue	61,672	59,966
Football revenue	209,622	297,513
Subscriptions	40,247	39,110
Commissions	72,911	54,419
Rental income	374,543	308,497
Government grants and subsidies	350,000	94,367
Other income	227,215	195,590
	<u>15,508,002</u>	<u>14,103,859</u>
<b>(b) Finance income</b>		
Interest – other corporation	397	24
	<u>397</u>	<u>24</u>
<b>(c) Employee benefits</b>		
Wages and salaries	2,893,181	2,075,744
Superannuation	311,452	214,096
Payroll tax	94,179	32,593
Workers' compensation	116,519	43,299
	<u>3,415,331</u>	<u>2,365,732</u>
<b>(d) Expenses included in other expenses</b>		
Rental of operating leases	59,182	95,270
(Profit)/loss on disposal of property, plant and	45,264	8,186
Remuneration of directors	-	-
Directors' expenses	22,614	12,926
	<u>127,060</u>	<u>116,382</u>
<b>(e) Finance expenses</b>		
Interest and charges	328,947	51,350
	<u>328,947</u>	<u>51,350</u>

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

	2023	2022
	\$	\$

### 3. REVENUES AND EXPENSES (continued)

#### (f) Depreciation

Depreciation of non-current assets

- Buildings	246,279	227,330
- Poker machines	1,179,280	850,179
- Plant and equipment	656,556	583,905
- Motor vehicles	65,366	23,684
- Leasehold improvements	50,101	74,743
	<u>2,197,582</u>	<u>1,759,841</u>

### 4. INCOME TAX

The company is exempt from income tax under section 50-45 of the Income Tax Assessment Act 1997.

### 5. CASH AND CASH EQUIVALENTS

Cash on hand	515,157	411,000
Cash at banks	536,879	1,629,557
	<u>1,052,036</u>	<u>2,040,557</u>

#### Terms and conditions

Cash at bank earns interest at floating rates based on daily bank deposit rates.

### 6. TRADE AND OTHER RECEIVABLES (CURRENT)

Trade debtors	490,947	36,587
Other receivables	331,726	94,063
	<u>822,673</u>	<u>130,650</u>

#### Terms and conditions

Trade debtors and other receivables are non-interest bearing and generally settled within 30 days.

### 7. INVENTORIES (CURRENT)

Liquor stock – at cost	<u>117,939</u>	<u>48,768</u>
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### 8. OTHER CURRENT ASSETS

Prepayments	231,122	117,722
GST receivable	-	332,434
Capitalised costs	76,923	-
Amalgamation costs	-	96,955
	<u>308,045</u>	<u>547,111</u>

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

	2023	2022
	\$	\$
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land - at valuation	8,183,000	7,173,000
Buildings - at valuation	<u>8,827,000</u>	<u>8,827,000</u>
	17,010,000	16,000,000
Buildings – at cost	1,861,987	289,081
Accumulated depreciation	<u>(700,081)</u>	<u>(453,802)</u>
	<u>18,171,906</u>	<u>15,835,279</u>
Memorabilia - at cost	56,793	56,793
Accumulated depreciation	<u>-</u>	<u>-</u>
	<u>56,793</u>	<u>56,793</u>
Poker machines and equipment– at cost	7,900,603	5,882,557
Accumulated depreciation	<u>(4,208,050)</u>	<u>(3,793,033)</u>
	<u>3,692,553</u>	<u>2,089,524</u>
Plant and equipment – at cost	9,642,392	7,779,192
Accumulated depreciation	<u>(6,955,179)</u>	<u>(6,312,042)</u>
	<u>2,687,213</u>	<u>1,467,150</u>
Motor vehicles – at cost	361,354	297,017
Accumulated depreciation	<u>(202,405)</u>	<u>(175,902)</u>
	<u>158,949</u>	<u>121,115</u>
Leasehold improvements – at cost	1,887,345	1,887,345
Accumulated depreciation	<u>(1,310,457)</u>	<u>(1,260,357)</u>
	<u>576,888</u>	<u>626,988</u>
German Austrian Club land and buildings	<u>6,552,179</u>	<u>4,706,262</u>
Work in progress	<u>172,880</u>	<u>56,726</u>
Total property, plant and equipment	<u><u>32,069,361</u></u>	<u><u>24,959,837</u></u>

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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

	2023	2022
	\$	\$

9. PROPERTY, PLANT AND EQUIPMENT (continued)

**Reconciliations**

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current and previous financial years:

*Freehold land – at cost and valuation*

Carrying amount at beginning	7,173,000	7,173,000
Additions on amalgamation	1,010,000	-
	<u>8,183,000</u>	<u>7,173,000</u>

*Buildings – at cost and valuation*

Carrying amount at beginning	8,662,279	8,862,116
Additions on amalgamation	1,390,000	-
Additions	182,906	289,081
Disposals	-	-
Depreciation expense	(246,279)	(488,918)
Revaluation adjustment	-	-
	<u>9,988,906</u>	<u>8,662,279</u>

*Memorabilia – at cost*

Carrying amount at beginning	56,793	56,793
Additions	-	-
	<u>56,793</u>	<u>56,793</u>

*Poker machines and equipment – at cost*

Carrying amount at beginning	2,089,524	1,752,590
Additions	2,018,046	1,219,748
Disposals/adjustments	-	(32,635)
Depreciation expense	(415,017)	(850,179)
	<u>3,692,553</u>	<u>2,089,524</u>

*Plant and equipment – at cost*

Carrying amount at beginning	1,467,150	1,573,812
Additions on amalgamation	380,749	-
Additions	1,482,451	477,243
Depreciation expense	(643,137)	(583,905)
	<u>2,687,213</u>	<u>1,467,150</u>

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AS AT 31 DECEMBER 2023

	2023	2022
	\$	\$
9. PROPERTY, PLANT AND EQUIPMENT (continued)		
<b>Reconciliations (continued)</b>		
<i>Motor vehicles – at cost</i>		
Carrying amount at beginning	121,115	96,627
Additions	64,337	48,172
Depreciation expense	<u>(26,503)</u>	<u>(23,684)</u>
	<u>158,949</u>	<u>121,115</u>
 <i>Leasehold improvements – at cost</i>		
Carrying amount at beginning	626,988	701,732
Depreciation expense	<u>(50,100)</u>	<u>(74,744)</u>
	<u>576,888</u>	<u>626,988</u>
 <i>German Austrian Club land and buildings (non-core)</i>		
Carrying amount at beginning	4,706,262	-
Additions	<u>1,845,917</u>	<u>4,706,262</u>
	<u>6,552,179</u>	<u>4,706,262</u>

**Valuations**

The company's main club land and buildings were valued by Atlas Valuations Pty Ltd (registered valuers) at 31 December 2020. These valuations were based upon the fair values in an open market of assets held by the company at that date and were as follows:

	\$
· Land	7,173,000
· Buildings	<u>8,827,000</u>

As a result of these valuations, the following revaluation adjustments were recognised through the asset revaluation reserve in the 2020 year:

	\$
· Land	3,269,277
· Buildings	<u>(1,462,208)</u>
· Net increase	<u>1,807,069</u>

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

	2023	2022
	\$	\$

### 9. PROPERTY, PLANT AND EQUIPMENT (continued)

The company's property, plant and equipment was reviewed for impairment at 31 December 2023 and the directors have determined that no further impairment of these assets exists as at that date.

During the 2022 financial year the club acquired land and buildings located at 73-75 Curtin Street Cabramatta for \$4,706,262. The directors have determined that this land and buildings are non-core property.

During the financial year the club amalgamated with Aberdeen RSL Club Limited and Aberdeen Bowling Club Limited. The property, plant and equipment were recorded at fair value based on valuations conducted prior to the finalisation of the amalgamation process. As a result the club has recorded an additional \$1,421,008 as an asset revaluation reserve.

### 10. INTANGIBLE ASSETS

Poker machine entitlements – at cost	<u>4,143,953</u>	<u>1,103,953</u>
<b>Reconciliations</b>		
<i>Poker machine entitlements</i>		
Carrying amount at beginning of year	1,103,953	340,981
Additions	<u>3,040,000</u>	<u>762,972</u>
Carrying amount at end of year	<u>4,143,953</u>	<u>1,103,953</u>

#### Measurement

Poker machine entitlements have been determined to be intangible assets with an indefinite useful life. They are not being amortised but are tested for impairment at least annually.

The company's poker machine entitlements were reviewed for impairment at 31 December 2023 and the directors have determined that no impairment of these assets exists as at that date.

### 11. TRADE AND OTHER PAYABLES

<i>Current (unsecured)</i>		
Trade creditors	1,856,041	1,456,115
GST payable	61,804	0
Other creditors and accruals	<u>1,305,051</u>	<u>718,060</u>
	<u>3,222,896</u>	<u>2,174,175</u>

#### Terms and conditions

Trade creditors, other creditors and accrued charges are non-interest bearing and are generally settled on 30 day terms.

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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

	2023 \$	2022 \$
<b>12. PROVISIONS</b>		
<i>Current</i>		
Employee entitlements	<u>418,606</u>	<u>368,097</u>
<i>Non-Current</i>		
Employee entitlements	<u>155,002</u>	<u>83,692</u>
<b>13. OTHER CURRENT LIABILITIES</b>		
Income in advance	<u>6,331</u>	<u>6,459</u>
<b>14. BORROWINGS</b>		
<i>Current</i>		
Loan facility	-	60,000
Lease liability	<u>1,418,596</u>	<u>559,876</u>
	<u>1,418,596</u>	<u>619,876</u>
<i>Non-Current</i>		
Bank loan	7,150,000	3,125,552
Lease liability	<u>2,141,873</u>	<u>791,628</u>
	<u>9,291,873</u>	<u>3,917,180</u>

**Bank loan**

The club has two business facilities, one which has a limit of \$4,000,000 with a term of 5 years expiring in October 2027. The second has a limit of \$3,150,000 with a term of 4 years expiring in November 2026. Both facilities are drawn down in full.

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

	2023 \$	2022 \$
15. RESERVES		
Asset revaluation reserve	<u>4,289,447</u>	<u>2,868,439</u>

### **Nature and purpose of reserve**

The asset revaluation reserve is used to record increments and decrements in the fair value of items of property, plant and equipment to the extent that they offset each other.

### **Reconciliation**

*Asset revaluation reserve*

Balance at beginning	2,868,439	2,868,439
Additions on amalgamation	<u>1,421,008</u>	<u>-</u>
Balance at end	<u>4,289,447</u>	<u>2,868,439</u>

## 16. COMMITMENTS

Capital commitments

Capital expenditure contracted for at 31 December 2023 is based on hourly rates as specified in the contract with builders

## 17. EXPENDITURE COMMITMENTS

Hire purchase and finance leases		
-less than one year	1,559,331	587,732
-later than one year but less than five years	<u>2,359,758</u>	<u>807,489</u>
Total minimum payments	3,919,089	1,395,221
Future finance charges	<u>(358,620)</u>	<u>(43,717)</u>
Lease/hire purchase liability	<u>3,560,469</u>	<u>1,351,504</u>
Current liability	1,418,596	559,876
Non-current liability	<u>2,141,873</u>	<u>791,628</u>
	<u>3,560,469</u>	<u>1,351,504</u>

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NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The company's activities expose it to a variety of financial risks; market risk (including fair value), credit risk, liquidity risk and cash flow interest rate risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

**Interest rate risk**

The Club's exposure to interest rate risks, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, is as follows:

	Floating Interest Rate		Fixed Interest Maturing Within 1 Year		Fixed Interest Maturing 1-5 Years		Non Interest Bearing		Average Interest Rate	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$	\$	\$	%	%
Financial assets										
- Cash assets	536,879	1,629,557	-	-	-	-	515,157	411,000	0.1	0.1
Financial Liabilities										
- Bank facility	7,150,000	3,185,522	-	-	-	-	-	-	6.9	5.2
- Finance Lease	-	-	-	-	3,560,469	1,351,505	-	-	10.1	2.9

Apart from the above, the company has no other interest bearing financial assets and financial liabilities which may affect the company's income and operating cash flows as a result of them being exposed to changes in market interest rates.

**Credit Risk**

The company has no significant concentrations of credit risk as the large majority of earnings are made through cash transactions. The maximum exposure to credit risk at balance date on recognised financial assets is the carrying amount, net of any provisions for losses, as disclosed in the statement of financial position.

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

### 18. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (continued)

#### **Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit.

#### **Net fair values**

The net fair values of financial assets and financial liabilities of the company at balance date approximate the book value as disclosed in the statement of financial position.

### 19. RELATED PARTY INFORMATION

#### **Directors**

The directors named in the attached Directors' Report each held office as a director of the company during the year for the periods indicated in the Directors' Report.

#### **Transactions with related parties**

Transactions were entered into by the company during the year with related parties, directors and director-related entities. All transactions and contracts were on terms and conditions no more favourable to those available to other customers and suppliers. Details are as follows:

Edward Flahey is the proprietor of E & C Trading. During the period Edward was a director in 2023 purchases by the Club from this company totalled \$116,493.

Purchases by E & C Trading from the club during the year totalled 30,787 which included a motor vehicle for \$29,250 and food and beverage \$1,537

James Bransby owns Bransby Smash Repairs. During the period that James was a director in 2023 purchases by the Club from this company totalled \$2,200.

Remuneration of directors is disclosed in note 3(d) to the financial statements.

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## NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2023

### 20. BUSINESS COMBINATIONS

On 30 June 2023, Cabramatta Rugby League Club Limited acquired the operations of Aberdeen Bowling Club Limited and Aberdeen RSL Club Limited, following the completion of a successful amalgamation process. The combination resulted in a gain of \$2,833,479 being the fair value of the net assets acquired under the business combination.

Details of the acquisition are as follows:

Aberdeen Bowling Club Limited	
	Fair Value
	\$
Cash and cash equivalents	276,711
Trade and other receivables	1,180
Inventory	24,619
Other assets	35,816
Property, plant and equipment	2,066,404
Trade and other payables	(147,836)
Financial liabilities	(219,126)
Provisions	<u>(6,044)</u>
Net assets acquired	<u>2,031,724</u>
Goodwill	<u>-</u>
Acquisition-date fair value of the total consideration	<u>2,031,724</u>
Aberdeen RSL Club Limited	
	Fair Value
	\$
Cash and cash equivalents	24,356
Inventory	10,650
Other assets	14,742
Property, plant and equipment	1,098,674
Trade and other payables	(312,885)
Provisions	(32,875)
Other liabilities	<u>(907)</u>
Net assets acquired	<u>801,755</u>
Goodwill	<u>-</u>
Acquisition-date fair value of the total consideration	<u>801,755</u>
Total fair value of the total consideration transferred	<u>2,833,479</u>

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## DIRECTORS' DECLARATION

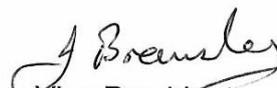
In accordance with a resolution of the directors of Cabramatta Rugby League Club Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of the company are in accordance with:
- (i) the Corporations Act 2001, including:
    - giving a true and fair view of the company's financial position at 31 December 2023 and of its performance for the year ended on that date; and
    - complying with Accounting Standards and Corporations Regulations 2001; and
  - (ii) International Reporting Standards as made by the International Accounting Standards Boards; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

For and on behalf of the Board

  
President

  
Vice President

Cabramatta  
9 April 2024