

CRONULLA SUTHERLAND LEAGUES CLUB LIMITED  
AND CONTROLLED ENTITIES

ABN: 54 000 202 826



# ANNUAL REPORT

## 2022

[sharks.com.au](https://sharks.com.au)



# TABLE OF CONTENTS

<b>2</b>	<b>CHAIRMAN'S WELCOME</b>
<b>2</b>	<b>CEO REPORT</b>
<b>8</b>	<b>SHARKS HAVE HEART - OUR COMMUNITY</b>
<b>10</b>	<b>DIRECTOR'S REPORT</b>
<b>15</b>	<b>AUDITOR'S INDEPENDENCE DECLARATION</b>
<b>16</b>	<b>CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>
<b>17</b>	<b>CONSOLIDATED STATEMENT OF FINANCIAL POSITION</b>
<b>18</b>	<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>
<b>19</b>	<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>
<b>20</b>	<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>
<b>39</b>	<b>DIRECTORS' DECLARATION</b>
<b>40</b>	<b>INDEPENDENT AUDITOR'S REPORT</b>



# CHAIRMAN'S WELCOME



**Steve Mace**  
Group Chairman

Following a year of encouraging results on the field and sound financial management and stability off it, on behalf of my Board of Directors I invite members to view our 2022 Leagues and Football Clubs Annual Report.

It was a year in which the Craig Fitzgibbon-led Sharks NRL team finished the home and away season in second position, with a promise of bigger and better times to come, while our Licensed premises, Sharks at Kareela, was embraced by the membership and again delivered positive trading figures as the economy began its recovery from the Covid-affected period.

On the NRL front, I must thank both players and staff for their dedication and professionalism, with special thanks to Craig for his efforts in his first season as our NRL Coach. Such is the high regard in which he is held by all here at the Sharks, you would have likely read recent media reports of his contract extension, with Craig now locked in to be our Head Coach until at least the end of the 2027 season.

We now look forward to the upcoming NRL season, as we do the 2023 NRLW season, as our Club takes part in that competition for the first time. Thanks to those who have worked tirelessly behind the scenes to make our inclusion in the NRLW possible.

At Sharks at Kareela, we farewelled General Manager Elie Bassil, and thank him for his efforts, while we welcomed Justin Coultou to head up our licensed Club operations. Justin has continued to provide Members and guests with a Club to be proud of and he will be instrumental in the re-opening of our new Leagues Club in Woollooware later in 2023.

Further to that, thanks must go to Group CEO Dino Mezzatesta and the Sharks Management team in both Football and Leagues Club, as well as to our committed staff and my fellow Board of Directors for their hard work and support.

As a Board and management team, despite many challenges along the way, we successfully returned to PointsBet Stadium last year and amongst other significant projects, finalised plans for our refurbished Leagues Club, with completion now drawing ever closer.

Again, I offer a welcome to Sharks Members in presenting the Cronulla Sutherland Leagues Club Limited and Controlled Entities 2022 Annual Report, a document containing a comprehensive analysis of our Financials. This will be preceded by a more detailed Football, Club and Community report from Dino featuring highlights of our year and I thank all Members for their interest and continued support.

## CEO REPORT



**Dino Mezzatesta**  
Group Chief  
Executive Officer

The recently completed trading period contained in this Annual Report was again interesting, challenging and ultimately rewarding, with overall 2022 a positive year for the Cronulla Sharks both on and off the field.

The Sharks NRL team, under the guidance of a new coach in Craig Fitzgibbon, managed 18 wins during the 2022 season, a club record, and despite bowing out of premiership contention with two disappointing Finals losses, we head into 2023 with high expectations as we look to build on the success of last year. Read on for more on our Football Club performance and operations.

Members having seen the on-going Woollooware Bay precinct construction, either from the roadside or from the drone photos and information contained in my regular website updates, will certainly have noticed it is taking shape as it moves towards a mid to late 2023 completion,





There were associated challenges relating to the construction during the 2022 NRL season, however working in partnership and consultation with our development partners we attempted to minimise the disruption to home games as best as possible and appreciated the understanding of our members throughout the year.

With a number of sell-outs and near capacity crowds at every game, our decision to return to our traditional home of PointsBet Stadium in 2022 was a popular one and we thank our committed and passionate members for their support.

While we look forward to the completion and opening of our new state-of-the-art Sharks Leagues Club, set to be the focal point of the Woollooware Bay Town Centre, Sharks at Kareela again proved to be the ideal home-away-from-home during the 2022 season.

Well patronised by our Members and guests, under the guidance of General Manager Elie Bassil for the first half of the year and more recently Justin Coulton, Sharks at Kareela returned positive trading figures in all areas including food and beverage, gaming and as a functions venue, in rebounding from the challenging Covid-affected years.

As we were upon acquiring the Club, we remain delighted with the facilities and service Sharks at Kareela offers and have no doubt it will continue to be a valuable asset in complementing our new Sharks Leagues Club at Woollooware once construction has been completed.

We also revealed discussions had taken place last year surrounding another potential amalgamation with a licensed Club in Coffs Harbour, the Park Beach Bowling Club, in what were plans to add to our licenced club and property portfolio. While our initial amalgamation proposal was rejected by their Board, our approach was noted in their Annual Report and with the success of our football partnership with the Coffs Harbour region we haven't ruled out the possibility of exploring similar opportunities in the future. We will certainly keep members updated as to any further proposals and negotiations, with the process requiring our members to vote for any amalgamations to proceed.

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

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

Just prior to this annual report going to print, Novm (formerly Aoyuan) and their construction contractors Parkview are preparing to handover the Sharks Leagues Club cold shell to us for fit out and completion. With plans nearly finalised it will be full steam ahead as we work towards an October to November 2023 Club opening.

We are confident the final design and finished product will be first class in meeting the needs of our members and their guests and as communicated previously, we appreciate the patience of our members during this process. We have no doubt the finished product will be something to be proud of once the doors are opened for business.



In relation to the Woollooware Bay Town Centre as a whole, the pouring of the concrete slabs for the entire construction precinct and associated form work will have been completed, with internal fit out well underway. We eagerly anticipate the final product, with the new Leagues Club and Town Centre, featuring numerous food, beverage, entertainment, retail and service options, to become a focal point of the Sutherland Shire.

### LICENSED CLUB – SHARKS AT KAREELA

After taking control of the licensed premises at the Kareela Golf Club from Sporties Group in June of 2020, Sharks at Kareela has continually exceeded our expectations, both financially and as the second home in the local area for our Members, in providing the Sharks Group with a positive revenue stream and consistent trading figures.

Following initial refurbishments, where we gave the club a fresh new look, including much needed and overdue resurfacing, lighting and line marking of the car park, we continue to explore ways to make Sharks at Kareela comfortable and welcoming for our Members and their guests.

Membership figures remain strong, now numbering over 27,000, while we aim to increase this membership base with the impending return to Woollooware and opening of our new Sharks Leagues Club. We look forward to soon operating the two financially viable licensed facilities in tandem to serve and provide for our Members.

The customer service offered at Sharks at Kareela is first class, functions, events, promotions, member offerings, regular beverage and dining specials and live shows, as well as the award-winning Cove Bar and Grill, with Gina and her team recognised with another Perfect Plate award in 2022, combining to drive impressive club visitation numbers.

And with Covid behind us and improved weather during late 2022, golfing members and social players returned to play golf at Kareela, with many back on the course and taking advantage of the facilities offered.



**Craig Fitzgibbon** Head Coach

the home and away season in second position on the NRL ladder.

No doubt, Sharks at Kareela has become a popular food, beverage and entertainment destination in the centre of the Shire in expanding the Sharks footprint in the local area.

The Sharks at Kareela financials are consolidated into the Cronulla-Sutherland League Club Ltd and its controlled entities report, which covers the year ending October 31, 2022.

### FOOTBALL PERFORMANCE

Despite the fact the NRL team bowed out of premiership contention with a loss to Souths in Week Two of the Finals series, the 2022 season should be considered a successful one.

The team registered 18 wins, a single-season Club record, played in front of a series of sell-out crowds at PointsBet Stadium, while on a personal note we were able to celebrate Nicho Hynes becoming the fourth Shark to win the Dally M Player of the Year.

New coach Craig Fitzgibbon, who as mentioned in the Chairman's Welcome has received a well-deserved contract extension, did an outstanding job of instilling resilience, determination and a will to win into our playing group. The team also played some attractive football along the way in finishing

From a player's perspective, Nicho's exceptional first season in Sharks colours was rewarded with not only the Dally M Medal, the game's most prestigious individual award, but not surprisingly he was also named the Porter-Gallen Medallist as the Sharks best in 2022. In addition, Nicho took away the Sharks Members Player of the Year and as our nominee for the NRL's Ken Stephen Medal, the Sharks Have Heart Community award. Congratulations also to Briton Nikora as a worthy winner of the Tommy Bishop Players Player, with Lochie Miller our Steve Rogers Rookie of the Year.





A number of players earned representative selection, Briton Nikora and Ronaldo Mulitalo played for New Zealand, Sione Katoa, Siosifa Talakai and Andrew Fifita for Tonga, Royce Hunt and Braden Hamlin Uele represented Samoa, Kayal Iro the Cook Islands, youngsters Kyle Pickering and Siteni Taukamo, Italy and Greece respectively, while Siosifa was also a member of the NSW Origin team for games two and three of the 2022 series. Congratulations to all for achieving these representative honours.

In player milestones, Matt Moylan and Cameron McInnes reached 150 NRL games during the 2022 season, Andrew Fifita played his 200th Sharks game and 250th match in the NRL, while Aiden Tolman joined a select group of just 45 to have played 300 first grade games, representing a wonderful moment for him and his family. Again, congratulations to our milestone players.

The 2022 season also saw nine players debut for our Club in Matt Ikuvalu, Nicho Hynes, Dale Finucane, Cameron McInnes, Lochie Miller, Tom Hazelton, Jesse Colquhoun, Kade Dykes and Kayal Iro, with five of those in Lochie, Tom, Jesse, Kade and Kayal playing their first NRL games. Well done to all and we welcome you into what is a special group of men to have represented our Club in the top grade since our inception in 1967.

At the conclusion of every season we are also forced to farewell players who have given excellent service to our Club. To Andrew Fifita and Aiden Tolman we wish you every success in retirement and in the next chapters of your lives, while we also offer best wishes to Luke Metcalf, Franklin Pele and Lachie Miller as you take up playing opportunities at other NRL clubs. To Andrew in particular, as a member of our Premiership winning 2016 team, you will always hold a special place in our hearts and in the record books of our Club's history.

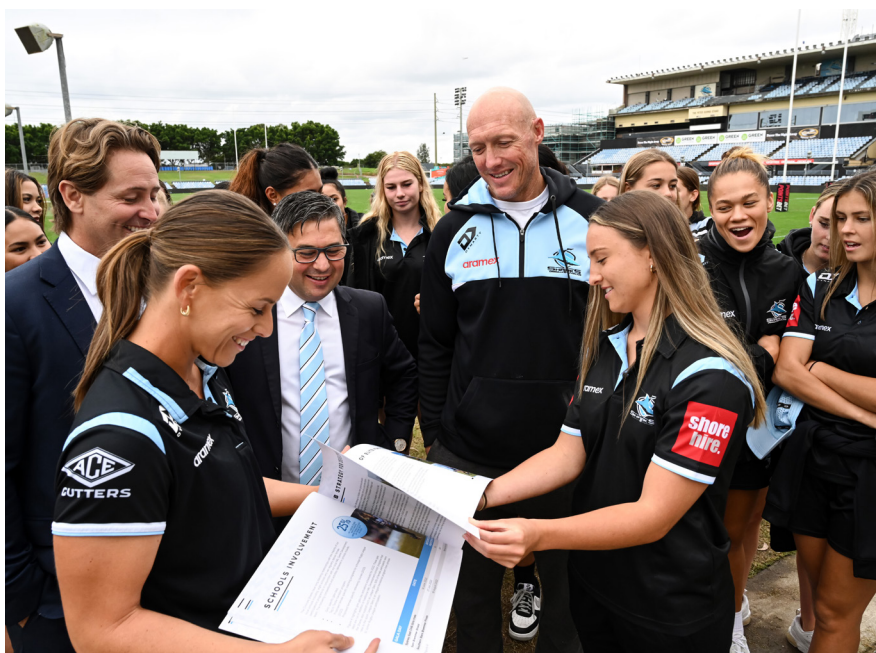
In lower grades, our partnership with Newtown in the NSW Cup competition proved once again to be a mutually beneficial one, the Jets winning the minor premiership with a number of Sharks contracted players leading the way. Again the Jets provided opportunity for our young up and comers and to those players not required for the NRL team on any given week. We thank President Barry Cotter, General Manager Stuart McCarthy, Senior Director Terry Rowney, retiring coach Greg Matterson and everyone associated with the Jets and look forward to this partnership prospering in 2023.

In the Jersey Flegg (under 21s) our boys were extremely unlucky to miss a place in the five-team Finals series, falling short just one point, the SG Ball (under 19s) Sharks were competitive throughout and similarly missed the Finals by the narrowest of margins, with the Matthews Cup (under 17s) team making us all proud as they fought their way into the Grand Final, only to go down to a red-hot Wests Magpies outfit in their Grand Final.

In the women's space, 2022 will be remembered in Sharks history as the year we were accepted into the NRLW competition, with much work by many going into our successful bid application.

As a pointer to bigger things to come, with many from the squad a part of our NRLW plans going forward, our Harvey Norman Women's Premiership team suffered a heart-breaking Grand Final loss to the Wests Tigers, that match decided in golden point extra time. Tony Herman, coach over the past two seasons, moves up to take the reins of our NRLW team, where he will be assisted by Women's rugby league legend Ruan Sims, who also takes on the role of Harvey Norman Women's Premiership head coach. We are excited about the year ahead, but as the women's game goes from strength to strength and the Sharks continue to make a firm commitment to supporting women's rugby league, we are extremely excited about what the future might hold.

Mention must also be made of our 'home' game in Coffs Harbour, which was an outstanding success. Not only



did the boys come away with the two competition points after a convincing win over the Titans, but we also spent the week leading up to the game attending community events where we were embraced by the locals wherever we went. Thanks to the Coffs Coast Council for your assistance throughout the week and we look forward to playing in front of our travelling Sharks members and north coast rugby league fans again in 2023.

Finally, it is with much pride we display the Steve Rogers, Monty Porter and Johnny Mannah Cup's in our club at Sharks at Kareela, alongside our 2016 Premiership trophy, after the NRL team was able to claim all three trophies during the 2022 season.

## **VALE**

Sadly, in the past 12 months we lost three former Sharks, two players and a much-loved official, and we take this opportunity to again offer our condolences.

Our heartfelt sympathies go to the family, friends and former teammates of Paul Green, Shark #290 who played 95-games at the club, was the 1995 Rothman's Medallist and who would go on to become a premiership-winning coach at the Cowboys.

Condolences also to John Maguire's family, friends and loved ones following his passing in July of 2022. Shark #36 and a member of our 1973 Grand Final team, John was a former Principal at De La Salle Catholic College and a highly respected member of the local community.

And last but certainly not least, we remember Reg Purcell, a long-time official and club volunteer. Reggie led the team song in the Sharks dressing room following many a victory and he too will be sadly missed by those who knew him.

## **COMMUNITY – SHARKS HAVE HEART**

In pre-empting our Community Report to follow, once again George Nour, his Sharks Have Heart team led by Jessica Macartney, the NRL players and our club on a whole continued to make a significant impact in the community, perhaps more so in 2022 than in recent seasons following the easing of Covid restrictions.

In a snapshot, during 2022 Sharks Have Heart assisted in the delivery of 14 different programs and initiatives, supported 38 charities and made cash donations totalling \$170,000 throughout the year.

Also in 2022, following on from Ronaldo Mulitalo winning the NRL's Ken Stephen Award, Nicho Hynes was named as one of four finalists for the NRL's most prestigious community award. As with Ronaldo the year prior, Nicho being chosen as a finalist was recognition of the outstanding work carried out by him personally but was an endorsement of Sharks Have Heart and our entire community program.

In other community highlights, our partnership with the Deadly Choices indigenous health organisation continues to grow and evolve, while our first community jersey, with the names of those to support and purchase printed on the jersey and worn in the Sharks NRL match against the Bulldogs, was a successful initiative.

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

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

## **COMMUNITY – JUNIOR RUGBY LEAGUE**

We also work closely with and provide on-going support to the Cronulla-Sutherland Junior League. They once again reported strong registration numbers for the 2022 JRL season, including significant increases in female participation, making us the second largest amongst all junior league districts in NSW. Congratulations to Nathan Waugh, Chairman of the JRL, Tyrone Collins JRL General Manager and to their team, whilst we also acknowledge and congratulate all member Clubs in our local JRL.

## **FINANCIAL PERFORMANCE**

Full details of our financial performance can be found in the audited report however in an outstanding achievement



and in showing the strength of our brand, the commitment of management and staff and the support of our sponsors, corporate partners, members and fans, I can share that the group reported a profit before tax of \$688,639. Sharks at Kareela reported a profit of \$1,106,047, another fantastic result and considerably outperforming budgeted expectations. The Cronulla Leagues Club reflects a profit of \$130,564 through the investment of our funds that are under management through Metric Investments, while continuing to include the incurred cost of the League Club development. The Football Club returned a loss of \$547,981, outperforming budgeted expectations and forecasts.

## FINANCIAL PERFORMANCE FOOTBALL CLUB

The Football Club financial result outperformed our expectations, benefitting from excellent team performance in 2022 and a football program that required significant investment. Our Football program was headed up and driven by new head coach Craig Fitzgibbon and General Manager of Football Darren Mooney. Adding to the exciting on field results were strong increases in sponsorship and hospitality revenue, membership revenue and member numbers, game day ticketing and attendances and outstanding merchandise sales at our game days and through our Merchandise online store.

## OUR MEMBERS AND SUPPORTERS

We cannot operate, or achieve the success we do, without the support of our valued corporate and hospitality partners, members and fans. We have a loyal commercial and supporter base and it was pleasing that after two years away we were able to bring you back to PointsBet Stadium in 2022. The return to our spiritual home was embraced by all and we trust we can count on the continued support and patronage in 2023.

The ongoing construction of the Woollooware Bay Town Centre presented some challenges, but with six of 10 home matches at PointsBet Stadium sold out, seven of 11 when including our Finals clash with the Cowboys, and with membership numbers in excess of 13,000, we thank you for accepting the situation, turning up to games on a regular basis and for giving the team your unconditional support.

From a commercial standpoint, last year was the second season featuring Aramex as our major front of jersey partner. Thanks to Peter Lipinski the outgoing CEO at Aramex and Aramex CMO Cherie Kellahan for their trust and confidence in our Club, and we also welcome Andy Van Der Velde who takes the reins at Aramex in Australia after relocating from Aramex Dubai.

The 2022 season was also the second for back of jersey partners Zambrero and Southern Comfort and to Zambrero Australia CEO Matthew Kenny, supported by CEO Guy Haselhurst of the Sam Prince Group and to Ray Noble the MD of Southtrade, distributors of Southern Comfort, we also thank you for your sponsorship and support.

We welcomed back Don Anderson and ACE Gutters, who returned as our sleeve sponsor, while our playing shorts featured local building company Lloyd's and sustainable energy solutions provider Madimack on the back, along with online men's health provider Pilot on the front.

Thanks must also go to Sharks apparel partner Dynasty, who end their three-year association with the Sharks, while we welcome on board Classic Sportswear who have signed a four-year partnership, beginning in 2023 and running through until the 2026 season.

We are also proud of the calibre of our other major partners from 2022 and those continuing their support in 2023, including PointsBet, Stewart Toyota, CUB and Accolade Wines.

Acknowledgement and thanks must also go to Aramex for extending their involvement with the Sharks into the women's program as major partner of our Harvey Norman Women Premiership and Tarsha Gale teams in 2022, while they also joined with Zambrero in investing in grass roots with their sponsorship of the local Cronulla Sutherland Junior League. And to our Academy and Women's partners, your contribution which rarely receives the recognition or attention it deserves, is certainly appreciated, likewise the many player sponsors and match day hospitality partners, who we also thank for seeing the Sharks as a viable option to promote your business or as an opportunity to enjoy a day at the football.

In closing, we thank our valued members and fans for their passion and support, our hardworking staff, players and club management for their effort and commitment, and to the families who behind the scenes support us both on and off the field. Last but not least, thanks to Chairman Steve Mace and the Board of Directors, who selflessly give up their time to govern and in support of my role as CEO.





2022 was a year of transformation for Sharks Have Heart. Our community programs underwent a rigorous review process, with consultation a key focus as our club assessed where we have come from and who we want to be in the future when it comes to creating social impact in the communities we represent. A new Sharks Have Heart strategy was developed which will see the club maximise our social impact and increase our reach to ensure that even more people's lives are positively impacted by the Cronulla Sharks in 2023 and beyond. However there were also many highlights throughout the 2022 season.

## NICHO SUCCEEDS ON AND OFF THE FIELD.

Nicho Hynes' success on the field in 2022 was something to behold, but off the field he was also having a similar impact through the Sharks Have Heart programs and also through his own community initiatives. A proud Wiradjuri man and Indigenous role model, Hynes delivered messages of health and wellbeing through the Deadly Choices program, he attended the NRL Youth Summit during NRL Indigenous round and liaised with Aboriginal youth suicide prevention organisation - Cultural Choice Association - to encourage his teammates to wear boots, hand painted by local Aboriginal youth hostel students.

Hynes was named a Finalist for the NRL's top community award, the Ken Stephen Medal and as a result of winning the Fan Favourite vote, was awarded \$4,500 for his junior club, the Umina Bunnies.

## SHARKS RECOGNISED FOR MAKING 'DEADLY CHOICES'

The Sharks Deadly Choices Program was recognised this year as a top 3 finalist in the 2022 Central Eastern Sydney Primary Health Awards in the 'Service delivery that meets community needs' category.

The Sharks Have Heart program was acknowledged alongside other worthy initiatives creating social impact across several health issues in the region at an awards night held in Riverwood. In Aboriginal slang, if something is 'deadly' it's great, cool or awesome, therefore a Deadly Choice is a good choice.

Deadly Choices is a health promotion initiative of the Institute for Urban Indigenous Health, funded in the Sutherland Shire by the Central Eastern Sydney Primary Health Network (CESPHN).

The Cronulla Sharks have been successfully running the program since 2020. Deadly Choices aims to empower Aboriginal and Torres Strait Islander people to make healthy choices for themselves and their families, to be role models and leaders within their communities and to complete their annual Aboriginal and Torres Strait Islander health check to prevent and better manage chronic disease. There are no Aboriginal and Torres Strait Islander specific health services in the Sutherland Shire, creating a need for culturally safe and responsive medical care for Indigenous residents.

To address that unmet need, the Sharks Deadly Choices program combines an 8 week schools and community healthy lifestyles program with community outreach delivered in collaboration with the Vitalis Family Medical Practice in Kirrawee.



## SHARKS UNITE FOR STAPO

In April, the club was rocked by news that Cronulla Shark #440 Nathan Stapleton had sustained a catastrophic neck injury in a game of rugby union played in regional NSW. The Sharks rallied in response alongside the former player network, The Great Whites, and the Men of League Foundation. The club undertook several fundraising initiatives including two player worn jersey auctions, a special yoga event and a highly successful golf day. The highlight of the golf day was Nathan being able to attend the event in person, sharing a beer and some laughs with a number of his former teammates who were there on the day.

## CLUB GRANTS

As a result of a successful trading period and in a continuation of the ClubGRANTS program, Sharks at Kareela, in partnership with Sharks Have Heart, combined this year to support three extremely worthy and significant community initiatives.

The Sharks presented grants to Wheelchair Rugby League Australia, funds in the amount of \$3240 for a Come and Try day at Menai, \$10,000 to the Morris Children's Fund, to provide Bates Drive School students with music therapy, while \$6000 was provided to Skillz4me to go towards supporting a free weekly sport program for children with disability.



# 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 2022.

## 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 Dave Nicholson	
Mr David Blackett	
Mr Martin Kennedy	(Appointed Term Concluded: 27 March 2022)
Mr Mark Deutsch	
Mr Patrick Bourke	
Mr Matthew McGrath	
Ms Madeline Tynan	(Appointed: 5 December 2021)
Mr Morry Waked	(Appointed: 5 December 2021)



### STEVEN MACE

Chairman

#### Qualifications:

ADV DIP Electrical Engineering, ADV DIP Facilities Management, AICD (CDC)

#### Experience and Expertise:

Investor, Executive Chairman, Chief Executive Officer, Global and APAC Committee Chairman

#### Special Responsibilities:

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



### DAVE NICHOLSON

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

#### Special Responsibilities:

Building Committee, Football Committee (NRL and Admin)/Junior League Pathways (Chairman).



### DAVID BLACKETT

Director

#### Qualifications:

Graduate Diploma in Building Surveying, Accredited Building Certifier

#### Experience and Expertise:

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

#### Special Responsibilities:

Building Committee (Chairman), Remuneration & Appointments Committee (Chairman), Nominations Committee (Chairman) and Disciplinary Committee.





**MARTIN KENNEDY** (APPOINTED TERM CONCLUDED: 27 MARCH 2022)

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).

**MARK DEUTSCH**

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.

**PATRICK BOURKE**

Director

**Qualifications:**

B. Comm (UNSW) – Accounting and Finance 1989

M Comm (UNSW) - Marketing and Strategy 1997

**Experience and Expertise:**

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

**Special Responsibilities:**

Audit and Risk Committee (Chairman)

**MATTHEW MCGRATH**

Director

**Qualifications:**

B.A (UOW) – Management Studies

**Experience and Expertise:**

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

**Special Responsibilities:**

Audit and Risk Committee, Investment Committee





**MS MADELINE TYNAN** (APPOINTED: 5 DECEMBER 2021)

Director

**Qualifications:**

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

**Experience and Expertise:**

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



**MR MORRY WAKED** (APPOINTED: 5 DECEMBER 2021)

Director

**Qualifications:**

Bachelor of Economics (Actuarial Science and Statistics), Master of Economics (Actuarial Science)

**Experience and Expertise:**

Executive Chairman, CEO, Global Investment Management, Leadership and Talent Management

## STRATEGIC OBJECTIVES

The strategic objectives of the Group are to:

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

## PRINCIPAL ACTIVITIES

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

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

## PERFORMANCE MEASURES

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

The key performance measures are:

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

## OPERATING AND FINANCIAL REVIEW

The surplus before tax of the Group for the year ended 31 October 2022 was \$688,639 (2021: \$77,161 deficit before tax). The net surplus after tax of the Group for the year ended 31 October 2022 was \$448,009 (2021: \$46,952).



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

- The continuing of significant renovations to the Cronulla-Sutherland Leagues Club expected to extend into 2023
- The operation of Kareela Golf Club throughout the year to support the investing activities of the Cronulla-Sutherland Leagues Club

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

### SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

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

### Meetings of Directors

	Held*	Attended
Mr Steve Mace	11	11
Mr Dave Nicholson	11	9
Mr David Blackett	11	11
Mr Martin Kennedy	4	4
Mr Mark Deutsch	11	7
Mr Patrick Bourke	11	10
Mr Matthew McGrath	11	11
Ms Madeline Tynan	10	9
Mr Morry Waked	10	8

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

### CONDITIONS OF WINDING UP

In the event of the Company being wound up, each member undertakes to contribute an amount not exceeding one dollar (\$1) if the Company is wound up, while he or she is a member of the Club or within one year of the date he or she ceases to be a member for the payment of the debts and liabilities of the Company contracted before the member ceased to be a member; and costs, charges and expenses of winding up. At the date of this report there are 22,564 (2021: 22,051) members of the Leagues Club.

### INDEMNIFICATION OF AUDITOR

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

### INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

### AUDITOR'S INDEPENDENCE DECLARATION

The directors have received an independence declaration from the auditor of Cronulla-Sutherland Leagues Club Ltd and its controlled entities. This has been included on page 15.

Signed in accordance with a resolution of the directors.



**Mr Steve Mace**  
Chairman

Dated at Cronulla this 13th day of December 2022.











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

To the Directors of Cronulla-Sutherland Leagues Club Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit of Cronulla-Sutherland Leagues Club Ltd for the financial year ended 31 October 2022 there have been:

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

KPMG

Cameron Roan

Partner

Sydney

13 December 2022



**Consolidated Statement of profit or loss and other comprehensive income****For the year ended 31 October 2022**

	<b>Note</b>	<b>2022</b> <b>\$</b>	<b>2021</b> <b>\$</b>
Revenue from contracts with customers	4 (a)	33,592,340	27,954,497
Revenue from grants	4 (b)	59,266	403,645
Other income	5	119,513	99,385
Rent received		30,000	29,480
Finance income		881,817	156,055
Cost of sales		(2,880,683)	(1,550,434)
Bar and catering services		(594,121)	(360,986)
Marketing expenses		(4,749,810)	(3,991,387)
Occupancy expenses		(1,778,653)	(1,433,533)
Administrative expenses		(4,162,769)	(2,829,165)
Gaming expenses		(1,250,839)	(1,051,102)
Gaming taxes		(772,493)	(505,311)
Development expenses		(234,205)	(89,904)
Other expenses	7	(1,244,192)	(1,132,487)
Football expenses		(16,305,341)	(15,769,475)
<b>Surplus/(deficit) before finance cost</b>		<b>709,830</b>	<b>(70,722)</b>
Finance costs	8	(21,191)	(6,439)
<b>Surplus/(deficit) before tax</b>		<b>688,639</b>	<b>(77,161)</b>
Income tax (expense)/benefit	9	(240,630)	124,113
<b>Surplus after tax</b>		<b>448,009</b>	<b>46,952</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>448,009</b>	<b>46,952</b>

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





## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Consolidated statement of financial position****As at 31 October 2022**

	<b>Note</b>	<b>2022</b> <b>\$</b>	<b>2021</b> <b>\$</b>
<b>Assets</b>			
Cash and cash equivalents	10	5,915,159	21,658,831
Investments	11	15,920,510	-
Trade and other receivables	12	2,636,105	3,110,957
Inventories	13	220,824	276,464
Prepayments		173,233	154,915
<b>Total current assets</b>		<b>24,865,831</b>	<b>25,201,167</b>
Property, plant and equipment	14	27,754,173	27,845,072
Right-of-use assets	15 (a)	618,763	627,432
Intangible assets	16	800,000	800,000
<b>Total non-current assets</b>		<b>29,172,936</b>	<b>29,272,504</b>
<b>Total assets</b>		<b>54,038,767</b>	<b>54,473,671</b>
<b>Liabilities</b>			
Trade and other payables	17	2,439,018	2,523,090
Interest-bearing loans and borrowings	18	131,192	171,839
Employee benefits liabilities	19	731,265	478,062
Income tax payable	9	70,247	-
Contract liabilities	20	73,266	1,222,640
<b>Total current liabilities</b>		<b>3,444,988</b>	<b>4,395,631</b>
Interest-bearing loans and borrowings	18	474,093	540,696
Employee benefits liabilities	19	91,785	127,835
Deferred tax liabilities	9	2,391,364	2,220,981
<b>Total non-current liabilities</b>		<b>2,957,242</b>	<b>2,889,512</b>
<b>Total liabilities</b>		<b>6,402,230</b>	<b>7,285,143</b>
<b>Net assets</b>		<b>47,636,537</b>	<b>47,188,528</b>
<b>Equity</b>			
Retained earnings		41,454,016	41,006,007
Amalgamation reserve		6,182,521	6,182,521
<b>Total equity</b>		<b>47,636,537</b>	<b>47,188,528</b>

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



**Consolidated statement of changes in equity****For the year ended 31 October 2022**

	<b>Amalgamation reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 November 2020	6,182,521	40,959,055	47,141,576
Surplus for the year	-	46,952	46,952
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	46,952	46,952
Gain on acquisition	-	-	-
<b>Balance at 31 October 2021</b>	<b>6,182,521</b>	<b>41,006,007</b>	<b>47,188,528</b>
Balance at 1 November 2021	6,182,521	41,006,007	47,188,528
Surplus for the year	-	448,009	448,009
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	448,009	448,009
<b>Balance at 31 October 2022</b>	<b>6,182,521</b>	<b>41,454,016</b>	<b>47,636,537</b>

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



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Consolidated statement of cash flows****For the year ended 31 October 2022**

	<b>Note</b>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Cash receipts from customers and sponsors		21,175,040	10,411,965
Cash paid to suppliers and employees		(35,660,843)	(28,269,640)
Grants from NRL & NSWRL		14,923,500	16,287,834
Interest paid		(21,191)	(6,439)
Income taxes paid		-	(634,687)
Interest received		881,817	156,055
Government subsidies provided		59,266	403,645
<b>Net cash from/(used in) operating activities</b>		<b>1,357,589</b>	<b>(1,651,267)</b>
<b>Cash flows from investing activities</b>			
Acquisition of investments	11	(15,920,510)	-
Purchase of property, plant and equipment		(1,076,048)	(999,866)
<b>Net cash used in investing activities</b>		<b>(16,996,558)</b>	<b>(999,866)</b>
<b>Cash flows from financing activities</b>			
Repayment of members deposit		(6,701)	-
Principal portion of lease liabilities		(98,002)	(108,282)
<b>Net cash used in financing activities</b>		<b>(104,703)</b>	<b>(108,282)</b>
Net decrease in cash and cash equivalents		(15,743,672)	(2,759,415)
Cash and cash equivalents at beginning of year		21,658,831	24,418,246
<b>Cash and cash equivalents at end of year</b>		<b>5,915,159</b>	<b>21,658,831</b>

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





## Notes to the consolidated financial statements

For the year ended 31 October 2022

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### 1 Corporate information

The consolidated financial statements of Cronulla-Sutherland Leagues Club Ltd (the 'Company', 'Club', or the 'Leagues Club') and its controlled entities (collectively, the 'Group') for the year ended 31 October 2022 were authorised for issue in accordance with a resolution of the directors on 13 December 2022.

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

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

The nature of operations and principal activities of the Club are described in the directors' report. Information on the Group's related party transactions is provided in Note 21.

### 2 Significant accounting policies

#### (a) Basis of preparation

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

These consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. In the prior year the financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statements of financial position, profit and loss and other comprehensive income and cash flows of the Group as a result of the change in the basis of preparation.

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

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

#### (b) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 14 Property, plant and equipment
- Note 16 Intangible assets
- Note 23 Contingent assets and contingent liabilities



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****3 Significant accounting policies**

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

**(a) Basis of consolidation**

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

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

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

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

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

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

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

**(b) Business combinations**

Business combinations are accounted for using the acquisition method. Sharks as the acquirer in a combination of mutual entities recognises the acquiree's net assets at fair value as a direct addition to equity. Acquisition-related costs are expensed as incurred and included in administrative expenses.



## Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

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### 3 Significant accounting policies (continued)

#### (c) Financial instruments

##### (i) *Recognition and derecognition*

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

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

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

##### (ii) *Classification and measurement of financial assets*

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

##### (iii) *Subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

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

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

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

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

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

##### (iv) *Classification and measurement of financial liabilities*

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

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



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****3 Significant accounting policies (continued)****(d) Property, plant and equipment***(i) Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

*(ii) Subsequent costs*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

*(iii) Depreciation*

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

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

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

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

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

**(e) Intangible assets***Poker machine entitlements*

Poker machine entitlements have infinite useful lives given they have no expiry date. They are measured at cost less accumulated impairment losses.

*Subsequent expenditure*

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

*Amortisation*

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





## Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

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### 3 Significant accounting policies (continued)

#### (f) Provisions

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

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

#### (g) Inventories

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

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

#### (h) Employee benefits

##### (i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

##### (ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than defined benefit plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Group's obligations.

##### (iii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****3 Significant accounting policies (continued)****(i) Revenue***Revenue from contracts with customers*

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

*Gaming revenue*

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

*Food and beverage revenue*

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

*Function and other revenues*

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

*Grant**National Rugby League Distribution*

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

**(j) Leases**

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

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



## Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

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### 3 Significant accounting policies (continued)

#### (j) Leases (continued)

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

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

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

#### (i) As a lessee

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

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

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

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

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets and lease liabilities separately in the statement of financial position.



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****3 Significant accounting policies (continued)****(j) Leases (continued)***(ii) As a lessor*

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

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

**(k) Impairment***(i) Non-derivative financial assets*

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

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

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

The Club considers cash balance to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The Club considers this to be Baa3 or a higher rating per Moodys or BBB- or higher per Standards and Poors.

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

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

*Measurement of ECLs*

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

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

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

*Presentation of allowance for ECL in the statement of financial position*

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





## Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

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### 3 Significant accounting policies (continued)

#### (k) Impairment (continued)

##### (iii) *Non-financial assets*

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

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

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

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

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

#### (l) Finance income and finance costs

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

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

#### (m) Tax

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

##### (i) *Current tax*

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



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****3 Significant accounting policies (continued)****(m) Tax (continued)***(ii) Deferred tax*

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

The measurement of deferred tax reflects the tax consequences that could follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

*(iii) Tax exposure*

In determining the amount of current and deferred tax the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

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

**(n) Goods and services tax**

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

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

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



## Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

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### 3 Significant accounting policies (continued)

#### (o) Amalgamation reserve

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

#### (p) New and amended standards adopted by the Club

The Group has initially adopted the following standard and amendments from 1 November 2021:

- AASB 1060 *General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*

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

A number of other new standards are also effective from 1 November 2021 but they do not have a material effect on the Group's financial statements.





## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****4 (a) Revenue from contracts with customers - AASB 15**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Sale of goods</b>		
Sale of goods	2,193,648	1,618,274
Merchandising/royalties	1,529,808	868,477
	<b>3,723,456</b>	<b>2,486,751</b>
<b>Rendering of services</b>		
Game day and ticketing	1,734,171	791,444
Gaming revenue	4,553,267	2,911,769
	<b>6,287,438</b>	<b>3,703,213</b>
<b>Other revenue</b>		
Functions revenue	68,407	41,975
Members subscriptions	1,746,217	787,313
Sponsorship and hospitality	6,140,556	4,033,757
NRL grant	14,720,500	16,064,001
NSWRL grant	203,000	223,833
Revenue from supplier contracts	-	88,437
Other revenue	633,020	451,225
Management/consulting revenue	69,746	73,992
	<b>23,581,446</b>	<b>21,764,533</b>
Total revenue	<b>33,592,340</b>	<b>27,954,497</b>

**(b) Revenue recognised under AASB 1058**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Government grants - JobKeeper payment	-	178,501
Government grants - JobSaver payment	59,266	225,144
	<b>59,266</b>	<b>403,645</b>

**5 Other income**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Other income	119,513	99,385
	<b>119,513</b>	<b>99,385</b>

**6 Expenses**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Included under occupancy, administrative, gaming and other expenses:</b>		
Depreciation of plant and equipment	1,157,295	1,092,598
Depreciation of right-of-use assets (Note 15)	117,998	136,177



**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****6 Expenses (continued)**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Included under administration, bar and catering, football, gaming, marketing, occupancy and other expenses:</b>		
Salaries and wages	17,264,943	15,851,842
Superannuation	1,329,343	1,122,324
Payroll tax	896,600	839,460
Other employee benefits	162,931	164,237

**7 Other expenses**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Employee benefit - operations	518,986	444,155
Other expenses	725,206	688,332
	<b>1,244,192</b>	<b>1,132,487</b>

**8 Finance costs**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Interest	4,222	-
Interest on hire purchase contracts	15,252	4,430
Interest on lease liabilities (Note 15)	1,717	2,009
	<b>21,191</b>	<b>6,439</b>

**9 Income tax**

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

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current income tax charge:</b>		
Current income tax expense/(benefit)	141,404	(84,407)
Over provision from previous years	(71,157)	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	170,383	(39,706)
<b>Income tax expense/(benefit) reported in the consolidated statement of profit or loss</b>	<b>240,630</b>	<b>(124,113)</b>

Reconciliation of tax expense / (benefit) and the accounting surplus / (deficit) multiplied by Australia's domestic tax rate for 2022 and 2021:



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****9 Income tax (continued)**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Surplus/(deficit) before tax	688,639	(77,161)
At Australia's statutory income tax rate of 25% (2021: 26%)	172,160	(20,062)
Tax effect of deficit/(surplus) in the Football Club (income tax exempt)	136,995	(13,360)
Recognition of temporary differences	-	(33,790)
(Under)/over provision for prior years	(71,157)	-
Other items	2,632	(56,901)
<b>Income tax expense/(benefit) reported in the consolidated statement of profit or loss</b>	<b>240,630</b>	<b>(124,113)</b>

**Deferred tax****Deferred tax liabilities comprise temporary differences attributable to:****Amounts recognised in liabilities**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Amounts recognised in Amalgamation reserve	2,345,094	2,345,094
Other amounts recognised in liabilities	75,280	-
	<b>2,420,374</b>	<b>2,345,094</b>

**Deferred tax assets comprise temporary differences attributable to:****Amounts recognised in assets**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Tax losses	-	90,323
Leave provisions	19,264	17,109
Accruals	9,746	16,681
	<b>29,010</b>	<b>124,113</b>

**Current tax liabilities**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Current tax liabilities	<b>70,247</b>	-

**10 Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	320,000	320,000
Cash at bank	5,595,159	6,281,923
Short-term deposits	-	15,056,908
	<b>5,915,159</b>	<b>21,658,831</b>

**11 Investments**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Investments	<b>15,920,510</b>	-

Investments in a managed fund were acquired during the year to generate returns for the Group. During the financial year, the investment generated a return of 5.73% on the principal balance.





**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****12 Trade and other receivables**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Trade receivables	500,390	412,568
Allowance for expected credit loss	-	-
	<b>500,390</b>	<b>412,568</b>
Other receivables	2,135,715	2,698,389
	<b>2,636,105</b>	<b>3,110,957</b>

**13 Inventories**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Finished goods	197,887	253,527
Land	22,937	22,937
	<b>220,824</b>	<b>276,464</b>

**14 Property, plant and equipment**

	<b>Freehold land</b>	<b>Buildings and building improvements</b>	<b>Plant and equipment</b>	<b>Work in progress</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cost</b>					
Balance at 1 November 2021	4,076,436	31,226,989	7,990,207	2,392,288	45,685,920
Additions	-	-	574,657	501,391	1,076,048
Disposals/write-offs	-	-	(428,890)	-	(428,890)
Balance at 31 October 2022	<b>4,076,436</b>	<b>31,226,989</b>	<b>8,135,974</b>	<b>2,893,679</b>	<b>46,333,078</b>
<b>Depreciation and impairment</b>					
Balance at 1 November 2021	-	11,088,128	6,752,720	-	17,840,848
Depreciation for the year	-	705,114	452,181	-	1,157,295
Disposals	-	-	(419,238)	-	(419,238)
Balance at 31 October 2022	-	<b>11,793,242</b>	<b>6,785,663</b>	-	<b>18,578,905</b>
<b>Carrying amounts</b>					
At 1 November 2021	4,076,436	20,138,861	1,237,487	2,392,288	27,845,072
At 31 October 2022	<b>4,076,436</b>	<b>19,433,747</b>	<b>1,350,311</b>	<b>2,893,679</b>	<b>27,754,173</b>



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****15 Leases****As lessee**

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

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

**a) Right of use assets**

	<b>Plant and equipment</b>	<b>Computer equipment</b>	<b>Land and buildings</b>	<b>Motor vehicle</b>	<b>Total</b>
	\$	\$	\$	\$	\$
<b>Balance at 1 November 2021</b>	<b>188,777</b>	-	<b>430,141</b>	<b>8,514</b>	<b>627,432</b>
Additions	109,329	-	-	-	109,329
Depreciation charge for the year	(90,458)	-	(19,026)	(8,514)	(117,998)
<b>Balance at 31 October 2022</b>	<b>207,648</b>	-	<b>411,115</b>	-	<b>618,763</b>

**b) Lease liabilities included in the statement of financial position**

	<b>2022</b>	<b>2021</b>
	\$	\$
Current	82,632	116,579
Non-current	474,093	540,696
	<b>556,725</b>	<b>657,275</b>

**c) Future lease payments**

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

	<b>2022</b>	<b>2021</b>
	\$	\$
Less than one year	98,148	230,962
One to five years	124,110	184,935
More than five years	380,436	396,612
	<b>602,694</b>	<b>812,509</b>

**d) Amounts recognised in profit or loss**

Interest on lease liabilities	1,717	2,009
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**e) Amounts recognised in statement of cash flows**

Total cash outflow for leases	98,002	108,282
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**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****16 Intangible assets**

	<b>Poker machine entitlements</b>
	<b>\$</b>
<b>Cost</b>	
Balance as at 1 November 2021	800,000
Acquisitions	-
Balance as at 31 October 2022	<b>800,000</b>
<b>Accumulated amortisation</b>	
Balance as at 1 November 2021	-
Balance as at 31 October 2022	-
<b>Net book value</b>	
Balance as at 1 November 2021	<b>800,000</b>
Balance as at 31 October 2022	<b>800,000</b>

**17 Trade and other payables**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Trade payables	609,226	588,353
Other payables	1,685,569	1,825,433
Goods and services tax	144,223	109,304
	<b>2,439,018</b>	<b>2,523,090</b>

**18 Interest-bearing loans and borrowings**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
<b>Secured</b>		
Lease liabilities (Note 15)	82,632	116,579
<b>Unsecured</b>		
Members deposits (Group)	48,560	55,260
	<b>131,192</b>	<b>171,839</b>
<b>Non-current</b>		
Lease liabilities (Note 15)	<b>474,093</b>	<b>540,696</b>



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Notes to the consolidated financial statements (continued)****For the year ended 31 October 2022****19 Employee benefit liabilities**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Annual leave	592,501	399,421
Long service leave	138,764	78,641
	<b>731,265</b>	<b>478,062</b>
<b>Non-current</b>		
Long service leave	<b>91,785</b>	<b>127,835</b>

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

Contributions to defined contribution plans (superannuation) recognised as an expense in profit or loss in 2022 were \$1,329,343 (2021: \$1,122,324).

**20 Contract liabilities**

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Grant in advance - NRL	-	600,000
Corporate hospitality and other revenue in advance	73,266	622,640
	<b>73,266</b>	<b>1,222,640</b>

**21 Related party transactions****Information about controlled entities**

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

**Transactions with related parties***Transactions with Directors and Director Related Entities*

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

	<b>2022</b>	<b>2021</b>
	<b>\$</b>	<b>\$</b>
Sales of football corporate hospitality	35,500	199
Sales of membership tickets	4,674	-
Entertainment purchases	-	12,000
Purchases of services from director related entities	54,666	77,204





## Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

### 21 Related party transactions (continued)

#### Key management personnel compensation

	2022	2021
	\$	\$
Key management compensation	1,189,916	1,110,546

### 22 Directors' loans

As at 31 October 2022, there were no loans outstanding from any Directors (2021: nil).

### 23 Commitments and contingencies

#### Lease commitment (non-cancellable)

The Group has no lease contracts that have not commenced as at 31 October 2022.

### 24 Information relating to Cronulla-Sutherland Leagues Club Limited (the "Parent")

	2022	2021
	\$	\$
Current assets	24,385,763	23,038,016
Total assets	39,674,402	38,194,951
Current liabilities	12,691,053	12,497,738
Total liabilities	14,997,404	14,989,973
Retained earnings	18,494,476	16,857,507
Other components of equity	6,182,522	6,182,522
Net surplus	1,636,969	164,948
Total comprehensive profit of the Parent entity	1,636,969	164,948

### 25 Auditors' remuneration

#### Audit and review services

Audit of the financial statements of Cronulla-Sutherland Leagues Club Ltd and its controlled entities

	2022	2021
	\$	\$
	76,000	72,500
	<b>76,000</b>	<b>72,500</b>

#### Other services

Compilation of general purpose standalone financial statements  
 Compilation of general purpose consolidated financial statements  
 Tax advisory

	2022	2021
	\$	\$
Compilation of general purpose standalone financial statements	6,000	5,000
Compilation of general purpose consolidated financial statements	6,000	5,000
Tax advisory	5,000	-
	<b>17,000</b>	<b>10,000</b>

### 26 Events after the reporting period

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

### 27 Members' guarantee

The Company is limited by guarantee. If the Company is wound up, the constitution states that each member is to contribute a maximum of \$1 towards meeting any outstanding obligations of the Company. As at 31 October 2022, the number of financial members totalled 22,564 (2021: 22,051).



## Cronulla-Sutherland Leagues Club Ltd and its controlled entities

**Directors' declaration**

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

- (a) the Group is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 7 to 30, are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 October 2022 and of their performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards - Simplified Disclosure Requirements and the *Corporations Regulations 2001*; and
- (c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.



Steve Mace  
*Chairman*





# Independent Auditor's Report

To the members of Cronulla-Sutherland Leagues Club Ltd

## Opinion

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

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

- giving a true and fair view of the **Group's** financial position as at 31 October 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures Framework* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 October 2022
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

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

## Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

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

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## Other Information

Other Information is financial and non-financial information in Cronulla-Sutherland Leagues Club Ltd's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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





## Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

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

KPMG

Cameron Roan

*Partner*

Sydney

13 December 2022







**FINANCIAL REPORT FOR THE YEAR ENDED 31 OCTOBER 2022**