

**Illawarra District Rugby League  
Football Club Limited**  
ABN 90 002 762 610

Annual financial report  
31 October 2023

## **Illawarra District Rugby League Football Club Limited**

### **Directors' report**

For the year ended 31 October 2023

The Directors present their report together with the financial report of Illawarra District Rugby League Football Club Limited ("the Company") for the year ended 31 October 2023 and the auditor's report thereon.

### **Acknowledgement of Country**

The Illawarra District Rugby League Football Club Limited acknowledges the Traditional Owners and Custodians of Country throughout Australia and acknowledges their continuing connection to land, waters and community. We pay our respects to the people, the cultures and the Elders past, present and emerging.

### **Directors**

The Directors of the Company at any time during the financial year were:

#### **Information on Directors**

Graeme Gulloch	-	Chairman, Steelers Club
	-	Life Member, Illawarra Steelers
	-	Company Director
	-	Fellow, Governance Institute of Australia
	-	Bachelor of Commerce
	-	Master Business Administration
	-	Director, St George Illawarra Rugby League Football Club Pty Ltd
	-	Member, Risk and Audit Committee, Steelers Club
	-	Remuneration Committee, Steelers Club
	-	Illawarra RLFC Committee
Sean O'Connor	-	Deputy Chairman
	-	Life Member, Illawarra Steelers
	-	Company Director
	-	Chairman, Rugby League Committee
John Borgo	-	Company Director
	-	Life Member, Illawarra Steelers
	-	Member, Risk & Audit Committee, Steelers Club
Robert Millward OAM	-	Rugby League Administrator
	-	Life Member, Illawarra Steelers
	-	President, New South Wales Rugby League Ltd
	-	Life Member, New South Wales Rugby League Ltd
	-	Director, New South Wales Leagues Club Ltd
	-	Illawarra RLFC Committee

## Illawarra District Rugby League Football Club Limited

### Directors' report

For the year ended 31 October 2023

#### Information on Directors (continued)

John Brannon	- Graduate of the Australian Institute of Company Directors
	- Company Director
	- Bachelor of Commerce
	- Master Business Administration
	- Member, Risk & Audit Committee, Steelers Club
Tania Brown JP	- Graduate of the Australian Institute of Company Directors
	- Councillor, Ward 2, Wollongong City Council
	- Deputy Lord Mayor
	- Manager, UOW Local, University of Wollongong
	- Life Member, Destination Wollongong
Gerry Murphy	- Chairman, Board of Management, Illawarra Division Rugby League
	- Executive Board Member Australasian High Pressure Association
	- East Coast Operations Manager for WOMA Australia
Tia Davis	- Ex Officio Director, Steelers Club
	- Station Manager (WIN Radio)
	- Founding Board Member, Illawarra Community Foundation
	- Member, Funding Committee, Illawarra Community Foundation
	- Committee Member, Illawarra International Women's Day
	- Committee Member, i98FM's Illawarra Convoy

#### Directors' meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year were:

Director	Steelers Board and Directors Board meetings		Steelers Board and Directors Risk and Audit Committee meetings	
	Number of meetings attended	Number of eligible to attend	Number of meetings attended	Meetings eligible to attend
G Gulloch	11	11	6	9
S O'Connor	9	11	-	-
J Borgo	8	11	5	9
J Brannon	9	11	6	9
R Millward	11	11	-	-
T Brown	8	11	-	-
T Davis	8	11	-	-
G Murphy	10	11	-	-
R Elvy*	-	-	7	9

R Elvy is the independent Chairperson of the Risk and Audit Committee.

## **Illawarra District Rugby League Football Club Limited**

### **Directors' report**

For the year ended 31 October 2023

#### **Principal activities**

The principal activities of the Company are the promotion of Rugby League, at the local, state and national level. This incorporates the operation, management and/or support of the Illawarra District Rugby League Competition for the Men's Senior, Junior, and Women's competitions; and the management of teams in the New South Wales Rugby League Women's Premiership and junior representative competitions as a pathway to the St George Illawarra Dragons team's in the National Rugby League competitions. This is achieved through sponsorship agreements, and the operation of a licensed Club.

These activities generate funds to achieve the objectives of fostering and promoting rugby league as well as supporting our members and community.

A number of performance indicators are employed by the Company in order to measure and improve the Club's performance. The Club uses EBITDA & Contribution percentage analysis to measure the performance of each department.

#### **Objectives**

The Company's objective in both the short and long term is to manage a profitable licensed club that will allow us to:

- Be the leading rugby league District in Australia;
- Be the home of Rugby League administration and provide an environmentally and financially stable home of entertainment in Wollongong for members and visitors;
- Provide services to our members; and
- Provide support to our community.

In order to meet these objectives, the following strategies have been implemented:

- Focus on the licensed club's operational performance;
- Focus on cash generation;
- To operate within our affordable means; and
- To work closely with our key stakeholders.

The performance of the Company is measured on a monthly basis through financial reporting to the Risk and Audit Committee and the Board of Directors. Key elements of the Company's performance are monitored and evaluated by the Company's finance consultants, MF Accounting Services, the Company's General Manager and the Company's Board of Directors.

#### **Review and results of operations**

The Company's operations show a net trading loss of \$153,499 (2022: profit of \$921,205).

#### **Dividends**

The Company is a Company limited by guarantee and is prevented by its constitution from paying dividends.

#### **State of affairs**

In the opinion of the Directors there were no other significant changes in the state of affairs of the Company that occurred during the financial year under review.

#### **Events subsequent to reporting date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in the future financial years.

## **Illawarra District Rugby League Football Club Limited**

### **Directors' report**

For the year ended 31 October 2023

#### **Environmental regulations**

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Company has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Company.

#### **Likely developments**

Information about likely developments in the operations of the Company, and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

#### **Company limited by guarantee**

The Company is incorporated as a Company limited by guarantee. In accordance with the constitution of the Company, every member of the Company undertakes to contribute an amount limited to \$4 per member in the event of the winding up of the Company during the time that they are a member or within one year thereafter. At 31 October 2023 there were 9,965 members (2022: 8,841 members). The total amount that members of the Company are liable to contribute if the Company is wound up is \$39,860 (2022: \$35,364).

#### **Indemnification and insurance of officers and auditors**

##### *Indemnification*

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company, indemnified or made any relevant agreement for indemnifying against a liability, including costs and expenses in successfully defending legal proceedings.

##### *Insurance*

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

**Illawarra District Rugby League Football Club Limited**


**Directors' report**

For the year ended 31 October 2023

**Lead auditor's independence declaration**

The lead auditor's independence declaration is set out on page 6 and forms part of the directors' report for the financial year ended 31 October 2023.

Signed in accordance with a resolution of the Directors:



Graeme Gulloch  
*Director*



Sean O'Connor  
*Director*

Dated in Wollongong this 21<sup>st</sup> day of December 2023.



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

To the Directors of Illawarra District Rugby League Football Club Limited

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

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

KPMG

KPMG

Adam Bird

Partner

Wollongong

21 December 2023

Illawarra District Rugby League Football Club Limited

**Statement of profit or loss and other comprehensive income**

For the year ended 31 October 2023

	Note	2023 \$	2022 \$
Revenue from licensed club operations	4	7,132,937	8,329,765
Revenue from football operations	4	789,445	647,275
<b>Total revenue</b>		<u>7,922,382</u>	<u>8,977,040</u>
Other income	4	204,179	219,432
Cost of goods sold		(693,630)	(653,146)
Football operation expenses		(867,043)	(639,222)
Administration expenses		(796,596)	(826,247)
Licensed club expenses		(5,614,714)	(5,842,450)
<b>Results from operating activities</b>		<u>154,578</u>	<u>1,235,407</u>
Financial income		20,676	2,543
Financial expense		(328,753)	(316,745)
<b>Net financing costs</b>	5	<u>(308,077)</u>	<u>(314,202)</u>
<b>(Loss) / Profit before income tax</b>		(153,499)	921,205
<b>Income tax expense</b>	3(m)	-	-
<b>(Loss) / Profit for the year</b>		<u>(153,499)</u>	<u>921,205</u>
<b>Other comprehensive income</b>			
Revaluation of land and buildings		-	5,111,742
<b>Total comprehensive income for the year</b>		<u>(153,499)</u>	<u>6,032,947</u>

The statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements set out on pages 11 to 27.



**Illawarra District Rugby League Football Club Limited**

**Statement of changes in equity**

For the year ended 31 October 2023

	<b>Asset Revaluation Reserve</b>	<b>Accumulated Losses</b>	<b>Total</b>
<b>For the year ended 31 October 2022</b>			
Opening balance at 1 November 2021	7,787,185	(2,795,516)	4,991,669
<b>Total comprehensive income for the year</b>			
Profit for the year	-	921,205	921,205
Revaluation of land and buildings	5,111,742	-	5,111,742
Total comprehensive income for the year	<u>5,111,742</u>	<u>921,205</u>	<u>6,032,947</u>
<b>Closing balance at 31 October 2022</b>	<u>12,898,927</u>	<u>(1,874,311)</u>	<u>11,024,616</u>
<b>For the year ended 31 October 2023</b>			
Opening balance at 1 November 2022	12,898,927	(1,874,311)	11,024,616
<b>Total comprehensive income for the year</b>			
Loss for the year	-	(153,499)	(153,499)
Total comprehensive income for the year	<u>-</u>	<u>(153,499)</u>	<u>(153,499)</u>
<b>Closing balance at 31 October 2023</b>	<u>12,898,927</u>	<u>(2,027,810)</u>	<u>10,871,117</u>

The statement of changes in equity is to be read in conjunction with the notes to the financial statements set out on pages 11 to 27.

Illawarra District Rugby League Football Club Limited

**Statement of financial position**

As at 31 October 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
Cash and cash equivalents	6	828,359	1,524,746
Trade and other receivables	7	160,532	42,742
Inventories	8	83,185	95,660
Other assets	9	248,427	269,125
<b>Total current assets</b>		<u>1,320,503</u>	<u>1,932,273</u>
Other assets	9	750	750
Property, plant and equipment	10	16,568,641	16,810,055
<b>Total non-current assets</b>		<u>16,569,391</u>	<u>16,810,805</u>
<b>Total assets</b>		<u>17,889,894</u>	<u>18,743,078</u>
<b>Liabilities</b>			
Trade and other payables	11	770,815	845,753
Loans and borrowings	12	126,637	128,647
Employee benefits	13	386,657	351,158
<b>Total current liabilities</b>		<u>1,284,109</u>	<u>1,325,558</u>
Loans and borrowings	12	5,711,092	6,330,932
Employee benefits	13	23,576	61,972
<b>Total non-current liabilities</b>		<u>5,734,668</u>	<u>6,392,904</u>
<b>Total liabilities</b>		<u>7,018,777</u>	<u>7,718,462</u>
<b>Net assets</b>		<u>10,871,117</u>	<u>11,024,616</u>
<b>Members' funds</b>			
Reserves		12,898,927	12,898,927
Accumulated losses		(2,027,810)	(1,874,311)
<b>Total members' funds</b>		<u>10,871,117</u>	<u>11,024,616</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 11 to 27.

## Illawarra District Rugby League Football Club Limited

### Statement of cash flows

For the year ended 31 October 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		8,821,432	10,073,532
Cash payments in the course of operations		(8,160,039)	(8,247,044)
Interest received		20,676	2,543
Interest paid		(328,753)	(316,745)
<b>Net cash from operating activities</b>		<u>353,316</u>	<u>1,512,286</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		-	31,364
Payments for property, plant and equipment		(427,853)	(32,077)
<b>Net cash used in investing activities</b>		<u>(427,853)</u>	<u>(713)</u>
<b>Cash flows from financing activities</b>			
Payment of finance lease liabilities		-	(14,954)
Payment of hire purchase liabilities		(121,850)	(204,076)
Payment of secured borrowings		(500,000)	(750,000)
<b>Net cash used in financing activities</b>		<u>(621,850)</u>	<u>(969,030)</u>
<b>Net increase / (decrease) in cash held</b>		(696,387)	542,543
Cash and cash equivalents at 1 November		<u>1,524,746</u>	<u>982,203</u>
<b>Cash and cash equivalents at 31 October</b>	6	<u>828,359</u>	<u>1,524,746</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 11 to 27.

## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 1 Reporting entity

Illawarra District Rugby League Football Club Limited (the “Company”), a not-for-profit entity is a Company domiciled in Australia. The address of the Company’s registered office is 1-3 Burelli Street, Wollongong. The Company operates in the licensed club industry in Wollongong, NSW.

#### 2 Basis of preparation

##### (a) *Basis of accounting*

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.

The financial statements were authorised for issue by the Board of Directors on 21<sup>st</sup> of December 2023. Details of the Company’s accounting policies, including any changes during the year, are included in Note 2 (f).

##### (b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis, except for land and buildings which are stated at their fair value.

##### (c) *Functional and presentation currency and rounding*

These financial statements are presented in Australian dollars, which is the Company’s functional currency. There is no rounding in the financial statements.

##### (d) *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.

##### (e) *Going Concern*

The financial report is prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and liabilities in the ordinary course of business.

Notwithstanding the loss of \$153,499 for the financial year ended 31 October 2023, the Directors are satisfied that the Company’s forecast cashflows and available borrowing facilities will enable the Company to pay its debts as and when they fall due.

## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 2 Basis of preparation (continued)

##### (f) *Changes in accounting policies*

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

#### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### (a) *Financial instruments*

###### *i. Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

###### *ii. Classification and subsequent measurement*

###### *Financial assets*

On initial recognition, a financial asset is classified as measured at amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company 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.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 3 Significant accounting policies (continued)

Financial assets not classified as measured at a amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as an FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### *Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

##### *iii. De-recognition*

##### *Financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

##### *Financial liabilities*

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### **(b) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cashflows.

#### **(c) Trade and other receivables**

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy 3(g)). The Company's standard trading terms require settlement within 7 days.

#### **(d) Inventories**

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

The cost of other inventories is based on the first-in first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 3 Significant accounting policies (continued)

##### (e) *Property, plant and equipment*

###### *Owned assets*

Land and buildings are stated at fair value, less subsequent depreciation for buildings. Land is not depreciated. Other items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy 3(g)).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing items and restoring the site on which they are located, and capitalised borrowing costs (see below).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

###### *Borrowing costs*

In respect of borrowing costs relating to qualifying assets for which the commencement date for capitalisation is on or after 1 November 2009, the Company capitalises borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset.

###### *Subsequent costs*

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in profit or loss as an expense as incurred.

###### *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 on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The range of depreciation rates used for each class of asset in the current and comparative periods are as follows:

Buildings	3% - 35%
Plant and equipment	7% - 50%
Furniture and fittings	7% - 20%
Motor vehicles	20%- 25%

The residual value, the useful life and the depreciation method applied to an asset are reassessed at least annually.

## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 3 Significant accounting policies (continued)

##### (e) *Property, plant and equipment (continued)*

###### *Determination of fair values*

The fair value of land is recognised based on market values. In accordance with Company policy, independent external valuations are obtained at least every three years.

##### (f) *Leased assets*

At inception of a contract, the Company 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 Company uses the definition of a lease in AASB 16 *Leases*.

###### *Short-term leases and leases of low-value assets*

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short term leases, including photocopier equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

###### *As a lessor*

When the Company 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 Company 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 Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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

The accounting policies applicable to the Company as a lessor in the comparative period were not different from AASB 16.



## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 3 Significant accounting policies (continued)

##### (g) *Impairment*

###### *i. Non-Financial Assets*

At each reporting date, the Company reviews the carrying values of its non-financial assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's Fair Value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of a class of assets, the Company estimates the recoverable amount of the cash-generating unit to which the class of assets belong.

###### *ii. Financial Assets*

The Company recognises loss allowances for ECL's on financial assets held at amortised cost. The Company measures loss allowances at an amount equal to the lifetime ECL. Lifetime ECL's are the ECLs that result from all possible default events over the expected life of a financial instrument.

ECL's are a probability-weighted estimate of credit loss. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows the Company expects to receive).

ECL's are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortised cost are recognised in the Statement of Profit or Loss and Other Comprehensive Income and deducted from the gross carrying amount of the assets.

###### *iii. Reversals of impairment*

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.

##### (h) *Trade and other payables*

Trade and other payables are stated at their amortised cost.

Trade payables are non-interest bearing and normally settle on 30-day terms.

## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 3 Significant accounting policies (continued)

##### (i) *Loans and borrowings*

###### *Interest bearing*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

###### *Non-interest bearing*

Non-interest bearing loans are recognised initially at fair value less attributable transaction costs. When no repayment date is specified and the repayment date is not known into the foreseeable future, the loan is measured at its face value.

##### (j) *Employee benefits*

###### (i) *Defined contribution superannuation funds*

Obligations for contributions to defined contribution superannuation funds are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment available.

###### (ii) *Other long term service benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in they arise.

###### (iii) *Short term benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

###### (iv) *Termination benefits*

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 3 Significant accounting policies (continued)

##### (k) Revenue

###### *Goods sold and services rendered*

Revenue from the sale of goods is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. Revenue from services rendered is recognised in profit or loss when the underlying services have been provided. No revenue is recognised if there is significant uncertainty regarding recovery of consideration due.

###### *Poker machine revenue*

Poker machine revenue is recognised in profit or loss, net of prizes and jackpots, once the underlying games have been completed.

###### *Other gaming revenue*

Other gaming revenue is recognised in profit or loss when the underlying gaming event has been completed.

###### *Sponsorship*

Sponsorship revenue is recognised as revenue over the period the sponsorship relates to.

###### *Rental income*

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

##### (l) Net financing costs

Interest income is recognised in profit or loss as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in profit or loss using the effective interest method.

Finance costs comprise interest expense on 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) Taxation

###### *Income tax*

Under Tax Ruling 2022/2, not-for-profit clubs with a primary purpose of encouraging a game or sport are exempt from paying corporate income tax.

The directors have reviewed the objectives and activities of the Company for the year ended 31 October 2023 and have concluded that the Company is to be tax exempt pursuant to Sections 50-1 and 50-45, Item 9.1 of the Income Tax Assessment Act, 1997.

**Illawarra District Rugby League Football Club Limited**

**Notes to the financial statements**

For the year ended 31 October 2023

**3 Significant accounting policies (continued)**

**(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 ATO. 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 ATO is included as a current asset or liability in the balance sheet.

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.

**(o) Reserves**

The revaluation reserve relates to the revaluation of land and buildings which are stated at fair value.

Illawarra District Rugby League Football Club Limited

Notes to the financial statements

For the year ended 31 October 2023

	2023 \$	2022 \$
<b>4 Revenue</b>		
<b>Revenue from licensed club operations</b>		
Bar income	1,757,903	1,701,139
Gaming income	4,849,821	6,243,377
Commissions	174,662	149,919
Sundry	350,551	235,330
	<u>7,132,937</u>	<u>8,329,765</u>
<b>Revenue from football operations</b>		
Sponsorship income	421,259	308,008
Grant income	111,000	111,000
Sundry	257,186	228,267
	<u>789,445</u>	<u>647,275</u>
<b>Other income</b>		
Rental income	179,234	172,076
Sundry income	24,945	18,208
COVID stimulus	-	29,148
	<u>204,179</u>	<u>219,432</u>
<b>Timing of Revenue Recognition</b>		
Product and services transferred at a point in time	7,415,068	8,605,388
Product and services transferred over time	711,493	591,084
	<u>8,126,561</u>	<u>9,196,472</u>
<b>5 Net financing expenses</b>		
Interest income – other parties	20,676	2,543
<i>Finance income</i>	<u>20,676</u>	<u>2,543</u>
Interest and availability fees	(328,753)	(316,745)
<i>Finance expense</i>	<u>(328,753)</u>	<u>(316,745)</u>
Net financing expense	<u>(308,077)</u>	<u>(314,202)</u>
<b>6 Cash and cash equivalents</b>		
Cash at bank	569,859	1,274,746
Cash on hand	258,500	250,000
<b>Cash and Cash equivalents</b>	<u>828,359</u>	<u>1,524,746</u>
<b>7 Trade and other receivables</b>		
Trade receivables	<u>160,532</u>	<u>42,742</u>

Illawarra District Rugby League Football Club Limited

Notes to the financial statements

For the year ended 31 October 2023

	2023 \$	2022 \$
<b>8 Inventories</b>		
Stock on hand - bar	<u>83,185</u>	<u>95,660</u>
<b>9 Other assets</b>		
<i>Current</i>		
Prepayments	199,322	220,881
Term deposit	<u>49,105</u>	<u>48,244</u>
	<u>248,427</u>	<u>269,125</u>
<i>Non-current</i>		
Other	<u>750</u>	<u>750</u>
<b>10 Property, plant and equipment</b>		
<i>Land and buildings</i>		
At fair value	16,475,704	16,129,402
Accumulated depreciation	<u>(654,361)</u>	<u>(329,402)</u>
	<u>15,821,343</u>	<u>15,800,000</u>
<i>Furniture and fittings</i>		
At cost	262,729	262,729
Accumulated depreciation	<u>(223,557)</u>	<u>(200,246)</u>
	<u>39,172</u>	<u>62,483</u>
<i>Plant and equipment</i>		
At cost	2,042,421	1,982,640
Accumulated depreciation	<u>(1,334,295)</u>	<u>(1,035,068)</u>
	<u>708,126</u>	<u>947,572</u>
<i>Motor vehicles</i>		
At cost	54,600	54,600
Accumulated amortisation	<u>(54,600)</u>	<u>(54,600)</u>
	<u>-</u>	<u>-</u>
<b>Total cost/fair value</b>	<u>18,835,454</u>	<u>18,429,371</u>
<b>Total accumulated depreciation</b>	<u>(2,266,813)</u>	<u>(1,619,316)</u>
<b>Total property, plant and equipment</b>	<u>16,568,641</u>	<u>16,810,055</u>

Illawarra District Rugby League Football Club Limited

Notes to the financial statements

For the year ended 31 October 2023

10 Property, plant and equipment (continued)

	2023	2022
	\$	\$
<b>Reconciliations</b>		
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:		
<b>Land and buildings</b>		
Carrying amount at beginning of year	15,800,000	11,043,706
Additions	368,072	-
Reclassification	-	(26,046)
Disposal:- gross carrying amount	(21,770)	-
Disposal:- depreciation offset	18,632	-
Depreciation	(343,591)	(329,402)
Revaluation	-	5,111,742
Carrying amount at end of year	<u>15,821,343</u>	<u>15,800,000</u>
<b>Furniture and fittings</b>		
Carrying amount at beginning of year	62,483	88,474
Additions	-	-
Disposal:- gross carrying amount	-	(771)
Disposal:- depreciation offset	-	771
Depreciation	(23,311)	(25,991)
Carrying amount at end of year	<u>39,172</u>	<u>62,483</u>
<b>Plant and equipment</b>		
Carrying amount at beginning of year	947,572	965,311
Additions	59,781	267,676
Disposal:- gross carrying amount	-	(55,138)
Disposal:- depreciation offset	-	37,354
Depreciation	(299,227)	(293,677)
Reclassification	-	26,046
Carrying amount at end of year	<u>708,126</u>	<u>947,572</u>
<b>Motor vehicles</b>		
Carrying amount at beginning of year	-	-
Depreciation	-	-
Carrying amount at end of year	<u>-</u>	<u>-</u>

**Illawarra District Rugby League Football Club Limited**

**Notes to the financial statements**

For the year ended 31 October 2023

	2023	2022
	\$	\$
<b>10 Property, plant and equipment (continued)</b>		
<b>a) Fair value hierarchy</b>		
Land and buildings measured at fair value were valued by an independent valuer, for the 31 October 2022 reporting date. The Directors have considered the valuation with regard to current market conditions and believe the external valuation is still appropriate as at 31 October 2023.		
The fair value of land is recognised based on market values.		
Land and buildings measured at fair value, with a carrying amount of \$15,821,343 (2022: \$15,800,00) are subject to a registered mortgage to secure loans provided by WIN Corporation Pty Limited. Refer to Note 12.		
<b>11 Trade and other payables</b>		
<b>Current</b>		
Trade payables	164,096	252,039
Other payables and accrued expenses	606,719	593,714
	<u>770,815</u>	<u>845,753</u>
<b>12 Loans and Borrowings</b>		
<b>Current</b>		
Hire purchase liabilities	<u>126,637</u>	<u>128,647</u>
<b>Non-current</b>		
Hire purchase liabilities	38,969	158,809
WIN Corporation Pty Limited - secured	5,672,123	6,172,123
	<u>5,711,092</u>	<u>6,330,932</u>

Refer to Note 10 for disclosure surrounding security attached to the loans provided by WIN Corporation Pty Limited.



## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 12 Loans and Borrowings (continued)

##### *Financing arrangements*

*Loans from WIN Corporation Pty Limited - secured*

The loan is an interest only loan until minimum repayments of \$500,000 per year commenced in November 2021. The Company made an early payment of \$500,000 during the year. The loan has termination date 1 November 2024 with a roll over option for a further 3 years.

##### *Terms and repayment schedule*

The terms and conditions of outstanding loans are as follows:

Type	Currency	Nominal Interest rate	Year of Maturity	2023 \$ Carrying Amount	2022 \$ Carrying Amount
Secured Loan	AUD	3.5% - 5.49%	2024	5,672,123	6,172,123
Hire Purchase liabilities	AUD	0% - 5.12%	2024	165,606	287,456
Total interest bearing liabilities				<u>5,837,729</u>	<u>6,459,579</u>

The Company has access to the following lines of credit:

Total facilities available:

■ bank overdraft	200,000	200,000
■ credit cards	12,000	10,000
	<u>212,000</u>	<u>210,000</u>

Facilities utilised at balance date:

■ bank overdraft	-	-
■ credit cards	8,283	5,841
	<u>8,283</u>	<u>5,841</u>

Facilities not utilised at balance date:

■ bank overdraft	200,000	200,000
■ credit cards	3,717	4,159
	<u>203,717</u>	<u>204,159</u>

##### *Bank overdraft*

The bank overdraft is secured by a guarantee from the Company. Interest on the bank overdraft is charged at prevailing market rates.

## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

	2023	2022
	\$	\$
<b>13 Employee benefits</b>		
Aggregate liability for employee benefits, including on-costs		
■ Current	386,657	351,158
■ Non-current	<u>23,576</u>	<u>61,972</u>
	<u>410,233</u>	<u>413,130</u>

#### ***Defined contribution superannuation funds***

The Company makes contributions to a defined contribution superannuation fund. The amount recognised as an expense was \$209,985 for the financial year ended 31 October 2023 (2022: \$209,748).

## **14 Related Party Disclosures**

### **Transactions with key management personnel**

#### *Key management personnel compensation*

Key management personnel are those persons having authority and responsibility for planning directing and controlling the activities of the Company, directly or indirectly, including any director (executive or otherwise) of the Company. Key management personnel compensation comprised short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits, and director honorariums:

Key management personnel compensation	<u>224,530</u>	<u>418,446</u>
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#### ***Other related party transactions***

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Company in the reporting period.

#### *WIN Corporation Pty Limited*

As a condition of providing a loan facility to the Company, WIN Corporation obtained the right to have a WIN Corporation representative attend all board meetings of the Company. As at reporting date, the balance of the loan outstanding was \$5,672,123 (2022: \$6,172,123).

During the year the Company incurred an availability fee on the loan facility of \$332,099 (2022: \$311,827). As at reporting date, amounts totalling \$0 were payable to WIN Corporation in relation to this availability fee (2022: \$0).

## Illawarra District Rugby League Football Club Limited

### Notes to the financial statements

For the year ended 31 October 2023

#### 14 Related Party Disclosures (continued)

##### *Waples Marketing Group Pty Limited*

Mr G Gulloch is a director of Waples Marketing Group Pty Limited (“Waples”). During the current and comparative periods the Company engaged the services of Waples in relation to various promotional activities. The value of these transactions during the period ended 31 October 2023 was \$16,133 (2022: \$20,922) and the balance owing as at 31 October 2023 was \$0 (2022: \$0).

The nature of these transactions relates to Waples acting as a media agency for the Company in the purchasing of advertising with local media outlets. Under these arrangements, Waples invoices the Company for the value of the advertisements placed in addition to their fee on the transaction.

During the year, of the \$16,133 billed by Waples, \$14,240 was paid onto the media outlets, \$1,068 was retained by Waples as the fee for this accredited service, and \$825 retained for advertising and graphic design services.

##### *Kembla Grange Self Storage Pty Ltd*

Mr J Borgo is a director of Kembla Grange Self Storage Pty Ltd. During the current and comparative periods, the Company engaged Kembla Grange Self Storage to facilitate the storage of rugby league match day and training equipment, and function related equipment and furnishings.

The value of these transactions during the period ended 31 October 2023 was \$12,662 (2022: \$10,274) and the balance owing as at 31 October 2023 was \$0 (2022: \$0).

##### *J & L Borgo Pty Ltd*

Mr J Borgo is a director of J & L Borgo Pty Ltd. During the current period, the Company engaged J & L Borgo to provide miscellaneous food supplies.

The value of these transactions during the period ended 31 October 2023 was \$6,916 (2022: \$0) and the balance owing as at 31 October 2023 was \$1,419 (2022: \$0).

#### 15 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company, in the future financial years.

**Illawarra District Rugby League Football Club Limited**

**Notes to the financial statements**

For the year ended 31 October 2023

**16 Auditors' remuneration**

	2023 \$	2022 \$
Audit and review services:		
■ Audit and review of financial statements	<u>38,613</u>	<u>34,880</u>
Other services		
■ Other services	-	5,692
■ Risk management review	<u>30,080</u>	<u>-</u>


**Illawarra District Rugby League Football Club Limited  
Directors' declaration**


In the opinion of the Directors of Illawarra District Rugby League Football Club Limited:

- the financial statements and notes, set out on pages 7 to 27, are in accordance with the Corporations Act 2001, including:
  - giving a true and fair view of the Company's financial position as at 31 October 2023 and of its performance, for the financial year ended on that date; and
  - complying with Australian Accounting Standards – Simplified Disclosure Requirements and Corporations Regulations 2001; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Dated at Wollongong this 21<sup>st</sup> day of December 2023.

  
\_\_\_\_\_  
Graeme Gulloch  
Director

  
\_\_\_\_\_  
Sean O'Connor  
Director



# Independent Auditor's Report

To the members of Illawarra District Rugby League Football Club Limited

## Opinion

We have audited the **Financial Report** of Illawarra District Rugby League Football Club Limited (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 Company's financial position as at 31 October 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

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

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



## Other Information

Other Information is financial and non-financial information in Illawarra District Rugby League Football Club Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

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

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

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

## Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards -Simplified Disclosures* and the *Corporations Act 2001*;
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the 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 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/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our Auditor's Report.

KPMG

KPMG

Adam Bird

*Partner*

Wollongong

21 December 2023