

**Collegians Rugby League
Football Club Ltd**

ABN 69 000 820 119

Annual financial report
30 June 2020

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The directors present their report together with the consolidated financial statements of the Group comprising Collegians Rugby League Football Club Ltd (the Company), and its controlled entity for the financial year ended 30 June 2020 and the auditor's report thereon.

1. Directors

The directors of the Company at any time during or since the end of the financial year are:

	Occupation	Years of Service
Bruce Prior (Chairman)	Retired	25
Adam Canavan (Deputy Chairman)	Business Owner	15
Kevin Murphy (Treasurer)	Retired	61
John Mussared*	Business Owner	20
Frank Cusack	Retired	41
Jeff Whalley	Manager	16
Neil Ballinger	Business Owner	12
Lee Floro	Director of Radiology	10
Brian O'Rourke	Retired	6

*Deceased in July 2020

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	Number of meetings attended	Meetings eligible to attend
Bruce Prior	14	14
Adam Canavan	14	14
Kevin Murphy	14	14
Frank Cusack	14	14
John Mussared	10	14
Jeff Whalley	13	14
Neil Ballinger	13	14
Lee Floro	13	14
Brian O'Rourke	14	14

2. Environmental regulation

The Group's operations are not subject to significant environmental regulation under either Commonwealth or State legislation.

3. Principal activities

The principal activities of the Group during the course of the financial year were that of Rugby League Football Club, operations of licensed premises, and supply of meat products. There were no significant changes in the nature of the activities of the Group during the year.

4. Review of operations

The loss of the group for the financial year after providing for income tax amounted to \$401,657 (2019: profit \$546,444).

The The Collegians Group was trading profitably until the COVID 19 pandemic forced closure on 23 March 2020. Trade re commenced in early June 2020.

We met our commitments to community, sporting and charitable organisations, as well as providing members with quality facilities.

5. Significant changes in the state of affairs

Collegians RLFC Ltd amalgamated with Illawarra Leagues Club Ltd on the 4 March 2020.

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

6. 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 Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Domestically, we have dealt with drought, fire and flood, and then the worldwide pandemic of Covid-19. The financial impact of these events has indeed been felt across this business. The Collegians site endured a forced shut down period of 10 weeks over March-May 2020, during which no revenue was earned.

Government support in the form of the Jobkeeper subsidy was received during the latter part of the year, as well as payment relief through deferral arrangements on taxes. This allowed the business to maintain its cashflow. Please refer to the CEO and Chairmans' Reports for further information regarding the impact of Covid-19.

With the on-going challenges to be faced, the company remains committed to supporting community, sporting and charitable organisations, as well as providing members and their guests, quality entertainment and facilities

7. Likely developments

The short and long term objective for the club is to continue to trade successfully by delivering quality food, beverages and gaming whilst promoting the sport of rugby league football and extending the club.

The Club uses industry accepted KPI's to monitor performance in terms of service delivery to members, financial results and liquidity levels.

8. Members guarantee

The parent company is limited by guarantee. If the company is wound up, the articles of association state that each member is required to contribute a maximum of \$3 each. At 30 June 2020 the number of members was 25,510 (2019: 23,983).

9. Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Group.

Insurance premiums

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2020 and since the financial year, the Company has paid premiums in respect of such insurance contracts for the year ending 30 June 2020. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Group.

The directors have not included details of the nature of the liabilities covered or the amount of the premiums 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.

10. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 32 and forms part of the directors' report for the financial year ended 30 June 2020.

This report is signed in accordance with a resolution of the directors:

Bruce Prior
Director

Kevin Murphy
Director

Dated at Wollongong this day of 2020

Collegians Rugby League Football Club Ltd

Statements of profit or loss and other comprehensive income

For the year ended 30 June 2020

	Note	Consolidated Group		Parent Entity	
		2020 \$	2019 \$	2020 \$	2019 \$
Revenue	2	29,373,907	34,344,783	28,819,204	33,763,941
Cost of goods sold		(2,899,350)	(3,627,025)	(2,801,935)	(3,541,873)
Employee benefits expense		(8,628,658)	(9,275,525)	(8,347,059)	(8,950,108)
Depreciation and amortisation expenses		(3,985,718)	(3,691,396)	(3,961,797)	(3,635,340)
Other expenses		(14,212,013)	(17,035,146)	(14,075,403)	(17,003,005)
Operating profit		<u>(351,832)</u>	<u>715,691</u>	<u>(366,990)</u>	<u>633,615</u>
Finance income		475	1,074	475	1,074
Finance expense		(127,654)	(176,523)	(127,654)	(176,523)
Net finance costs		<u>(127,179)</u>	<u>(175,449)</u>	<u>(127,179)</u>	<u>(175,449)</u>
Profit before income tax		(479,011)	540,242	(494,169)	458,166
Income tax benefit/(expense)	4	77,354	6,202	(5,417)	(178,198)
Profit for the year		<u>(401,657)</u>	<u>546,444</u>	<u>(499,586)</u>	<u>279,968</u>
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		<u>(401,657)</u>	<u>546,444</u>	<u>(499,586)</u>	<u>279,968</u>

The statements of profit or loss and other comprehensive income are to be read in conjunction with the notes to the financial statements set out on pages 10 to 30.

Collegians Rugby League Football Club Ltd

Statements of changes in equity

For the year ended 30 June 2020

Consolidated entity	Note	Amalgamation reserve	Retained earnings	Total
		\$	\$	\$
Opening balance at 1 July 2018		4,033,807	55,143,374	59,177,181
Total comprehensive income for the year				
Profit for the year		-	546,444	546,444
Total comprehensive income for the year		-	546,444	546,444
Closing balance at 30 June 2019		<u>4,033,807</u>	<u>55,689,818</u>	<u>59,723,625</u>
Opening balance at 1 July 2019		4,033,807	55,689,818	59,723,625
Total comprehensive income for the year				
Profit for the year		-	(401,657)	(401,657)
Total comprehensive income for the year		-	(401,657)	(401,657)
Amalgamation with Illawara Leagues Club		9,675,057	-	9,675,057
Closing balance at 30 June 2020		<u>13,708,864</u>	<u>55,288,161</u>	<u>68,997,025</u>
Parent entity		Amalgamation reserve	Retained earnings	Total
Opening balance at 1 July 2018		4,033,807	55,147,559	59,181,366
Total comprehensive income for the year				
Profit for the year		-	279,968	279,968
Total comprehensive income for the year		-	279,968	279,968
Closing balance at 30 June 2019		<u>4,033,807</u>	<u>55,427,527</u>	<u>59,461,334</u>
Opening balance at 1 July 2019		4,033,807	55,427,527	59,461,334
Total comprehensive income for the year				
Profit for the year		-	(499,586)	(499,586)
Total comprehensive income for the year		-	(499,586)	(499,586)
Amalgamation with Illawara Leagues Club		9,675,057	-	9,675,057
Closing balance at 30 June 2020		<u>13,708,864</u>	<u>54,927,941</u>	<u>68,636,805</u>

The statements of changes in equity are to be read in conjunction with the notes to the financial statements set out on pages 10 to 30.

Collegians Rugby League Football Club Ltd

Statements of financial position

As at 30 June 2020

	Note	Consolidated		Parent Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
Assets					
Cash and cash equivalents		3,172,440	1,448,030	3,051,447	1,318,738
Trade and other receivables		19,855	16,122	21,017	17,419
Inventories		457,031	472,975	412,121	412,443
Current tax assets		(466)	103,578	-	98,685
Other assets	5	795,654	386,530	790,298	374,563
Total current assets		<u>4,444,514</u>	<u>2,427,235</u>	<u>4,274,883</u>	<u>2,221,848</u>
Financial assets	6	-	-	403,545	678,545
Intangible assets	7	2,450,000	1,800,000	2,450,000	1,800,000
Property, plant and equipment	8	73,020,442	64,755,635	73,004,848	64,716,120
Deferred tax assets	12	431,717	352,562	429,906	351,124
Total non-current assets		<u>75,902,159</u>	<u>66,908,197</u>	<u>76,288,299</u>	<u>67,545,789</u>
Total assets		<u>80,346,673</u>	<u>69,335,432</u>	<u>80,563,182</u>	<u>69,767,637</u>
Liabilities					
Trade and other payables	9	4,357,306	1,961,728	4,327,125	1,947,398
Borrowings	10	1,401,981	6,330,000	1,401,981	6,330,000
Employee benefits	11	1,175,816	1,193,466	1,156,912	1,183,877
Total current liabilities		<u>6,935,103</u>	<u>9,485,194</u>	<u>6,886,018</u>	<u>9,461,275</u>
Borrowings	10	4,309,801	23,321	4,935,615	741,736
Employee benefits	11	104,744	103,292	104,744	103,292
Total non-current liabilities		<u>4,414,545</u>	<u>126,613</u>	<u>5,040,359</u>	<u>845,028</u>
Total liabilities		<u>11,349,648</u>	<u>9,611,807</u>	<u>11,926,377</u>	<u>10,306,303</u>
Net assets		<u>68,997,025</u>	<u>59,723,625</u>	<u>68,636,805</u>	<u>59,461,334</u>
Members' funds					
Amalgamation reserve	22(n)	13,708,864	4,033,807	13,708,864	4,033,807
Retained earnings		55,288,161	55,689,818	54,927,941	55,427,527
Total equity		<u>68,997,025</u>	<u>59,723,625</u>	<u>68,636,805</u>	<u>59,461,334</u>

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 10 to 30.

Collegians Rugby League Football Club Ltd

Statements of cash flows

For the year ended 30 June 2020

	Note	Consolidated Group		Parent Entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers		31,163,391	37,546,275	31,107,346	36,906,020
Payments to suppliers and employees		(26,083,847)	(34,137,724)	(26,201,902)	(33,633,234)
Income tax paid		-	-	-	-
Interest received		474	1,074	474	1,074
Interest paid		(127,653)	(176,523)	(127,653)	(176,523)
Net cash from operating activities	17(a)	<u>4,952,365</u>	<u>3,233,102</u>	<u>4,778,265</u>	<u>3,097,337</u>
Cash flows from investing activities					
Payments for property, plant and equipment		(2,770,395)	(2,028,648)	(2,770,395)	(2,013,452)
Cash acquired in amalgamation		180,303	-	180,303	-
Proceeds from sale of property, plant and equipment		1,819	556,865	1,819	556,865
Net cash used in investing activities		<u>(2,588,273)</u>	<u>(1,471,783)</u>	<u>(2,588,273)</u>	<u>(1,456,587)</u>
Cash flows from financing activities					
Proceeds from borrowings		(639,682)	860,000	(457,283)	860,000
Related party loan		-	-	-	75,000
Repayment of borrowings		-	(2,904,816)	-	(2,904,816)
Net cash from financing activities		<u>(639,682)</u>	<u>(2,044,816)</u>	<u>(457,283)</u>	<u>(1,969,816)</u>
Net increase in cash held		1,724,410	(283,497)	1,732,709	(329,066)
Cash and cash equivalents at 1 July		1,448,030	1,731,527	1,318,738	1,647,804
Cash and cash equivalents at 30 June		<u>3,172,440</u>	<u>1,448,030</u>	<u>3,051,447</u>	<u>1,318,738</u>

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 10 to 30.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

1 Reporting entity

These consolidated financial statements comprise Collegians Rugby League Football Club Ltd (the "Company") and its controlled entity (together referred to as the "Group") and are as at and for the year ended 30 June 2020. Collegians Rugby League Football Club Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

The Group is a not-for-profit entity and primarily involved with the operation of a Rugby League Football Club, operations of licensed premises and supply of meat products.

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
2 Revenue				
<i>Revenue recognised from contracts with customers</i>				
Sale of goods	7,121,682	8,815,816	6,568,317	8,235,731
Gaming revenue	19,289,877	23,072,397	19,289,877	23,072,397
Other revenue	2,763,685	2,195,294	2,762,347	2,194,537
	<u>29,175,244</u>	<u>34,083,507</u>	<u>28,620,541</u>	<u>33,502,665</u>
Rental income	198,663	261,276	198,663	261,276
Total revenue	<u>29,373,907</u>	<u>34,344,783</u>	<u>28,819,204</u>	<u>33,763,941</u>
3 Profit/ (loss) before tax has been arrived at after crediting/charging the following items:				
(Loss)/gain on disposal of property, plant and equipment	(1,031)	210,760	(1,031)	210,760
	<u>(1,031)</u>	<u>210,760</u>	<u>(1,031)</u>	<u>210,760</u>

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
4 Tax Expense				
Current tax expense				
Current tax	-	-	-	218,108
Adjustment for prior years	-	-	-	-
Total current tax expense	-	-	-	218,108
Deferred tax expense				
Deferred tax	(131,833)	23,923	(49,063)	(6,000)
Adjustment for prior years	54,479	(30,125)	54,479	(33,910)
Total deferred tax (benefit)/expense	(77,354)	(6,202)	5,417	(39,910)
Total tax (benefit)/expense	(77,354)	(6,202)	5,417	178,198
Reconciliation				
Accounting profit before tax	(479,011)	540,242	(494,169)	458,166
Income tax using statutory income tax rate 27.5% (2019:30%)	(131,728)	162,073	(135,896)	137,450
Net income subject to mutuality exclusion	13,645	(138,150)	100,584	74,658
Non-assessable government subsidies	(13,750)	-	(13,750)	-
Impact of change in company tax rate	24,801	-	24,801	-
Under/ (over) provision for the period	29,678	(30,125)	29,678	(33,910)
Total tax expense	(77,354)	(6,202)	5,417	178,198

Under the group allocation approach of calculating the income taxes of the Consolidated Group and the Parent Entity there is a fluctuation in the net income subject to the tax mutuality calculation and therefore income tax expense at the two disclosing levels.

In accounting for tax consolidation under UIG 1052 the head company and the controlled entity account for income taxes under the group allocation approach. The impact is that the intercompany sales from the controlled entity to the head company are eliminated in full in the Parent Entity tax calculation to reflect the impact of tax consolidation (i.e. no tax deduction is included for those intercompany sales in the tax calculation for the Parent Entity).

At the Consolidated Group level the intercompany sales are eliminated and the Consolidated Group is entitled to the tax deductions for expenditure incurred by the controlled entity, subject to the tax mutuality calculation. This is reflected in the reduction in taxable income, but only at the Consolidated Group level.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

5 Other assets

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Prepayments	343,303	383,608	337,947	371,641
Other receivables	452,351	-	452,351	-
Deposits	-	2,922	-	2,922
Total	<u>795,654</u>	<u>386,530</u>	<u>790,298</u>	<u>374,563</u>

6 Financial assets

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Other investments	-	-	403,545	678,545
Total investments	<u>-</u>	<u>-</u>	<u>403,545</u>	<u>678,545</u>

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interest held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation or registration. See accounting policy in Note 22(a).

Set out below is a list of material subsidiaries of the Group

Name	Principal place of business	Ownership interest	
		2020	2019
Graze Balgownie Pty Ltd	127 Balgownie Rd. Balgownie NSW	100%	100%

7 Intangible Assets

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Poker machine entitlements	2,450,000	1,800,000	2,450,000	1,800,000
Total intangible assets	<u>2,450,000</u>	<u>1,800,000</u>	<u>2,450,000</u>	<u>1,800,000</u>

Reconciliation of the carrying amount are set out below:

Carrying amount at beginning of the year	1,800,000	1,800,000	1,800,000	1,800,000
Acquired via business combinations	<u>650,000</u>	<u>-</u>	<u>650,000</u>	<u>-</u>
	<u>2,450,000</u>	<u>2,450,000</u>	<u>2,450,000</u>	<u>2,450,000</u>

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

8 Property, plant and equipment

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Freehold Land				
At cost	24,715,275	17,990,503	24,715,275	17,990,503
Total freehold land	<u>24,715,275</u>	<u>17,990,503</u>	<u>24,715,275</u>	<u>17,990,503</u>
Buildings				
At cost	50,468,297	48,459,600	50,468,297	48,459,600
Accumulated depreciation	(11,560,246)	(10,709,527)	(11,560,246)	(10,709,527)
Total buildings	<u>38,908,051</u>	<u>37,750,073</u>	<u>38,908,051</u>	<u>37,750,073</u>
Plant and equipment				
At cost	48,956,236	43,375,121	48,418,914	42,837,799
Accumulated depreciation	(39,559,120)	(34,360,062)	(39,037,392)	(33,862,255)
Total plant and equipment	<u>9,397,116</u>	<u>9,015,059</u>	<u>9,381,522</u>	<u>8,975,544</u>
Total cost	124,139,808	109,825,224	123,602,486	109,287,902
Total accumulated depreciation	(51,119,366)	(45,069,589)	(50,597,638)	(44,571,782)
Total property, plant and equipment	<u>73,020,442</u>	<u>64,755,635</u>	<u>73,004,848</u>	<u>64,716,120</u>

Reconciliations

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

Land				
Carrying amount at beginning of year	17,990,503	17,985,453	17,990,503	17,985,453
Additions	24,772	5,050	24,772	5,050
Acquired via business combination	6,700,000	-	6,700,000	-
Carrying amount at end of year	<u>24,715,275</u>	<u>17,990,503</u>	<u>24,715,275</u>	<u>17,990,503</u>
Buildings				
Carrying amount at beginning of year	37,750,073	38,335,649	37,750,073	38,335,649
Additions	208,700	261,221	208,700	261,222
Acquired via business combination	1,800,000	-	1,800,000	-
Depreciation	(850,722)	(846,797)	(850,722)	(846,798)
Carrying amount at end of year	<u>38,908,051</u>	<u>37,750,073</u>	<u>38,908,051</u>	<u>37,750,073</u>
Plant and equipment				
Carrying amount at beginning of year	9,015,059	10,097,280	8,975,544	10,016,906
Additions	2,536,923	1,762,378	2,536,923	1,747,180
Acquired via business combination	982,979	-	982,979	-
Disposals	(2,849)	-	(2,849)	-
Depreciation	(3,134,996)	(2,844,599)	(3,111,075)	(2,788,542)
Carrying amount at end of year	<u>9,397,116</u>	<u>9,015,059</u>	<u>9,381,522</u>	<u>8,975,544</u>

As required under section 41J of the Registered Clubs Act 1976, the Club is required to specify the core property and non-core properties owned and occupied as at the end of the financial year. Following member approval at the 2017 AGM the core property of the Club consists of the Club's licensed premises at 3a Charlotte Street Wollongong and the football oval at 147 The Avenue Figtree. All other property is considered non-core.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
9 Trade and other payables				
Trade payables	4,166,023	1,795,288	4,135,842	1,780,958
Subscriptions in advance	115,384	118,538	115,384	118,538
Deposits held	54,857	27,624	54,857	27,624
Rent received in advance	21,042	20,278	21,042	20,278
Total trade and other payables	<u>4,357,306</u>	<u>1,961,728</u>	<u>4,327,125</u>	<u>1,947,398</u>

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
10 Loans and Borrowings				
<i>Financing arrangements</i>				
Current				
Bank loan secured	1,272,000	5,970,000	1,272,000	5,970,000
Bank bills secured	-	360,000	-	360,000
Finance lease liability	129,981	-	129,981	-
Total current loans and borrowings	<u>1,401,981</u>	<u>6,330,000</u>	<u>1,401,981</u>	<u>6,330,000</u>
Non-Current				
Bank loan secured	4,253,000	-	4,253,000	-
Debentures	23,321	23,321	23,321	23,321
Related party borrowings	-	-	625,814	718,415
Finance lease liability	33,480	-	33,480	-
Total non-current loans and borrowings	<u>4,309,801</u>	<u>23,321</u>	<u>4,935,615</u>	<u>741,736</u>

The bank loans and bills are secured by mortgage over certain properties and a general security arrangement over the assets and undertakings of the Group.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
11 Employee benefits				
Current				
Annual leave provision	606,162	684,660	587,258	676,243
Long service leave provision	569,654	508,806	569,654	507,634
	<u>1,175,816</u>	<u>1,193,466</u>	<u>1,156,912</u>	<u>1,183,877</u>
Non-Current				
Long service leave provision	104,744	103,292	104,744	103,292
	<u>104,744</u>	<u>103,292</u>	<u>104,744</u>	<u>103,292</u>

Defined contribution superannuation funds

The Group makes contributions to defined contribution superannuation funds. The amount recognised as an expense was \$636,347 for the financial year ended 30 June 2020 (2019: \$765,132).

12 Tax assets and liabilities

Deferred tax assets and liabilities are attributed to the following;

Employee benefits	114,720	194,319	113,051	193,075
Tax losses	347,347	143,226	347,347	143,226
Deferred government subsidies	(40,255)	-	(40,255)	-
Other	9,905	15,017	9,763	14,823
Total	<u>431,717</u>	<u>352,562</u>	<u>429,906</u>	<u>351,124</u>

13 Operating leases

Leases as Lessor

The group leases out buildings held under operating leases.

At 30 June, the future minimum lease payments receivable under non-cancellable leases are receivable as follows:

	2020	2019
	\$	\$
• Not later than one year	228,315	192,710
• One year or later but no later than five years	929,648	496,665
• More than five years	194,859	170,331
	<u>1,352,822</u>	<u>859,706</u>

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

14 Business combinations

On 3 March 2020 the Group acquired all of the business assets and liabilities of the Illawara Leagues Club limited (a registered club).

Details of the purchase consideration, the net assets acquired and the gain on amalgamation are as follows:

Assets or liabilities acquired:

<i>Purchase Consideration</i>	\$
Cash paid (including costs to acquire)	-
Assets or liabilities acquired:	
Cash	180,303
Inventories	54,512
Other assets	31,774
Intangible assets	650,000
Land and buildings	8,500,000
Plant and equipment	982,979
Employee benefits	(33,731)
Other liabilities	<u>(690,780)</u>
Net assets recognised on amalgamation	<u>9,675,057</u>

15 Related party transactions

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning directing and controlling the activities of the Group, directly or indirectly, including any director (executive or otherwise) of the Group. Total remuneration paid to key management personnel for the current and comparative periods was:

	2020	2019
	\$	\$
Key management personnel compensation	<u>1,177,077</u>	<u>1,009,712</u>

16 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 \$3 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 30 June 2020 there were 23,983 members (2019: 23,299 members).

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

17 Notes to the statement of cash flows

- (a) Reconciliation of profit from operating activities after income tax to net cash provided by operating activities

	Consolidated Group		Parent Entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Profit after income tax	(401,657)	546,444	(499,586)	279,968
Non-cash flows in profit				
- depreciation	3,985,718	3,691,396	3,961,797	3,635,340
- loss/(gain) on disposal of property plant and equipment	1,030	(210,760)	1,031	(210,760)
- Deferred taxes		(6,202)		178,198
Changes in assets and liabilities				
Decrease/(increase) in trade and other receivables	(3,733)	11,629	(3,598)	10,421
Decrease/(increase) in other assets	(376,884)	180,111	(383,961)	182,211
Decrease/(increase) in inventories	70,456	(19,272)	54,832	(29,857)
(Decrease)/ increase in payables	1,702,941	(923,082)	1,687,090	(923,915)
(Decrease) in income tax payable	24,420	(25,469)	19,902	(23,849)
(Decrease)/increase in employee benefits	(49,926)	(11,693)	(59,242)	(420)
Net cash provided by operating activities	4,952,365	3,233,102	4,778,265	3,097,337

18 Subsequent events

There are no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group

19 Company details

The registered office of the company is:

Collegians Rugby League Football Club Ltd 3A Charlotte Street, Wollongong NSW 2500

The principal place of business is:

Collegians Rugby League Football Club Ltd 3A Charlotte Street, Wollongong NSW 2500

20 Commitments

Finance Leases

At 30 June, the future minimum lease payments are payable as follows:

• Not later than one year	129,981	-	129,981	-
• One year or later but no later than five years	33,480	-	33,480	-
	<u>163,461</u>	<u>-</u>	<u>163,461</u>	<u>-</u>

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

21 Basis of preparation

(a) Basis of accounting

These consolidated financial statements are Tier 2 general purpose consolidated financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure

They were authorised for issue by the Board of Directors on 2 October 2020.

This is the first set of the Group's annual financial statements in which the following new accounting standards have been applied:

- a. AASB 16 *Leases*
- b. AASB 15 *Revenue from Contracts with Customers*
- c. AASB 1058 *Income of not-for-profit entities*

Changes to significant accounting policies are described in Note 21 (e).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless stated otherwise.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Group's functional currency.

(d) Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, 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 prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 7 – Intangible assets

(e) Changes in accounting policies

With the exception of the below, the Group has consistently applied the following accounting policies to all periods presented in these financial statements.

AASB 16 Leases

The Company initially applied AASB 16 *Leases* from 1 July 2019.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

The Company applied AASB 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information presented for the year ended 30 June 2019 is not restated.

The Company has concluded that there is no impact on its financial statements resulting from application of AASB 16

(a) Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation 4 Determining whether an Arrangement contains a Lease. The Company now assesses whether a contract is or contains a lease based on the definition of a lease.

The Company applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and AASB Interpretation 4 were not reassessed for whether there is a lease under AASB 16. Therefore, the definition of a lease under AASB 16 was applied only to contracts entered into or changed on or after 1 July 2019.

(b) As a lessee

The Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company. Under AASB 16, the Company recognises right-of-use assets and lease liabilities for most of these leases – i.e. these leases are on-balance sheet.

AASB 15 Revenue from Contract with Customers

The Group has initially applied AASB 15 from 1 July 2019. AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

This is the first period for which financial statements have been prepared. The impact of AASB 15 on comparative information is not required.

AASB 15 did not have a significant impact on the Group's accounting policies with respect to revenue streams.

AASB 1058 Income of not-for-profit entities

The Group has initially applied AASB 1058 from 1 July 2019.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15. The requirements of AASB 1058 more closely reflect the economic reality of not-for-profit entity transactions that are not contracts with customers. The timing of income recognition depends on whether such a transaction give rise to a liability or other performance obligation.

AASB 1058 did not have a significant impact on the Group's accounting policies with respect to revenue streams.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

22 Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise (see also Note 21 (e)).

(a) **Basis of consolidation**

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognised in the statement of profit or loss and other comprehensive income immediately. Transaction costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in the statement of profit or loss and other comprehensive income.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in the statement of profit or loss and other comprehensive income.

Subsidiaries

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent, Collegians Rugby League Football Club Ltd, and all of its subsidiaries. Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 6.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

22 Significant accounting policies (continued)

(b) Financial instruments

Non-derivative financial instruments

The Group's non-derivative financial assets include trade and other receivables and cash and cash equivalents. The Group's non-derivative financial liabilities include other financial liabilities.

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group 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 fair value through profit or loss, 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.

Financial liabilities are classified as measured at amortised cost.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Group no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including non-cash assets or liabilities assumed is recognised in profit or loss.

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value other comprehensive income – debt investment; fair value other comprehensive income – equity investment; or FVTPL.

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.

(i) Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

22 Significant accounting policies (continued)

(c) Inventories

Inventories are measured at the lower of cost and net realisable value.

(d) Intangibles

Poker machine entitlements

Poker machine entitlements have indefinite useful lives given they have no expiry date.

Poker machine entitlements acquired during amalgamation with another registered club are recognised at their fair value at the date of amalgamation.

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.

(e) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The acquisition date of an item of property, plant or equipment is determined when the significant risks and rewards of ownership have transferred to the Company. This will normally take place upon the exchange of unconditional contracts of sale, except for purchases of commercial properties, which are recognised on settlement.

Plant and equipment – Plant and equipment are measured on a cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of the plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment

losses recognised either in the statement of profit or loss and other comprehensive income or as a revaluation decrease if the impairment losses related to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 22(h) for details on impairment).

Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values.

All new additions to property, plant and equipment after 1 July 2016 are depreciated over their estimated useful lives using the straight line depreciation method. Any property, plant and equipment acquired before 1 July 2016 will continue to be depreciated using the diminishing balance method.

The depreciation is calculated over the estimated useful lives of the assets and is generally recognised in the statement of profit or loss and other comprehensive income. Land is not depreciated.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

22 Significant accounting policies (continued)

(e) Property, plant and equipment (continued)

Buildings	2% - 5%
Plant and equipment	15% - 50%

The asset's residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in the statement of profit or loss and other comprehensive income when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction and production of assets that take a substantial period of time to prepare for their intended use or sale are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of profit or loss and other comprehensive income in the period in which they are incurred.

(f) Asset held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continued use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

(g) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable accounting standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

22 Significant accounting policies (continued)

(g) Fair value of assets and liabilities (continued)

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(h) Impairment

The carrying amounts of the group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of profit or loss and other comprehensive income.

(i) Calculation of recoverable amount

The recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

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.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

22 Significant accounting policies (continued)

(i) Employee benefits

(i) 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 Group 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.

(ii) Defined contribution plans

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 payments is available.

(iii) Other long term service benefits

The Group'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 the statement of profit or loss and other comprehensive income in the period in which they arise.

(iv) Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group 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.

(j) Revenue

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced AASB 118 Revenue, AASB 111 Construction Contracts and related interpretations. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Goods sold and services rendered

Revenue from the sale of goods is recognised in profit or loss when a customer obtains control of the goods or services. No revenue is recognised if there is significant uncertainty regarding recovery of consideration due.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

22 Significant accounting policies (continued)

(j) Revenue (continued)

Poker machine revenue

Poker machine revenue is recognised in profit 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.

(k) Expenses

Net financing costs

Interest income or expense is recognised using the effective interest method. Finance costs comprise interest expense on borrowings.

(l) Taxation

Income tax

Effective 1 July 2016, for the purposes of income taxation, Collegians Rugby League Football Club Ltd (Head Company) and its 100% owned subsidiary Graze Balgownie Pty Limited formed a tax consolidated group.

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. Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of taxable temporary differences associated with investments in subsidiary, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

22 Significant accounting policies (continued)

(1) Taxation (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- in respect of deductible temporary differences associated with investments in subsidiary, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

As at 1 July 2016 the head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*. The nature of the tax funding agreement is discussed further below. In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Tax funding arrangement

As at 1 July 2016 the head company, in conjunction with other members of the tax consolidated group, have entered into a tax funding arrangement which sets out the funding obligations of members of the tax consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability/(asset) assumed by the head entity and any tax loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable/(payable) equal in amount to the tax liability/(asset) assumed. The inter-entity receivables/(payables) are at call. Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

22 Significant accounting policies (continued)

(m) 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.

(n) Reserves

Amalgamation reserve

The amalgamation reserve in members' funds records the net assets acquired through amalgamation with other registered clubs. The amount presented is equal to the accumulated fair values of the net assets of the clubs' amalgamating with the Company. The individual assets and liabilities acquired are presented in the statement of financial position. This policy is effective for amalgamations occurring after 1 July 2016.

(o) Leases

Leases (disclosures updated but check if include as not applicable to entity)

The Company has applied AASB 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under AASB 117 and AASB Interpretation 4. The details of accounting policies under AASB 117 and AASB Interpretation 4 are disclosed separately.

Policy applicable before 1 July 2019

Leases under which the entity assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are classified as operating leases.

Operating leases

Payments made under operating leases are expensed in profit or loss on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Policy applicable from 1 July 2019

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.

This policy is applied to contracts entered into, on or after 1 July 2019.

(i) As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

Collegians Rugby League Football Club Ltd

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For the year ended 30 June 2020

22 Significant accounting policies (continued)

(o) Leases (continued)

The Company 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, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is 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 re-measurements 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, the company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate

(i) As a lessee (continued)

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company 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 Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed lease payment.

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.

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. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Collegians Rugby League Football Club Ltd

Notes to the consolidated financial statements

For the year ended 30 June 2020

22 Significant accounting policies (continued)

(o) Leases (continued)

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

(p) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Collegians Rugby League Football Club Ltd
Directors' declaration

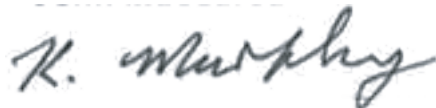
1. In the opinion of the directors of Collegians Rugby League Football Club Limited ('the Company'):
 - a) the financial statements and notes, set out on pages 6 to 30, are in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance, for the financial year ended on that date; and
 - complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Dated at Wollongong this 2nd day of October 2020.



Director



Director



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

To the Directors of Collegians Rugby League Football Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Collegians Rugby League Football Club Limited for the financial year ended 30 June 2020 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

Richard Drinnan

Partner

Wollongong

2 October 2020



Independent Auditor's Report

To the Members of Collegians Rugby League Football Club Ltd

Opinions

We have audited the consolidated Financial Report of Collegians Rugby League Football Club Ltd (the Group Financial Report). We have also audited the Financial Report of Collegians Rugby League Football Club Ltd (the Company Financial Report).

In our opinion, each of the accompanying Group Financial Report and Company Financial Report of Collegians Rugby League Football Club Ltd are in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's and Company's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

The respective **Financial Reports** of the Group and the Company comprise:

- *Statements of financial position* as at 30 June 2020
- *Statements of profit or loss and other comprehensive income, Statements of changes in equity, and Statements of cash flows* for the year then ended
- Notes including a summary of significant accounting policies
- *Directors' Declaration*.

The **Group** consists of Collegians Rugby League Football Club Ltd (the Company) and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinions

We conducted our audits 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 opinions.

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

We are independent of the Group and 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* (the Code) that are relevant to our audits of the Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Other Information

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

Our opinions on the Financial Reports do 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 audits of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audits, 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 Reports

The Directors are responsible for:

- preparing Financial Reports that give a true and fair view in accordance with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of Financial Reports that give a true and fair view and are 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 audits of the Financial Reports

Our objective is:

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

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 audits of the Financial Reports is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our Auditor's Report.

A handwritten signature in blue ink, appearing to read 'Richard Drinnan', written over a faint KPMG logo.

KPMG

A handwritten signature in blue ink, appearing to read 'Richard Drinnan'.

Richard Drinnan
Partner
Wollongong
2 October 2020