

North Sydney District Rugby League Football Club Limited
ACN 003 009 158

Annual Report
For The Year Ended
31 October 2021

North Sydney District Rugby League Football Club Limited
ACN 003 009 158

Annual Report
For The Year Ended 31 October 2021

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North Sydney District Rugby League Football Club Limited

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Directors' Report

Your Directors present their report together with the financial report of the Company for the year ended 31 October 2021 and the auditor's report thereon.

Directors

The names of the Directors in office at any time during or since the end of the year are:

Name	Qualification	Experience	Special Responsibilities
Daniel Dickson (Director until 17 March, Director from 25 March 2021)	Company Director	Member NSDRLF Club	Chairman (6 Mar 2020) Representative to NSLC Board Sponsor Director
Peter McGrath	Company Director	Member NSDRLF Club	Deputy Chairman
Justin Owen	Lawyer	Member NSDRLF Club	Company Secretary Representative to NSLC Board
Mark Dowel	Retired	Life Member NSDRLF Club	
Martin Lawson	Company Director	Member NSDRLF Club	
Sean Wiles (resigned 17 March 2021)	Chartered Accountant	Member NSDRLF Club	
William Moore	Former Player	Member NSDRLF Club	Sponsor Director
James Bracey (resigned 18 March 2021)	Sports Presenter	Member NSDRLF Club	
Michael Chetner	Chartered Accountant	Member NSDRLF Club	
Guy Gunasekera (appointed 8 November 2021)	Chartered Accountant	Member NSDRLF Club	
Ros Dare (appointed 17 March, resigned 23 March 2021)	Retired	Member NSDRLF Club	

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

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Directors' Report

Directors' Meetings

The number of Directors' meetings including special meetings of Directors and the number of meetings attended by each of the Directors of the Company during the financial year are:

Directors	Board Meetings Numbers of Meetings Attended	Number of Meetings Held
Daniel Dickson	10	10
Peter McGrath	9	10
Justin Owen	9	10
Mark Dowel	10	10
Martin Lawson	9	9
Sean Wiles (resigned 17 March 2021)	2	2
William Moore	6	10
James Bracey (resigned 18 March 2021)	2	2
Michael Chetner	10	10
Guy Gunasekera (appointed 8 November 2021)	1	1
Ros Dare (appointed 17 March 2021, resigned 23 March 2021)	0	0

Membership

The Company is a company limited by guarantee and is without share capital. The number of members as at 31 October 2021 was 819.

Operating Result

The surplus for the year amounted to \$182,003 (2020 surplus: \$182,390)

Principal Activities

The principal activities of the Company during the year were to encourage, promote and control the development, playing and interests of Rugby League Football in the North Sydney District and within the area of the boundaries of the Club as defined in the by-Laws of the New South Wales Rugby League Limited.

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

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Directors' Report

Liability of members on winding up

The Company is incorporated and domiciled in Australia 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 \$1 per member in the event of the winding up of the Company during the time that he/she is a member or within one year thereafter. At 31 October 2021 there were 819 members.

Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is party for the purposes of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the Directors.

Dated at Cammeray this 7th day of March 2022.



Daniel Dickson
Director



Peter McGrath
Director

**Auditor's Independence Declaration
To the Directors
of North Sydney District Rugby League Football Club Limited**

As lead auditor for the audit of North Sydney District Rugby League Football Club Limited for the year ended 31 October 2021, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

FORTUNITY ASSURANCE



Adrian Thompson
Partner

155 The Entrance Road
Erina NSW 2250

Dated: 7 March 2022

North Sydney District Rugby League Football Club Limited
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Statement of Profit or Loss & Other Comprehensive Income
For The Year Ended 31 October 2021

	Note	2021	2020
		\$	\$
Revenue	2	1,690,773	1,472,939
Administration expenses		(60,528)	(63,285)
Bad debts expense		(2,144)	(34,062)
Depreciation	3	(847)	(2,059)
Employee costs		(295,303)	(251,138)
Finance costs		(216)	(3,638)
Football team expenses		(906,368)	(832,899)
Junior League expenses		(61,321)	(50,867)
Merchandise costs		(182,043)	(52,601)
Surplus / (deficit) before income tax expense		182,003	182,390
Income tax expense		-	-
Net surplus after income tax		182,003	182,390
Other comprehensive Income		-	-
Total comprehensive income for the year		182,003	182,390

The accompanying notes form part of these financial statements.

North Sydney District Rugby League Football Club Limited
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Statement of Financial Position
As at 31 October 2021

	Note	2021	2020
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents	4	232,801	27,485
Other receivables	5	70,833	102,042
GST Refundable		-	650
Total Current Assets		303,634	130,177
Non-Current Assets			
Property, plant and equipment	6	6,548	1,293
Total Non-current Assets		6,548	1,293
Total Assets		310,182	131,470
Current Liabilities			
Trade and other payables	7	62,331	66,322
Employee benefits	8	32,464	33,906
Total Current Liabilities		94,795	100,228
Non-Current Liabilities			
Employee benefits	8	7,099	4,957
Total Non-Current Liabilities		7,099	4,957
Total Liabilities		101,894	105,185
Net Assets / (Liabilities)		208,288	26,285
Members' Funds			
Retained earnings		321,092	139,089
League Football Club		(112,804)	(112,804)
		208,288	26,285

The accompanying notes form part of these financial statements.

North Sydney District Rugby League Football Club Limited
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Statement of Changes in Members Funds
For the Year Ended 31 October 2021

	League Football Club	Retained Earnings	Total
	\$	\$	\$
Balance at 1 November 2019	(112,804)	(43,301)	(156,105)
Other comprehensive income	-	-	-
(Deficit) for the year attributable To the members of the Company	-	182,390	182,390
Balance at 31 October 2020	<u>(112,804)</u>	<u>139,089</u>	<u>26,285</u>
Balance at 1 November 2020	(112,804)	139,089	26,285
Other comprehensive income	-	-	-
Surplus for the year attributable To the members of the Company	-	182,003	182,003
Balance at 31 October 2021	<u>(112,804)</u>	<u>321,092</u>	<u>208,288</u>

The accompanying notes form part of the financial statements.

North Sydney District Rugby League Football Club Limited
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Statement of Cash Flows
For Year Ended 31 October 2021

	Note	2021 \$ Inflows (Outflows)	2020 \$ Inflows (Outflows)
Cash flows from operating activities			
Receipts from members, sponsors, grants		1,703,982	1,491,951
Payments to suppliers and employees		(1,492,564)	(1,562,704)
Interest received		1	62
Net cash provided by operating activities	9	211,419	(70,691)
Cash flows from investing activities			
Payments for property, plant & equipment		(6,103)	-
Net cash used in investing activities		(6,103)	-
Net (decrease)/increase in cash held		205,316	(70,691)
Cash at the beginning of the financial year		27,485	98,176
Cash at the end of the financial year		232,801	27,485

The accompanying notes form part of these financial statements.

North Sydney District Rugby League Football Club Limited

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Notes to the Financial Statements For The Year Ended 31 October 2021

Note 1. Summary of Significant Accounting Policies

Basis of Preparation

The financial statements are for North Sydney District Rugby League Football Club Limited as an individual entity, incorporated and domiciled in Australia. North Sydney District Football Club Limited is a company limited by guarantee.

North Sydney District Rugby League Football Club Limited applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards*.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts in the financial statements have been rounded to the nearest dollar.

Going concern and economic dependency

The Directors note that the Company has been significantly impacted by COVID19 health restrictions which resulted in the cancelation of the many of the Company's rugby league competitions during the year and impacted the Company's ability to generate revenue from its normal trading activities. The Directors also note also that the Company received \$175,816 in government support in the form of wages subsidies. Without this government support, the Company would have made a reduced surplus of \$6,187.

The Directors also point out that the Company receives contribution from sponsors, supporters, North Sydney Leagues Club and NSW Rugby League to operate the Company. The continued viability of the Company is dependent on the continued support from these stakeholders.

During the year the Directors have continued to undertake the following activities to ensure its continued viability as a going concern during this difficult time;

- The Directors have made changes to the management and operational structures to reduce costs and improve accountability;
- The Directors have worked with the Company's sponsors to retain and support them during the COVID19 health emergency;

North Sydney District Rugby League Football Club Limited

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Notes to the Financial Statements For The Year Ended 31 October 2021

Note 1. Statement of Significant Accounting Policies (cont'd)

Going concern and economic dependency (cont'd)

- The Directors have undertaken a review of football operations to deliver high performance sporting excellence, whilst reducing the cost of football operation to the Company; and
- The Directors have encouraged employees to take their annual and long service leave, which has seen a significant reduction in employee entitlements liabilities.

As at the date of this report, the Directors have no reason to believe that the support of its stakeholders will not continue and that the changes being implemented will not ensure the continued operation and financial viability of the Club.

The Directors have reviewed the budgets and forecasts prepared in respect to the year ending 31 October 2021 and believe that the Company will generate sufficient cash flow required to continue as a going concern and meets its commitments as and when they fall due. However, the Directors acknowledge a material uncertainties exist due to the impact of the COVID-19 restrictions impacting the ability of many stakeholders to continue with their support of the Company.

Accounting Policies

(a) Income Tax

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

The Company has applied to the Australia Taxation Office for an exemption from income tax as it is a sporting club.

(b) Property, Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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Notes to the Financial Statements
For The Year Ended 31 October 2021

Note 1. Statement of Significant Accounting Policies (cont'd)

(b) Property, Plant and Equipment (cont'd)

Depreciation

The depreciable amount of all fixed assets including capitalised lease assets, but excluding buildings and freehold land, is depreciated on a straight-line basis over their useful lives to the economic entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant & equipment	7.5% - 30%
Leasehold Improvements	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, 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 income statement.

(d) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other bank accounts and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

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Notes to the Financial Statements For The Year Ended 31 October 2021

Note 1. Statement of Significant Accounting Policies (cont'd)

(e) Revenue

Where the entity receives sponsorships, donations or grants, it assesses whether the contract is enforceable and has sufficiently specific performance obligations in accordance with AASB15.

Where both these condition are satisfied the Company;

- Identifies each performance obligation relating to the grant;
- Recognises a contract liability for its obligations under the grant;
- Recognises revenue as it satisfies its performance obligations.

When the contract is not enforceable or does not have sufficiently specific performance obligations, the Company;

- Recognise the asset received in accordance with the recognition requirements of other applicable accounting standards (AASB9, AASB16 and AASB138);
- Recognises related amounts (being contributions by owners, lease liability, financial instruments, provisions, revenue or contract liabilities);
- Recognises income immediately in profit or loss as the difference between the initial carrying amount of the asset and the related amount.

Membership Subscriptions

Members subscriptions are recognised at the time of receipt on basis that the majority of membership are for one year memberships. While multi-year memberships are offered these are not popular, hence no liability for memberships in advance has been recorded in the balance sheet.

Sale of Goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and cessation of all involvement in those goods.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2021

Note 1. Statement of Significant Accounting Policies (cont'd)

(g) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the incorporated association will not be able to collect all amounts due according to the original terms of the receivables.

(h) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 60 days of recognitions of the liability.

(i) Employee Benefits

Short-Term employee Benefits

Liabilities for wages and salaries including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other Long-Term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(j) Limitation of Members' Liability

In accordance with the Club's Constitution the liability of members in the event of the Club being wound up would not exceed \$1 per member.

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2021

	2021	2020
	\$	\$
Note 2. Revenue		
Operating activities		
Membership subscriptions	32,228	35,776
Grant – North Sydney Leagues Club Ltd	548,000	324,376
Grant – NSW Rugby League	247,500	137,590
Grant – Roosters Contribution	30,000	-
Function Income	498	4,254
Fundraising proceeds	8,598	60,560
Takings	50,748	2,086
Interest received	1	62
Sponsorship	218,458	331,375
Junior League Income	50,000	30,874
Merchandise Income	255,092	136,026
Sponsorship rebates	68,085	74,072
Sundry Income	5,749	11,388
Other – Covid Related Subsidies	175,816	324,500
Total Revenue	1,690,773	1,472,939
Note 3. Expenses		
Depreciation	847	2,059

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2021

	2021	2020
	\$	\$
Note 4. Cash and Cash Equivalents		
Cash at bank and in hand	232,801	27,485
	<hr/>	<hr/>
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	232,801	27,485
	<hr/>	<hr/>
Note 5. Other Receivables		
Other debtors	73,193	84,042
Provision for Bad Debts	(2,360)	-
Prepayments	-	18,000
	<hr/>	<hr/>
	70,833	102,042
	<hr/>	<hr/>
Note 6. Property Plant and Equipment		
Plant and equipment – at cost	67,598	61,495
Less accumulated depreciation	(61,050)	(60,202)
	<hr/>	<hr/>
	6,548	1,293
	<hr/>	<hr/>

(a) Movements in Carry Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant & Equipment	Total
Balance 1 November 2020	1,293	1,293
Additions	6,102	6,102
Disposals	-	-
Depreciation	(847)	(847)
Balance 31 October 2021	<hr/> 6,548	<hr/> 6,548

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2021

	2021	2020
	\$	\$
Note 7. Trade and Other Payables		
Trade payables	38,309	30,264
PAYG Liability	8,356	15,476
Accrued Expenses	7,203	20,582
GST Payable	8,463	-
Total and Other Payables	62,331	66,322
Note 8. Employee Benefits		
Current		
Annual Leave	25,202	27,880
Long service leave	7,262	6,026
Total current employee benefits	32,464	33,906
Non-Current		
Long service leave	7,099	4,957
Total non-current employee benefits	7,099	4,957
Total employee benefits	39,563	38,863
Note 9. Cash Flow Information		
(a) Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after Income Tax		
Profit/(loss) from ordinary activities after Income tax	182,003	182,390
Non-cash flows in profit from ordinary activities		
Depreciation	847	2,059
Changes in assets and liabilities		
(Increase)/decrease in other debtors	13,210	19,073
(Increase)/decrease in other assets	18,651	18,013
Increase/(decrease) in payables	(3,991)	(234,965)
Increase/(decrease) in employee benefits	699	(57,261)
Cashflow from operations	211,419	(70,691)

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Notes to the Financial Statements
For The Year Ended 31 October 2021

Note 10. Related Party Disclosures

The Directors also purchase goods from the Company on the same terms and conditions available to members, guests and employees.

Note 11. Financial Reporting By Segments

The Company operates predominantly in one industry. The principal activity of the Company is that of the promotion of rugby league in the North Sydney area. The Company operates predominantly in one geographical area, being North Sydney, NSW.

Note 12. Key Management Personnel Compensation

The following persons had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year.

Name	2021	2020
	\$	\$
David Perry		
Gareth Holmes		
Jason Taylor		
Key management personnel compensation		
Short-term benefits	278,808	228,988
	<hr/>	<hr/>

Note 13. Contingent Liabilities

In the opinion of the Directors, North Sydney District Rugby League Football Club Limited did not have any contingencies at 31 October 2021.

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2021

Note 14. Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to financial loss to North Sydney District Rugby League Football Club Limited and arises principally from the receivables.

Financial Assets

Cash & cash equivalents	232,801	27,485
Trade debtors	70,833	84,042
Total Financial Assets	303,634	111,527

Financial Liabilities

Trade payables	38,309	30,264
Other payables	24,022	36,058
Total Financial Liabilities	62,331	66,322

Note 15. Registered Office

The registered office address of the Company is:

12 Abbott Street
Camberay NSW 2062

North Sydney District Rugby League Football Club Limited
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Notes to the Financial Statements
For The Year Ended 31 October 2021

Note 16. Events Occurring After The Reporting Date

The emergence of Coronavirus disease (COVID-19) during the first months of 2020 has had a significant impact on financial markets and assets globally, the broader economic and social disruption now evident and is anticipated to continue in the near to mid-term.

On the 26 June 2021, the government announced another forced closure of many business and organisations, including community sport clubs. This resulted in the cancellation of the Company's various rugby league competitions it operates and enters teams in. The re-opening of the Greater Sydney Region did not occur until the 10 October 2021. After year end NSW Government health orders remain in place and there are continued outbreaks of COVID-19 within the community which have impacted the members and supports of the Club.

While the impact of COVID-19 is yet to be fully determined, we have assessed the impact of the financial position and considered potential impacts to be as follows;

- Restrictions on the Company's activity are expected to be in place once public health orders permit re-opening of community sport for at least 6 to 12 months from the date of re-opening;
- Financial assistance is expected to continue to be available from government to facilitate the public safety however are expected to reduce over time; and
- The Company continues to pay its debts as and when they fall due and payable.

Given the nature of the services provided, management will continue to monitor the economic impact of this situation on the assets held and business as a whole.

Other than the item noted above, in the interval between the end of the financial year and the date of this report, no transactions or event of material and unusual nature has arisen to significantly affect the operation of the Company, the results of those operations, or the state of affairs of the Company in the future financial years.

North Sydney District Rugby League Football Club Limited
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Directors' Declaration
For The Year Ended 31 October 2021

The Directors of the Company declare that:-

1. The financial statements and notes, as set out on pages 7 to 21 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Australian Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31 October 2021 and of the performance for the year ended on that date.
2. In the Directors' opinion 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.



Daniel Dickson
Director



Peter McGrath
Director

Signed at Cammeray this ^{7th} day of March 2022.

**Independent Auditor's Report to the Members
Of North Sydney District Rugby League Football Club Limited**

Report on the Financial Report

Opinion

We have audited the financial report of North Sydney District Rugby League Football Club Limited (the Company), which comprises the statement of financial position as at 31 October 2021, the statement of profit or loss and other comprehensive income, statement of changes in members funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 31 October 2021 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of North Sydney District Rugby League Football Club Limited, would be in the same terms if given to the Directors as at the time of this auditor's report.

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

Emphasis of Matter Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates the financial impact of the global pandemic that could have a significant impact on the continued support from sponsors, supports, members and corporate supporters of the Company.

Whilst the Directors have implemented changes and strategies to address the impact of COVID19 health emergency and ensure the continued viability of the Company, as stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Independent Audit Report To The Members Of North Sydney District Rugby League Football Club Limited

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 October 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this report.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the Directors determine as necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**Independent Audit Report To The Members
Of North Sydney District Rugby League Football Club Limited**

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including significant deficiencies in internal control that we identify during our audit.

FORTUNITY ASSURANCE



Adrian Thompson
Partner

155 The Entrance Road
ERINA NSW 2250

Dated: 7 March 2022

Disclaimer

The additional financial data presented on pages 27 to 28 is in accordance with the books and records of North Sydney District Rugby League Football Club Limited which have been subjected to the auditing procedures applied in our statutory audit of the Company for the year ended 31 October 2021. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and no warranty of accuracy or reliability is given.

Neither the Firm nor any member or employee of the Firm undertakes responsibility arising in any way whatsoever to any person (other than the Company) in respect of such data, including any errors or omissions therein, arising through negligence or otherwise however caused.

FORTUNITY ASSURANCE



Adrian Thompson
Partner

Date: 7 March 2022

North Sydney District Rugby League Football Club Limited
ACN 003 009 158

Additional Financial Information
Detailed Profit And Loss Statement For The Year Ended 31 October 2021

	2021	2020
	\$	\$
Revenue		
Membership subscriptions	32,228	35,776
Grant–North Sydney Leagues Club Ltd	428,000	264,376
Grant–North Sydney Leagues Club Ltd–Women’s Program	120,000	60,000
Grant – NSW Rugby League	247,500	137,590
Grant – Roosters Contrition	30,000	-
Function income	498	4,254
Fundraising proceeds	8,598	60,560
Takings	50,748	2,086
Interest received	1	62
Sponsorship	218,458	331,375
Junior League income	50,000	30,874
Merchandise income	255,092	136,026
Sponsorship rebates	68,085	74,072
Royalties	3,399	332
Sundry income	2,350	11,056
Other – Covid Related Subsidies	175,816	324,500
Total Revenue	1,690,773	1,472,939
Less: Expenses		
Salary & wages (Schedule 3)	242,305	249,191
Superannuation (Schedule 3)	49,621	59,208
Provision for Annual leave (Schedule 3)	-	(25,221)
Accounting & Audit fees	3,300	4,000
Advertising	2,106	-
Bad debts expense	2,144	34,062
Bank charges	5,078	2,368
Depreciation	847	2,059
Donations	909	-
Finance costs	216	3,638
Legal	16,000	180
Meeting expenses	98	68
Merchandise	182,043	52,601
Motor vehicle expenses	7,536	7,693
Long service leave (Schedule 3)	3,378	(32,040)
Postage	979	7,592
Printing & stationery	2,692	1,773
Telephone	4,056	4,614
Sundry expense	9,041	5,034
Social/Special Event/Fundraising	3,080	21,541
Computer expenses	5,652	8,423
Junior League (Schedule 1)	61,321	50,867
Football team expenses (Schedule 2)	906,368	832,899
Total Expenses	1,508,770	1,290,549
Net Surplus / (Deficit) for the Year	182,003	182,390

North Sydney District Rugby League Football Club Limited
ACN 003 009 158

Additional Financial Information
Detailed Profit And Loss Statement For The Year Ended 31 October 2021

	2021	2020
	\$	\$
Schedule 1 – Junior League		
Ground Hire	9,457	7,371
Referees	28,143	25,097
Wages	19,060	18,399
Insurance	4,661	-
	61,321	50,867
Schedule 2 – Football Team Expenses		
Doctors & medical fees	15,400	34,695
Entertainment	2,121	3,672
Equipment purchases	3,064	4,659
General expenses	5,559	2,000
Game day marketing	16,115	20,022
Ground Hire	19,974	21,286
Ground Hire – Training	43,221	35,834
Insurance	24,156	24,332
Laundry	818	429
Medical equipment	310	-
Physiotherapy	35,345	35,273
Players entertainment	2,417	509
Players outfits	137,051	151,056
Player payments	43,151	95,517
Player food	14,019	13,321
Programs	3,050	1,015
Strapping	25,794	19,711
Salaries – Football staff	343,100	286,729
External Player Contributions	134,186	61,903
Storage	6,297	247
Subscriptions	7,264	1,042
Supplements	1,272	2,328
Training course	1,748	1,980
Trophies	1,383	5,409
Travel – National	11,853	6,404
Travel – International	-	846
Video/DVD recording	7,700	2,680
	906,368	832,899
Schedule 3 – Employee Costs		
Salary & wages (Schedule 3)	242,305	249,191
Superannuation (Schedule 3)	49,621	59,208
Provision for Annual leave (Schedule 3)	-	(25,221)
Long service leave (Schedule 3)	3,377	(32,040)
	295,303	251,138