

THE RUGBY CLUB FOUNDATION LIMITED

[A Company Limited by Guarantee]

ABN 80 000 050 279

FINANCIAL REPORT

for the year ended 30 June 2021



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FINANCIAL REPORT

for the year ended 30 June 2021

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THE RUGBY CLUB FOUNDATION LIMITED

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DIRECTORS' REPORT

The Directors present their report of The Rugby Club Foundation Limited for the year ended 30 June 2021.

Directors

The names of the directors who held office at any time during the year ended 30 June 2021 and changes in respect of those directors since the year ended 30 June 2021 are as follows:

Angus Bruxner	Director/Chairperson – Elected Nov-2019 President May-2013 to Nov-2019; Vice-President Apr-2003 to May-2013 Director since Mar-1998; Member since Mar-1996; Rugby qualified Solicitor Eligible Directors' meetings 7 – Attended 7
Peter Whittington	Director/Deputy Chairperson – Elected Nov-2019 Vice-President May-2013 to Nov-2019; Treasurer Jun-2012 to May-2013 Director since Feb-2009; Member since Dec-2006; Rugby qualified Lead Partner Eligible Directors' meetings 7 – Attended 7
Stirling Mortlock AM	Director/Treasurer – Elected Nov-2019 Treasurer Feb-2018 to Nov-2019 Director since Sep-2015; Member since Apr-2015 Rugby qualified Wealth Director Eligible Directors' meetings 7 – Attended 7
Robert Bradley AM	Director – Appointed Sep-2018; Member since May-2002 Chief Executive Officer Eligible Directors' meetings 7 – Attended 7
Stuart Dickinson	Director – Elected Sep-2015; Member since Oct-2008 Rugby qualified Managing Director Eligible Directors' meetings 7 – Attended 7
Owen Finegan	Director – Appointed Oct-2017; Member since Nov-1999 Rugby qualified Chief Executive Officer Eligible Directors' meetings 7 – Attended 6 Leave of absence granted – 1 meeting
Adam Freier	Director – Elected Sep-2015; Member since Oct-2003 Rugby qualified General Manager of Marketing and Digital Eligible Directors' meetings 7 – Attended 5 Leave of absence granted – 2 meetings
James Maxwell	Director – Elected Sep-2015; Member since Oct-1988 Rugby qualified Solicitor Eligible Directors' meetings 7 – Attended 6 Leave of absence granted – 1 meeting
Paula Ward	Director – Appointed Mar-2017; Director May-2013 to Sep-2015; Member since Jul-2012 General Manager, Governance & Business Eligible Directors' meetings 7 – Attended 7

The 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 [CONTINUED]

Objectives

Short term: To establish and implement the structures, procedures, protocols, and relationships which are required to achieve the below mentioned primary (and long term) objective of The Rugby Club Foundation Limited (**Foundation**) and to assist generally in the promotion and propagation of the game of Rugby Union football.

Long term: To maintain and hopefully improve the Foundation's financial position so as to generate sufficient funds annually in order to successfully and indefinitely fund its primary objective which is "*to encourage the sport of Rugby in the State of New South Wales and elsewhere*" (**Primary Object**) and, in furtherance of the Primary Object, to do anything incidental to maintaining a strong and supportive Member base, which is regarded by the Board of Directors (**Board**) as being essential to the optimum successful achievement of the Primary Object.

Strategy for achieving the objectives

The principal strategies which the Foundation is implementing include the following:

- Investing and managing the funds previously received from the sale of the Foundation's real estate in a manner which preserves the real value of capital, maximises the investment return on capital for an agreed level of risk, and ensures a reasonable level of investment return stability, in order to fund the pursuit of the Foundation's objectives over the short and long terms.
- Maximising advantage from marketing and promotional opportunities attaching to the Foundation's heritage and brand.
- Organising activities and events for the Members of the Foundation and supporters of Rugby generally, in pursuit of the Primary Object.
- Applying those strategies to pursue the Foundation's Primary Object, and its strategic vision of "Sharing the Spirit of the Game".

Principal activities

The principal activity of the Foundation (a not-for-profit entity) during the course of the financial year ended 30 June 2021 was to actively pursue the Primary Object through the support and promotion of grassroots Rugby in NSW, including grade, suburban, country, women's and junior Rugby and Rugby referees. There were no significant changes in the nature of these activities during the relevant period.

How these activities assisted in achieving the objectives

The activities pursued by the Foundation assist in generating revenue which could be (and indeed was) applied in furtherance of the Primary Object of the Foundation and the promotion and propagation of the game of Rugby Union football.

Dividends

As a public company limited by guarantee, the Foundation does not have a capital divided into shares and is prevented by the *Corporations Act 2001* and by its Constitution from paying a dividend to members.

Operating result

The net operating profit before income tax for the year was \$461,557 [2020: \$709,171], which was derived after financial grants totalling \$433,415 [2020: \$355,765] were awarded to recipients in respect of grassroots Rugby programs, and after charging \$6,529 in depreciation and amortisation [2020: \$6,577] and interest expense of \$0 [2020: \$4]. There was no impairment of assets for either year [2020 or 2021]. Income tax expense for the year was \$0 [2020: \$0]. See Note 1[c]: Taxation.

Other comprehensive income reported the fair value gain/(loss) on financial assets held at fair value [these are the investments managed by Mercer investments (Australia) Limited (**Mercer**)] amounting to a revaluation profit of \$1,797,602 [2020: (\$1,061,123)] with the fair value gain/(loss) held in the financial assets reserve as part of equity.

Significant events and future developments

At a General Meeting of The Rugby Club Foundation Limited held on 22 October 2019 the Members passed the following Ordinary Resolutions:

"That the Members hereby approve:

- (a) *the surrender (to the Independent Liquor and Gaming Authority) of the club licence held by the Foundation in respect of its former premises located at Rugby Union House, Rugby Place off 31a Pitt Street, Sydney (Former Premises); and*

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DIRECTORS' REPORT [CONTINUED]

Significant events and future developments [continued]

- (b) *for the purpose of section 21(4) of the Gaming Machines Act 2001 (NSW), the sale of the eleven (11) gaming machine entitlements attached to the club licence in respect of the Former Premises”.*

The Members also passed the following Special Resolution at the General Meeting held on 22 October 2019:

“That the constitution of The Rugby Club Foundation Limited in the form presented to the meeting (and having previously been made available to Members) be adopted as the Constitution of The Rugby Club Foundation Limited in substitution for and to the exclusion of the existing Constitution”.

By passing each of these resolutions, the Members took an appropriate step following the transition of the Foundation from 'registered club' status to 'not-for-profit status at the General Meeting of Rugby Club Limited held on 14 June 2017.

The Foundation ceased to hold a club licence on 22 October 2020, thereby completing the aforementioned transition process.

Having conducted a comprehensive request for proposal process the Foundation selected and appointed Mercer as the Foundation's investment manager in December 2017. The Foundation and Mercer formulated an Investment Policy Statement (IPS) and the Foundation's funds continue to be invested by Mercer in accordance with the IPS.

Under both the Foundation's Constitution and relevant tax legislation, the Board is continuing to use all reasonable endeavours to ensure that the Foundation applies its income and its assets solely in furtherance of the Primary Object.

The purpose of the Foundation's grant-making policy is to define the principles that should guide the annual grant-making commitments approved by the Board and notified to the grantees, in furtherance of the Primary Object.

One of those guiding principles is that the Foundation should always endeavour to at least maintain its corpus in real terms, so that the net income derived from it during each financial year is available to be applied in perpetuity in furtherance of the Prime Object. This principle continues to guide the Foundation's investment policy and the Foundation's grant-making policy and protocols.

The Foundation continues to enhance its relationship with the NSW Rugby Union and its Affiliated Unions by focussing on grassroots Rugby in furtherance of the Primary Object and distributing funds to the NSW Rugby Union and its Affiliated Unions.

Concurrently with those significant events, the Board is continuing to develop an expanded strategic plan encompassing objectives and policies which will provide greater benefits for the Foundation, its Members and Rugby in general. This strategic plan is being developed and implemented by the Board in a manner which will be in furtherance of the Primary Object of the Foundation and Rugby in general, and, incidentally (but importantly), in the interests of the Foundation's strong and supportive Member base, which is still regarded by the Board as being essential to the optimum successful achievement of the Primary Object.

Limitation on members' liability

The Rugby Club Foundation Limited is a public company limited by guarantee, and in accordance with its constitution, the liability of financial members in the event of the company being wound-up would not exceed \$4.00 per member [a liability attaching to all membership categories]. The total contribution by financial members in the event of the company being wound-up would be \$3,452 [2020: \$3,856] as reported in the table below.

Membership

Categories	Member Liability	30 June 2021	30 June 2020
Honorary life members	\$24	6	6
Rugby life members	\$2,200	550	553
City members	\$560	140	174
Country members	\$392	98	118
Emeritus members	\$212	53	63
Overseas members	\$64	16	24
House members [redundant category]	\$0	0	26
	<u>\$3,452</u>	<u>863</u>	<u>964</u>

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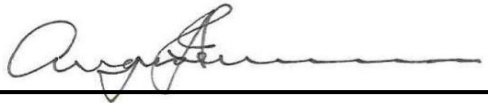
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DIRECTORS' REPORT [CONTINUED]

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and is located on the next page.

Signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*, on behalf of Directors by:



Angus Bruxner
Chairperson

Signed at Sydney on this 16th day of November 2021



Stirling Mortlock AM
Treasurer

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE MEMBERS OF THE RUGBY CLUB FOUNDATION LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

- (i) no contraventions of the auditor's 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.



Chris Allen
Partner

Date: 16/11/2021

Independent Auditor's Report

To the members of The Rugby Club Foundation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Rugby Club Foundation Limited (the Foundation), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of The Rugby Club Foundation Limited is in accordance with the *Corporation's Act 2001*, including:

- (I) giving a true and fair view of the Foundation's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (II) complying with Australian Accounting Standards to the extent described in Note 1, 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 Foundation 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 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 the Foundation, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of the Directors for the Financial Report

The directors of the Foundation are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal controls as the directors determine are necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

BOROUGH'S ASSURANCE

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 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 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.
- 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 Foundation'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 Foundation'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 Foundation 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 any significant deficiencies in internal control that we identify during our audit.



Boroughs Assurance



Chris Allen

Partner

Date: 16/11/2021

Sydney.

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STATEMENT OF PROFIT/(LOSS) AND OTHER COMPREHENSIVE INCOME
 for the year ended 30 June 2021

	Note	2021 \$	2020 \$
Investment income - Mercer distributions and fee rebates	12	934,423	1,241,937
Other income - Other	13	125,421	36,605
- Interest received	13	572	558
Total income		1,060,416	1,279,100
Grants awarded	14	(433,415)	(355,765)
Overheads - employee		(80,700)	(86,133)
- equipment and occupancy		(32,663)	(32,102)
- other		(45,552)	(89,348)
Total expenses		(592,330)	(563,348)
Operating profit		468,086	715,752
Depreciation and amortisation expense		(6,529)	(6,577)
Borrowing costs		0	(4)
Profit before income tax expense		461,557	709,171
Income tax expense	1[c]	0	0
Profit for the year		461,557	709,171
Other comprehensive income			
Fair value gain/(loss) on financial assets held at fair value		1,797,602	(1,061,123)
		1,797,602	(1,061,123)
Total comprehensive income for the year		2,259,159	(351,952)

STATEMENT OF CHANGES IN EQUITY
 for the year ended 30 June 2021

	\$	\$	\$	\$
	Retained Earnings	Financial Assets Reserve	Capital Profit Reserve	Total Equity
Balance as at 1 July 2019	102,608	1,163,702	20,307,141	21,573,451
Profit for the year	709,171	0	0	709,171
Other comprehensive income	0	(1,061,123)	0	(1,061,123)
Balance as at 30 June 2020	811,779	102,579	20,307,141	21,221,499
Profit for the year	461,557	0	0	461,557
Other comprehensive income	0	1,797,602	0	1,797,602
Balance as at 30 June 2021	1,273,336	1,900,181	20,307,141	23,480,658

The Statement of Profit/(Loss) and Other Comprehensive Income and Statement of Changes in Equity are to be read in conjunction with the Notes to the Financial Statements

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STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

		2021	2020
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	2	7,431	23,992
Trade and other receivables	3	90,382	13,254
Other current assets	4	7,900	7,894
Total current assets		105,713	45,140
Non-current assets			
Plant and equipment - at cost	5	1,208	2,301
Intangible assets - at cost	6	0	5,436
Financial assets - at fair value	7	23,426,624	21,225,599
Total non-current assets		23,427,832	21,233,336
Total assets		23,533,545	21,278,476
Liabilities			
Current liabilities			
Trade and other payables	8	13,358	15,378
Short term provisions	9	35,579	37,279
Other current liabilities	10	3,950	4,320
Total current liabilities		52,887	56,977
Total liabilities		52,887	56,977
Net assets		23,480,658	21,221,499
Equity			
Reserves	11	22,207,322	20,409,720
Retained earnings		1,273,336	811,779
Total equity		23,480,658	21,221,499

The Statement of Financial Position is to be read in conjunction with the Notes to the Financial Statements

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STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	Note	2021	2020
		\$	\$
Cash flows from operating activities			
Receipts from members and customers		124,941	39,532
Payments: grants awarded	14	(433,415)	(355,765)
Payments: Sir Leslie Herron Rugby Scholarships awarded	15	(6,000)	(3,000)
Payments to suppliers and employees		(178,659)	(281,131)
		<u>(493,133)</u>	<u>(600,364)</u>
Cash expended from operations		(493,133)	(600,364)
Borrowing costs		0	(4)
		<u>(493,133)</u>	<u>(600,368)</u>
Net cash outflow from operating activities			
Cash flows from investing activities			
Redemption of Mercer investments		476,000	471,759
		<u>476,000</u>	<u>471,759</u>
Interest received		572	558
		<u>476,572</u>	<u>472,317</u>
Net cash inflow from investing activities			
Net decrease in cash and cash equivalents held			
		(16,561)	(128,051)
Cash and cash equivalents at the beginning of the financial year		<u>23,992</u>	<u>152,043</u>
		<u>7,431</u>	<u>23,992</u>
Cash and cash equivalents at the end of the financial year			

The Statement of Cash Flows is to be read in conjunction with the Notes to the Financial Statements

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the entity, The Rugby Club Foundation Limited, Level 8, 65 York Street, Sydney NSW 2000 incorporated in Australia.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board [AASB], and the *Corporations Act 2001*. The Rugby Club Foundation Limited is a not-for-profit entity for the purpose of preparing the financial statements.

The financial statements of The Rugby Club Foundation Limited comply with Australian Accounting Standards – Reduced Disclosure Requirements. This Tier 2 reporting framework comprises the recognition and measurement requirements of Tier 1, but substantially reduced reporting requirements. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in the financial statements containing relevant and reliable information about transactions, events, and conditions to which they apply. These financial statements do not comply with International Financial Reporting Standards [IFRS] as issued by the International Accounting Standards Board [IASB].

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, but modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The report is presented in Australian Dollars.

Accounting policies

[a] Plant and equipment and intangible assets

Acquisition, depreciation and amortisation

Plant and equipment and intangible assets are included at cost of acquisition, less any impairment. These assets are depreciated or amortised over their useful lives commencing from the time the asset is held ready for use. The prime cost method [a straight-line basis] is used to depreciate/amortise non-current assets. The following depreciation/amortisation rates are applied:

Computer equipment	20.0% - 33.3%
Website development costs	33.3%

Profits and losses on disposal of plant and equipment are taken into account in determining the operating result for the year. Additionally, impairment of plant and equipment and intangible assets are reviewed at least annually.

Impairment

The carrying values of plant and equipment and intangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable or the intangible asset may have become redundant. If such an indication exists and where carrying values exceed the recoverable amount or the intangible asset is accessed as being redundant, the asset is written down to the recoverable amount, if any. Recoverable amount is the greater of fair value less costs to sell and value in use.

[b] Employee entitlements

Provision is made for the Foundation's liability for employee entitlements arising from services rendered by employees to balance date. The provisions for annual leave and long service leave have been calculated at nominal amounts based on current wage and salary rates and include related costs in accordance with the various award requirements. The provision for long service leave is made on a pro-rata basis for all employees who have an excess of five years service.

Superannuation contributions are made by the Foundation to approved superannuation funds for all employees. The costs are charged as employee expenses as they are incurred. The Foundation has no legal obligation to cover any shortfall in the superannuation funds' obligations to provide benefits to employees on retirement.

[c] Taxation

Income tax

The income tax (if any) payable is based on taxable profit (if any) for the year. Taxable profit differs from profit before income tax as reported in the Statement of Profit & Loss & Other Comprehensive Income

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

[c] Taxation [continued]

Income tax [continued]

because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's income tax (if any) is calculated using income tax rates that have been enacted or substantively enacted by the end of the reporting period.

However, the Foundation has self-assessed its entitlement to exemption from income tax from 15 June 2017 (being the day after the amendment of its constitution on 14 June 2017) under item 9.1(c) in the table section 50-45 of the *Income Tax Assessment Act 1997 (Cth)*, on the basis that, since 15 June 2017, it is a society, association or club established for the encouragement of a game or sport, namely the game or sport of Rugby Union football, and complies with the special conditions in section 50-70 of that Act, namely that:

- (a) the Foundation is not carried on for the purpose of profit or gain to its individual members;
- (b) it has a physical presence in Australia and, to that extent, incurs its expenditure and pursues its objectives principally in Australia;
- (c) it complies with all the substantive requirements in its governing rules; and
- (d) it applies its income and its assets solely for the purpose for which it is now established.

Goods and services tax [GST]

Revenues, expenses and assets are recognised net of the amount of GST in the financial accounts with the exception:

- where the GST incurred on purchases of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as a part of the cost of acquisition of the asset or as part of the expense item as applicable.
- receivables and payables are stated inclusive of GST.
- Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the Australian Taxation Office, are classified as operating cash flows.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the Statement of Financial Position.

[d] Fair value of assets

The company measures some of its assets at fair value. Fair value is the price the company would receive to sell an asset 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. The fair values of assets 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 (i.e. the market with the greatest volume and level of activity for the asset) 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, after taking into account transaction costs and transport costs).

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.

[e] Payables [trade and other creditors]

Trade creditors represent liabilities for goods and services provided to the Foundation prior to the end of the financial year, and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES [CONTINUED]

[f] Receivables [trade and other debtors]

The terms of trade are usually 7 days from the date of invoice. Collectability of debtors is reviewed on an ongoing basis. Debts known to be uncollectible are written off as impaired.

[g] Finance expenses

Finance expenses are recognised as an operating expense in the period in which they are incurred. Finance expenses may include:

- Interest on bank overdrafts; and
- Interest on overdue payables.

[h] Revenue recognition

General

In general, revenue is recognised, where it can be reliably measured, in the period to which it relates. However, where there is not an established pattern of income flow, revenue is recognised on a cash receipts basis.

Membership subscriptions

The Foundations subscription year is 1 July to 30 June. Subscriptions are payable annually in advance. Only those membership subscription receipts which are attributable to the current financial year are recognised as revenue. Subscription receipts relating to periods beyond the current financial year are shown on the Statement of Financial Position under the heading of Other Liabilities [refer to Note 10].

[i] Cash and cash equivalents

Cash includes cash on hand, cash at bank, deposits at call and highly liquid investments which are readily convertible to cash on hand.

[j] Leases

For years commencing on or after 1 January 2019 a new lease standard AASB applies. All of the leases entered into by the Foundation are either short term or of low value assets. Accordingly, the Foundation has elected not to recognize right of use assets or lease liabilities for short term leases or leases of low value assets. Lease payments with respect to these leases are expensed on a straight line basis over the term of the lease.

[k] Comparative figures

Where required by the Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. The comparative period for 2021 covers the full year period 1 July 2019 to 30 June 2020.

THE RUGBY CLUB FOUNDATION LIMITED

[A Company Limited by Guarantee]

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

	2021	2020
	\$	\$
2. CASH AND CASH EQUIVALENTS		
Current		
Cash at bank	3,576	8,702
Call deposit	3,855	15,290
	<u>7,431</u>	<u>23,992</u>
3. TRADE AND OTHER RECEIVABLES		
Current		
Other debtors	55,232	0
Tax asset [GST]	35,150	13,254
	<u>90,382</u>	<u>13,254</u>
4. OTHER ASSETS		
Current		
Prepayments	7,900	7,894
	<u>7,900</u>	<u>7,894</u>
5. PLANT AND EQUIPMENT		
Non-current		
Plant and equipment - at cost	6,310	6,310
Less: Accumulated depreciation	(5,102)	(4,009)
	<u>1,208</u>	<u>2,301</u>
Reconciliation of the carrying amount for plant and equipment:		
Opening balance	2,301	
Additions	0	
Disposals [net]	0	
Depreciation	(1,093)	
Impairment	0	
Closing balance	<u>1,208</u>	
6. INTANGIBLE ASSETS		
Non-current		
Website development - at cost	16,400	16,400
Less: Accumulated amortisation	(16,400)	(10,964)
	<u>0</u>	<u>5,436</u>
Reconciliation of the carrying amount for website development:		
Opening balance	5,436	
Additions	0	
Disposals [net]	0	
Amortisation	(5,436)	
Impairment	0	
Closing balance	<u>0</u>	

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

	2021	2020
	\$	\$
7. FINANCIAL ASSETS		
Non-current		
Mercer moderate growth fund	20,253,083	18,357,609
Mercer Australian direct property fund	1,723,344	1,614,384
Mercer global unlisted infrastructure fund	1,415,539	1,217,560
Sir Leslie Herron Rugby Scholarships - Mercer moderate growth fund	34,658	36,046
	23,426,624	21,225,599
These financial assets are presented on a fair value basis [See Note 1: Summary of significant accounting policies [d] fair value of assets].		
8. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	1,435	5,003
Other creditors	2,070	512
Accruals and other	9,853	9,863
	13,358	15,378
9. PROVISIONS		
Current		
Short term provisions		
Employee benefits - provision for annual leave	3,181	441
Sir Leslie Herron Rugby Scholarships	32,398	36,838
	35,579	37,279
10. OTHER LIABILITIES		
Current		
Membership subscriptions	3,950	4,320
	3,950	4,320
11. RESERVES		
Capital profits reserve	20,307,141	20,307,141
Financial assets reserve	1,900,181	102,580
	22,207,322	20,409,721
Capital profits reserve		
The capital profits reserve represents the net surplus on sale of the Foundation's land and building. The profit is derived after legal and other costs, write-back of the land revaluation surplus and the retirement of the written-down value of building renovation costs and certain plant & equipment.		
Financial assets reserve		
The financial assets reserve records revaluation of financial assets.		
12. INVESTMENT INCOME		
Mercer - distributions - capital gains	189,987	340,559
Mercer - distributions - other income	724,152	877,687
Mercer - fee rebates	20,284	23,691
	934,423	1,241,937

THE RUGBY CLUB FOUNDATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

	2021	2020
	\$	\$
13. OTHER INCOME		
Membership subscriptions received	14,456	16,476
Member receipts - game tickets and functions	0	9,368
Donations received	130	750
ATO - cash flow boost for employers [covid-19]	10,000	10,000
Sale of gaming machine entitlements	100,833	0
Other income	2	11
	<u>125,421</u>	<u>36,605</u>
Interest received - NAB investment account	572	558
	<u>125,993</u>	<u>37,163</u>

14. GRANTS AWARDED**Recipient****2020**

Sydney and Country Referees Associations
 NSW Country Rugby Union
 Trytons Rugby
 Australian Schools Rugby Union
 Classic Wallabies
 Sydney Junior Rugby Union

NSW Suburban Rugby
 Sydney Junior Rugby Union
 Sense Rugby
 Sydney Rugby Union
 Sydney Rugby Union
 NSW Junior Rugby Union
 Central Coast Rugby Union Referees
 Central Coast Junior Rugby Union
 Rugby Australia
 Sydney West Rugby Referees Association
 Country Junior Rugby Union of NSW
 Disability Sports Australia
 NSW Rugby Union

2021

Rugby Australia
 Central West Rugby Union
 Sydney Rugby Union
 Sydney Junior Rugby Union
 Central Coast Junior Rugby Union
 Classic Wallabies
 Gosford Rugby Club
 NSW Rugby Union Referees
 Sydney South Referees Association
 NSW Suburban Rugby Union
 1st Fives Rugby
 Jindabyne Rugby Club
 Sense Rugby Pty Ltd
 Sydney Women's Rugby Union

Grassroots Rugby Programs

Junior rugby referees and referee coach development
 National rugby camp in Armidale
 Programme for children with special needs
 National championship and barbarians tour
 Drought and fire relief clinics across rural NSW
 Coach and referees education programs for girls and 7's rugby
 Colts recruitment program
 Inter-district minis gala day
 Occupational therapy program expansion into rural NSW
 "Green Whistle" medical courses
 Assistant referee education programs
 Support of the U10 and U11 State championships
 Video support for referee coaching and development
 Coach and referee courses
 On-going storage and maintenance of Rugby memorabilia
 Referee coaching communications consolidation
 Development program
 Neurological impairment national talent ID plan
 Development officers program

On-going storage and maintenance of Rugby memorabilia
 Safety resources
 Safety resources
 SJRU club and district marketing content library
 Central Coast Junior Rugby Union development program
 Classic Wallabies rural and regional Rugby clinics
 Empowering girls through Rugby
 Referee and referee coach communications gear
 Communications kits for referees/coaches
 The Subbies coaching college
 Training vessel
 Jindabyne Rugby 2021 and beyond
 Sense Rugby rural and remote - outreach and training program
 First aid supply at 7's tournament

THE RUGBY CLUB FOUNDATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

	2021	2020
	\$	\$
14. GRANTS AWARDED [CONTINUED]		
Recipient	Grassroots Rugby Programs	
<u>2021 [continued]</u>		
Australian Deaf Rugby	Future of deaf Rugby in Australia	
Mid North Coast Rugby	Mid North Coast girls 7's tournament	
NSW Junior Rugby Union	NSWJRU State championship	
Southern Rugby Alliance	Junior development program	
Sydney West Rugby Referees Association	Referee development program	
Woonona Shamrocks Rugby Club	U18 Rugby academy	
Australian Rugby Football Schools Union	2021 ACT Rugby carnival	
NSW Combined High Schools Sports Association	NSWCHSSA Rugby Union girls 18's Rugby 7's	
Eastwood District Rugby Union Football Club	Eastwood Rugby junior development program	
Country Rugby Union of NSW	78 teams for Junior Country Rugby Championship	
Newcastle & Hunter Rugby Union	Hunter Rugby wildfires academy	
NSW Rugby Union Limited	Extending development officer reach and support	
Total grants awarded	(433,415)	(355,765)
15. SIR LESLIE HERRON RUGBY SCHOLARSHIPS AWARDED		
[See supplementary information on page 23]		
Recipients		
Ms Ally Bullman [Nominee of Sydney Junior Rugby Union] 2020	(1,500)	(1,500)
Mr Jayden Blake [Nominee of NSW Country Junior Rugby Union] 2020	(1,500)	(1,500)
Mr Liam Andrews [Nominee of Sydney Junior Rugby Union] 2021	(1,500)	0
Mr Mitchell Watts [Nominee of NSW Country Junior Rugby Union] 2021	(1,500)	0
Note: Scholarships are awarded over two years totalling \$3,000 each.		
Total Sir Leslie Herron Rugby Scholarships awarded	(6,000)	(3,000)
16. PROFIT FOR THE YEAR		
Profit for the year has been arrived at:		
[a] Addition of the following items as income:		
Investment income	934,423	1,241,937
Sale of gaming machine entitlements [poker machines]	100,833	0
ATO - cash flow boost for employers [covid-19]	10,000	10,000
Interest received on call deposits and other	572	558
[b] Charging the following items as expense:		
Grants awarded	(433,415)	(355,765)
Amounts set aside to provisions: employee benefits	(6,810)	(6,593)
Depreciation	(1,093)	(1,095)
Amortisation	(5,436)	(5,482)
Interest on payables	0	(4)
17. DIRECTORS' BENEFITS		
Directors of The Rugby Club Foundation Limited have been duly appointed on an honorary basis. The Directors do not receive any fees or benefits for the effort and time they expend in the performance of their duties. Out of pocket expenses had previously been reimbursed in accordance with the <i>Registered Clubs Act 1976 [as amended]</i> and guidelines issued by Clubs New South Wales. The legislation and guidelines no longer apply to the Foundation because the Foundation ceased to hold a club licence on 22 October 2020.		
Directors expenses	0	(298)

THE RUGBY CLUB FOUNDATION LIMITED

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ABN 80 000 050 279

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2021

2021	2020
\$	\$

18. COMMITMENTS

Capital Expenditure

The Rugby Club Foundation Limited has no capital expenditure commitments contracted for at balance date.

19. RELATED PARTY TRANSACTIONS

Transactions between related parties are based on normal commercial terms and conditions. These transactions are no more favourable than those available to other parties, unless otherwise stated. During this financial year there were the following dealings:

Director/Officer	Entity		
James Maxwell - Director	Maxwells Patent & Trade Mark Attorneys	2,786	10,198
	Details: Dealings with trade mark and business names on behalf of the Foundation		

20. KEY MANAGEMENT PERSONNEL COMPENSATION

[a] Key management personnel

The names and positions held of key management personnel who held office at any time during the financial year are:

Angus Bruxner	Director; Chairperson
Peter Whittington	Director; Deputy Chairperson; Secretary
Stirling Mortlock AM	Director; Treasurer
Robert Bradley AM	Director
Stuart Dickinson	Director
Owen Finegan	Director
Adam Freier	Director
James Maxwell	Director
Paula Ward	Director

[b] Other key management personnel

Business Operations Manager	Lisa Kane
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[c] Key management personnel compensation

The following benefits and payments were made to **other key management personnel only**. Refer to Note 17: Directors Benefits.

Total compensation	<u>78,743</u>	<u>74,782</u>
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THE RUGBY CLUB FOUNDATION LIMITED

[A Company Limited by Guarantee]
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DIRECTORS' DECLARATION

The Directors of The Rugby Club Foundation Limited declare that:

- [a] in the Directors' opinion, there are reasonable grounds to believe that The Rugby Club Foundation Limited will be able to pay its debts as and when they become due and payable; and
- [b] in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards, other mandatory reporting requirements, and giving a true and fair view of the financial position and performance of The Rugby Club Foundation Limited for the year ended 30 June 2021.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*, on behalf of the Directors by:



Angus Bruxner
Chairperson



Stirling Mortlock AM
Treasurer

Dated at Sydney this 16th day of November 2021

DISCLAIMER ON ADDITIONAL FINANCIAL INFORMATION FOR THE MEMBERS OF THE RUGBY CLUB FOUNDATION LIMITED

The additional information on the following pages is in accordance with the books and records of The Rugby Club Foundation Limited which have been subjected to the auditing procedures applied in the audit of the company for the year ended 30 June 2021. It will be appreciated that the audit did not cover all details of the additional financial information. Accordingly, we do not express an opinion on such financial information and no warranty of accuracy or reliability is given.

In accordance with our firm policy, we advise that 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 information, including any errors or omissions therein, arising through negligence or otherwise however caused.



Boroughs Assurance



Chris Allen
Partner

Date: 16/11/2021

Sydney

THE RUGBY CLUB FOUNDATION LIMITED

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SUPPLEMENTARY INFORMATION**PROVISION - SIR LESLIE HERRON RUGBY SCHOLARSHIPS**

for the year ended 30 June 2021

	2021	2020
	\$	\$
Income		
Interest received	0	(10)
Fee rebates - Mercer medium growth fund	38	36
Distributions - Mercer medium growth fund	1,523	702
	1,561	728
Expenses		
Scholarships awarded:		
2020		
Ms Ally Bullman [Nominee of Sydney Junior Rugby Union]	(1,500)	(1,500)
Mr Jayden Blake [Nominee of NSW Country Junior Rugby Union]	(1,500)	(1,500)
2021		
Mr Liam Andrews [Nominee of Sydney Junior Rugby Union]	(1,500)	0
Mr Mitchell Watts [Nominee of NSW Country Junior Rugby Union]	(1,500)	0
Note: Scholarships are awarded over two years totalling \$3,000 each.	(6,000)	(3,000)
Net surplus (deficit) for the year	(4,439)	(2,272)
Provision		
Opening balance at the beginning of the financial year	36,837	39,109
Net surplus (deficit) for the year	(4,439)	(2,272)
Closing balance at the end of the financial year	32,398	36,837
Represented by:		
Non-current assets		
Financial assets		
Investment - Mercer medium growth fund - at fair value	34,658	36,046
Equity		
Financial assets reserve	(2,260)	791
	32,398	36,837