SPORTS ENTERTAINMENT GROUP LIMITED

(FORMERLY PACIFIC STAR NETWORK LIMITED)

ABN 20 009 221 630

Financial Report

for the Year Ended 30 June 2021

Corporate Directory

SPORTS ENTERTAINMENT GROUP LIMITED
ABN 20 009 221 630

Directors

Craig Coleman (Chairman)
Colm O'Brien
Andrew Moffat
Craig Hutchison
Chris Giannopoulos
Ronald Hall (alternate)

Company Secretary

Jodie Simm

Registered Office & Principal Place of Business

Level 5, 111 Coventry Street
SOUTHBANK VIC 3006
Telephone: (03) 8825 6600
Email: info@sportsentertainmentgroup.com.au
Website: www.sportsentertainmentnetwork.com.au

Share Registry

Computershare Investor Services Pty Ltd
Yarra Falls, 452 Johnson Street
ABBOTSFORD VIC 3067
Telephone: 1300 137 328
Facsimile: 1300 134 341

Stock Exchange Listing

Sports Entertainment Group Limited ordinary shares are quoted on the Australian Securities Exchange (ASX code: SEG)

Annual General Meeting

Annual General Meeting will be held on Thursday 25 November at 3.00pm.

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Directors' Report

The directors of Sports Entertainment Group Limited, the consolidated entity, submit herewith the financial report for the year ended 30 June 2021.

In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the company at any time during or since the end of the financial year are:

Name	Particulars
Craig Coleman	Appointed Non-Executive Director and Chairman on 15 November 2017
Colm O'Brien	Appointed Non-Executive Director on 8 September 2015
Andrew Moffat	Appointed Non-Executive Director on 15 November 2017
Craig Hutchison	Appointed Chief Executive Officer & Managing Director on 29 March 2018
Chris Giannopoulos	Appointed Executive Director on 29 March 2018
Ronald Hall	Appointed as an alternative Non-Executive Director on 18 November 2017 (alternative to Andrew Moffat)

Current Directors

The biographies for current directors are detailed below:

Mr Craig Coleman

Chairman and Non-Executive Director (BComm)

Mr Coleman is co-founder and Managing Partner of Viburnum Funds Pty Ltd, a private and public equities fund manager. Previously, he was Managing Director and a Non-Executive Director of Home Building Society Limited. Prior to joining Home Building Society, Mr Coleman held a number of senior executive positions and directorships with ANZ, including Managing Director - Banking Products, Managing Director - Wealth Management and Non-Executive Director of Etrade Australia Limited.

Mr Coleman is also currently a Director of Universal Biosensors Inc.

Mr Colm O'Brien

Non-Executive Director (BCL (Hons), UCC, AICD)

Mr O'Brien has over 20 years' experience at executive level, including ten years as CEO with ASX-listed media company Aspermont Limited, where he developed a digitally led global resources media business. In addition to his media industry experience, Mr O'Brien has worked in international financial services, tier one management consultancy at Andersen Consulting (Accenture) and Barclays Bank Plc.

Mr O'Brien is a founding director of Carrington Partners, a specialised management consultancy business focused on Board and Executive level practical advice across a broad range of industries and is also a non-executive director of Serpentine Technologies.

Mr Andrew Moffat

Non-Executive Director

Mr Moffat has in excess of 24 years of corporate and investment banking experience, including serving as a director of Equity Capital markets and Advisory for BNP Paribas Equities (Australia) Limited.

Mr Moffat is the sole principal of Cowoso Capital Pty Ltd, a company providing corporate advisory services and is also a non-executive Director of 360 Capital Group Limited, ICP Funding Pty Ltd, IPD Group Limited, and was previously Chairman of SEG.

Mr Ronald Hall

Non-Executive Director

Mr Hall is the founder and promoter of a number of successful Melbourne-based retail businesses. Mr Hall has been a long-time supporter of radio for marketing his products.

Directors' Report

Current Directors cont'd

Mr Craig Hutchison

Chief Executive Officer & Managing Director

Mr Hutchison started out with the Herald Sun newspaper in 1994. After a successful career in papers he moved to radio. Mr Hutchison transitioned into television in 1997, reporting for Channel 10, then Channel 7, establishing himself as one of the AFL's greatest news-breakers. He has co-hosted Nine's popular Footy Classified for the past 13 seasons.

During his previous journalism career, Mr Hutchison won many awards, including journalism's highest honour, the prestigious Walkley Award, and a Quill Award. He has also won the Australian Football Media Association Award for Best Electronic Reporter 11 times.

Mr Hutchison co-founded Sports Entertainment Network (formerly Crocmedia) in 2006, which has grown to become a key player in the AFL landscape under his leadership.

Mr Chris Giannopoulos

Executive Director

Mr Giannopoulos was Director of Client Management and New Business Development at IMG for 14 years before he joined Sports Entertainment Network (formerly Crocmedia) in March 2011. He has extensive media contacts and strong negotiation skills and is focusing on live sports rights acquisitions, building Sports Entertainment Group's distribution partnerships and syndication business along with overseeing Bravo Talent Management and its expansion.

Information on Company Secretary

Ms Jodie Simm (CA)

Company Secretary

Ms Simm has had 10 years' experience working with Deloitte Growth Solutions as a Client Director consulting to SME's regarding all tax, business and accounting issues before working with Sports Entertainment Network (formerly Crocmedia) since 2007.

Ms Simm was previously a member of the Institute of Chartered Accountants and has a Bachelor of Economics.

Directorship of other Listed Companies

Directorships of other listed companies held by directors in the three years preceding the end of the financial year are as follows:

Craig Coleman:	Universal Biosensors Inc – Chairman
	Bell Financial Group Limited – Non-Executive Director
	Pulse Health Limited – Non-Executive Director
	Rubik Financial Limited – Chairman
Colm O'Brien:	K-TIG Limited (formerly Serpentine Technologies Limited) – Non-Executive Director
	Aspermont Limited – Non-Executive Director
Andrew Moffat:	360 Capital Group Limited – Non-Executive Director
	Keybridge Capital Limited – Chairman
	Rubik Financial Limited – Non-Executive Director
	IPD Group Limited – Non-Executive Director

Principal Activities

Sports Entertainment Group Limited (SEG) is a sports media content and entertainment business, which through its other complementary business units, has capabilities to deliver brand stories to national, metropolitan and regional audiences with unique and exclusive content via multiple platforms including radio, print, television, online, in-stadium and events.

Directors' Report

Review of Operations

Review of financial results

- For the year ended 30 June 2021, the Group delivered a pleasing financial result in light of the difficult circumstances surrounding the severe impact the COVID-19 global pandemic had on sporting seasons, restrictions on event gatherings ongoing impact on advertisers, and the global economy. Total revenue from continuing operations of $73.720 million up by 10% and underlying EBITDA at $11.122 million up by 82% on the comparative period.

  The positive result included $3.301 million of temporary funding received from the Federal Government JobKeeper subsidy scheme which enabled the retention of a significant portion of the workforce and kept them connected and engaged during the severe lockdowns and isolation experienced at various times during the period. The Group was ineligible to receive JobKeeper payments for the final quarter of the JobKeeper scheme and thus did not receive any payments subsequent to 31 December 2020.

  The underlying result excludes once-off significant net positive items of $0.677 million associated with discounts from suppliers and commercial partners for contracted technical costs unable to be serviced; the loss on the disposal of property plant and equipment not used for ordinary business operations; and significant transaction costs on the acquisitions of 2CH and the narrowband radio licences.

  The underlying result also excludes the $0.689 million related to the non-cash loss on disposal of the 1377AM radio licence along with related transmitter broadcasting equipment; and the associated loss on the disposal of a 9% investment in D R B Melbourne Pty Ltd.

  The Group's underlying EBITDA for the financial year pre application of AASB16 was $9.432 million, up by 110% on the comparative period.

- The Group is continuing to monitor the ongoing impact of the COVID-19 pandemic on its businesses and identifying opportunities for operational long-term cost efficiencies.

Events during the financial year ended 30 June 2021

- On 1 July 2020, the Group acquired 100% of the shares in EON 2CH Pty Ltd (EON), for a cash consideration of $5.000 million upon completion on 1 July 2020, and a scrip consideration of $2.780 million in fully paid ordinary shares in the Company.

  EON is the owner of all the shares in the licensee of the 1170AM radio broadcasting licences in Sydney, NSW. In October 2020, the Company launched the new SEN 1170AM in Sydney, with aim to become the new Home of Sport for Sydney – aiming to be the destination for Sydney sports fans with live sports broadcasts supported by unique local programming and high-profile talent. The existing Classic Hits 2CH content and radio shows continue to be broadcast on DAB+ and via live streaming on the SEN app and web.

- On 1 July 2020, the Group acquired three narrowband area radio licences for a cash consideration of $1.600 million upon completion on 1 July 2020, deferred consideration of $4.893 million in cash payable over eight quarterly instalments, with the final instalment payable on 1 July 2022.

  The narrowband radio licences acquired are 1539AM Sydney, 1593AM Melbourne and 90.7FM Darwin, and will form part of SENTrack, Australia's first independent harness and greyhound racing radio racing service launched in March 2020.

  The acquisition expands the Group's radio-led content distribution strategies, expands the Group's nationally owned radio platforms and mass audience reach, and provides opportunities to leverage SEG's national sales team, extensive broadcast rights and content portfolio.

- On 16 July 2020, the Group completed the disposal of the 1377AM Melbourne radio broadcasting licence for a cash consideration of $4.478 million. As part of the disposal of the 1377AM Melbourne radio broadcasting licence, the 9.09% share in D R B Melbourne Pty Ltd held by Malbend Pty Ltd was also disposed of to the acquirer of the radio licence.

Directors' Report

Review of Operations cont'd

Events completed during the financial year ended 30 June 2021 cont'd

- In July 2020, the Group successfully completed a fully underwritten pro-rata non-renounceable entitlement offer ("Entitlement Offer") to eligible shareholders. The Entitlement Offer successfully issued 6,782,331 ordinary shares at $0.225 per share, raising $1.526 million in funds (before equity raising costs).
- In November 2020, the Company changed its name from Pacific Star Network Limited to Sports Entertainment Group Limited. In October 2020, Crocmedia Pty Ltd, a subsidiary of the Company, also changed its legal name to Sports Entertainment Network Pty Ltd. The change in names for both entities more closely reflect the Group's brand and strategic direction.
- On 4 June 2021, the Group acquired 29 AM/FM radio licences across New Zealand including supporting infrastructure for a total consideration of $3.075 million (NZD). The purchase is made up of cash consideration of $0.500 million (NZD) upon signing of the purchase agreement, deferred consideration of $0.825 million in cash payable over four instalments with the final instalment payable in December 2022, and $1.750 million of advertising and programming services to be provided to the Vendor over the next 10 years.

  The radio licences acquired will become the newly formed SENZ brand and will aim to become New Zealand's new Home of Sport – aiming to be the destination for New Zealand sports fans with live sports supported by marquee local programs and hosts.

  The acquisition expands the Group's radio-led content distribution strategies, expands the Group's owned radio platforms and mass audience reach internationally, and provides opportunities to leverage SEG's existing Australian sales team, along with newly formed local New Zealand sales teams, on-air talent and content programming.

JobKeeper Payment

As part of its response to COVID-19, in March 2020 the Australian Government announced various stimulus measures resulting from the economic fallout from the Coronavirus lockdowns and restrictions. One such stimulus measure was the payment of subsidies to qualifying employers under the JobKeeper Payment scheme ("JobKeeper"). The initial JobKeeper payments were a wage subsidy whereby employers who qualify for the stimulus received $1,500 per fortnight for each eligible employee who was employed by the Group during the period April 2020 to September 2020.

The Group was eligible to receive both the initial JobKeeper payments from April 2020 to September 2020, as well as the second extension of JobKeeper from October 2020 to December 2020. The Group was however ineligible for the final extension of JobKeeper which ran from January 2021 to March 2021. The total temporary funding received from the Federal Government JobKeeper subsidy scheme totalled $3.301 million for the year ended 30 June 2021, with $1.620 million also recognised in the prior year to 30 June 2020.

Significant Changes in the State of Affairs

The Group's debt facility with the Commonwealth Bank of Australia which was due to expire on 31 August 2021 has been successfully renewed for another 3 years. The total of the new facility will be $28.700 million (previously $28.600 million) and will have a maturity date of 31 August 2024.

As a result of the previous facility's 31 August 2021 maturity date, the debt facility has been classified as a current liability in accordance with the relevant accounting standards despite the successful extension for another 3 years being completed subsequent to the reporting period. The facility will revert to a non-current classification in the Statement of Financial Position from the next reporting period.

Other than the matters referred to above, in the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the year ended 30 June 2021.

Dividends

The Directors have taken the decision to not pay an interim or final dividend in order to retain earnings to fund continued growth, reduce debt and strengthen working capital during the ongoing financial impact caused by the COVID-19 pandemic.

Directors' Report

Events since the end of the Financial Year

Acquisition of Perth Wildcats

On 8 August 2021, the Group completed the acquisition of 100% of the Perth Wildcats basketball team for a purchase consideration of $8.500 million less working capital adjustments of $0.854 million for a net cash consideration of $7.646 million which was paid upon completion. The Group has acquired all assets and liabilities of the existing operations of the Wildcats.

The Wildcats are the most successful NBL team with 10 championships and one of the world's most successful sporting franchises, having recently secured their 35th consecutive NBL finals appearance.

Aligning with its "Whole of Sport" strategy, the Wildcats will enhance the Group's ability to enrich the lives of sports fans and connect brands to those fans, while providing significant strategic value to the Group's operations, particularly in Western Australia where it will support other investments which have been made in the last 12 months.

As a result of the acquisition, and with the Group having a 25% ownership of a fellow NBL basketball club, the Group has proposed to dilute or divest its current 25% shareholding in Melbourne United and CEO and Managing Director, Craig Hutchison has resigned from his position as Co-Chairman of the team.

Debt Facility Extension

The Group's debt facility with the Commonwealth Bank of Australia which was due to expire on 31 August 2021 has been successfully renewed for another 3 years. The total of the new facility will be $28.700 million (previously $28.600 million) and will have a maturity date of 31 August 2024.

As a result of the previous facility's 31 August 2021 maturity date, the debt facility has been classified as a current liability in accordance with the relevant accounting standards despite the successful extension for another 3 years being completed subsequent to the reporting period. The facility will revert to a non-current classification in the Statement of Financial Position from the next reporting period.

Likely Developments and Expected Results of Operations

Certain information regarding likely developments in the operations of the Group in future financial years is set out above or elsewhere in the Financial Report. The disclosure of information, other than elsewhere in the financial report regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group or any entity that is part of the Group. Accordingly, the directors have chosen not to disclose this information in this report.

Auditors

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Compliance with National Greenhouse & Energy Reporting (NGER) Act

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnification of Officers and Auditors

During the financial year, premiums were paid to insure Directors and Officers against liabilities and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as an officer, other than conduct involving a wilful breach of duty in relation to the Company.

The amount of the premium is not disclosed under the terms and conditions of the policy.

As at the date of this report, no amounts have been claimed or paid in respect of this indemnity, other than the premium referred to above. During or since the financial period, the Company has not indemnified or made a relevant agreement to indemnify the auditor against a liability incurred as auditor.

Directors' Report

Shares and Options granted to Executives and Employees

Shares under option

Key Management Personnel (KMP) have been granted options over ordinary shares that can be exercised at future dates. If all performance conditions were met during the term, up to 5,011,071 options could be exercised as long-term incentives (LTI) for nil consideration.

Unissued ordinary shares of Sports Entertainment Group Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
29 Mar 18	30 Sep 20 [1]	Nil	685,016
29 Mar 18	30 Sep 21 [1]	Nil	1,598,372
29 Mar 18	30 Sep 22 [1]	Nil	1,598,373
6 Aug 18	30 Sep 21 [1]	Nil	171,254
6 Aug 18	30 Sep 22 [1]	Nil	171,255
4 Nov 18	30 Sep 21 [1]	Nil	114,169
4 Nov 18	30 Sep 22 [1]	Nil	114,170
25 Jun 20	28 Jan 24	Nil	100
8 Nov 20	30 Sep 22 [1]	Nil	297,232
13 Nov 20	30 Sep 22 [1]	Nil	130,565
18 Nov 20	30 Sep 22 [1]	Nil	130,565
			5,011,071

[1] The expiry date of these options is as per the vesting conditions outlined on pages 11-12.

Shares issued on the exercise of options

During the period, 200,000 ordinary shares were issued on the exercise of 200,000 options for nil consideration. For further information about options issued to KMP refer to page 15 of the Remuneration Report.

The relevant interests of current directors' in shares in the Company or a related body corporate as at the date of this report are as follows:

Directors	No. of Fully Paid Ordinary Shares
Andrew Moffat	3,002,700
Chris Giannopoulos	8,956,628
Colm O'Brien	310,337
Craig Coleman [1]	55,881,621
Craig Hutchison	49,587,250
Ronald Hall [2]	20,109,998
Total	**137,848,534**

[1] Includes 55,211,924 shares held by Viburnum Funds Pty Ltd.

[2] R Hall's interest in ordinary shares is held through Tosca Boxer Pty Ltd ATF The Hall Family Trust.

Directors' Report

Meetings of Directors

The table below sets out the number of board meetings held during the year and the number of meetings attended by each director. For the reporting period, 9 board meetings were held.

	Board of Directors		Remuneration Committee		Audit and Risk Management Committee	
Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Craig Coleman	9	9	2	2	-	-
Colm O'Brien	9	9	2	2	4	4
Andrew Moffat	9	9	2	2	4	4
Craig Hutchison	9	9	-	-	-	-
Chris Giannopoulos	9	9	-	-	-	-
Ron Hall [1]	-	-	-	-	-	-

[1] As an alternate non-executive director, Ron is only required to attend Meetings of Directors where another non-executive director is unavailable.

Remuneration Report (Audited)

This Remuneration Report, which has been audited, outlines director and executive remuneration arrangements in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, Key Management Personnel (KMP) are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the business, directly or indirectly, as an executive.

Key Management Personnel disclosed in this report

Directors	Position	Period
Craig Coleman	Non-Executive Director and Chairman	Full year
Colm O'Brien	Non-Executive Director	Full year
Andrew Moffat	Non-Executive Director	Full year
Ronald Hall	Non-Executive Director / Alternative Director	Full Year
Craig Hutchison	Chief Executive Officer and Executive Director	Full year
Chris Giannopoulos	Executive Director	Full year

Other Key Management Personnel	Position	Period
Jodie Simm	Company Secretary / Chief Operating Officer	Full year
Richard Simkiss	Group Business Director	Full year
Patrick Moloughney [1]	Chief Commercial Officer	1 July 2020 to 16 February 2021

[1] P Moloughney employment ceased on 16 February 2021. It has been determined that he has also ceased to be a KMP from this date.

Principles used to determine the nature and amount of remuneration

The principal objective is to ensure that rewards paid for performance are competitive and are commensurate with the results achieved.

The guiding principles for developing executive remuneration are:

- Remuneration should include an appropriate mix of fixed and performance-based variable pay components;
- The various components of remuneration should be understandable, transparent and easy to communicate; and
- Remuneration practices should be acceptable to internal and external stakeholders.

In approving budgets, the Board sets out to link remuneration policies with financial performance.

Directors' Report

Remuneration Report (Audited)

Use of remuneration consultants

Directors have not engaged the services of remuneration consultants during the reporting period.

Relationship between remuneration and the Company's financial performance

Financial Performance - $'000's	2021	2020	2019	2018	2017
Profit/(loss) for year before tax attributable to owners	**3,085**	(5,293)	5,375	(2,528)	(6,732)
Profit/(loss) for year after tax attributable to owners	**2,043**	(4,360)	3,452	(2,919)	(7,341)
Basic earnings/(loss) per share (cents)	**0.89**	(2.13)	1.70	(2.8)	(10.1)
Dividends per share (cents)	**-**	-	-	-	0.6
Dividend payments ($'000s)	**-**	-	-	-	1,172
Dividend payout ratio – underlying earnings (%)	**-**	-	-	-	101%
Share price at year end (A$)	**0.25**	0.28	0.31	0.33	0.25
KMP incentives as % of profit/(loss) after tax for the year [1]	**5%**	2%	23%	5%	1%

[1] KMP incentives are short / long-term incentives per the Remuneration Report.

In accordance with best practice corporate governance, the structure of non-executive Director and other KMP remuneration is separate and distinct.

Non-executive directors are remunerated with fees within the aggregate limit approved by shareholders. Each non-executive director receives a fixed fee for being a director.

Directors' remuneration for the period ending 30 June 2021 is detailed on pages 13 and 14.

Directors are remunerated for providing additional services based on market rates and the range of skills and experience they bring to the Company.

The Company rewards executives with a mix of remuneration commensurate with their position and responsibilities, and remuneration structures are reviewed regularly to ensure that:

- remuneration is competitive by market standards;
- rewards are linked to strategic goals and performance; and
- accountabilities and deliverables are clearly defined to minimise potential conflicts of interest and promote effective decision-making.

Total remuneration is made up of the following elements:

- fixed remuneration;
- short-term incentives (STIs); and
- long-term incentives (LTIs).

Fixed remuneration is determined to provide a base level of remuneration appropriate to the position that is competitive and takes account of each individual's experience, qualifications, capabilities and responsibilities. It is benchmarked to ensure that remuneration is competitive with the market.

KMP receive fixed remuneration in cash. This remuneration is detailed on pages 13 and 14.

STIs are based on achieving Key Performance Indicators (KPIs) that focus participants on achieving personal and business goals that create sustainable shareholder value. STI payments primarily relate to sales-based commissions linked to actual performance in a financial year.

STI arrangements are such that there are no maximum or forfeited commission amounts.

STIs are dependent on achieving KPIs linked to key business drivers. STIs include financial incentives to employees for achieving or exceeding monthly, quarterly and annual targets.

Directors' Report

Remuneration Report (Audited)

Relationship between remuneration and the Company's financial performance cont'd

The senior management team is responsible for assessing the performance of individuals against KPIs on a periodic basis, and they have the discretion to recommend other STIs over and above target amounts. The senior management team presents recommendations to the full board for approval.

A total of 1,027,524 options lapsed during the year when the performance hurdles were not met.

Options are exercisable into an equivalent number of escrowed ordinary shares. A condition of exercising options is that the recipient is restricted from dealing in those shares during the escrow period. Details of options granted are disclosed on pages 15 to 16. The table below summarises the performance and vesting conditions for options that may be exercised under the LTI plan, as at the date of this report.

The performance conditions required to be achieved by KMP vary depending on the responsibilities and accountabilities of each individual KMP

Series	Issued	Vesting timing	Vesting conditions
Issue 12	29 Mar 18	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2019	Tranche 1 – Performance Hurdle LTM EBITDA of $10.4m subject to certain adjustments as approved by the Board. If vesting conditions are not met, 50% of Tranche 1 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 2 and 50% of Tranche 1 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 3.
Issue 13	29 Mar 18	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2020	Tranche 2 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2020. 50% of Tranche 2 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 3 excluding those rolled from Tranche 1 and 50% of Tranche 2 eligible rights will be rolled into the future and tested on 30 June 2021 but will have a Performance Hurdle of the Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.
Issue 14	29 Mar 18	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2021	Tranche 3 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.
Issue 16	4 Nov 18	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2019	Tranche 1 – Performance Hurdle LTM EBITDA of $10.4m subject to certain adjustments as approved by the Board. If vesting conditions are not met, 50% of Tranche 1 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 2 and 50% of Tranche 1 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 3.
Issue 17	4 Nov 18	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2020	Tranche 2 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2020. 50% of Tranche 2 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 3 excluding those rolled from Tranche 1 and 50% of Tranche 2 eligible rights will be rolled into the future and tested on 30 June 2021 but will have a Performance Hurdle of the Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.
Issue 18	4 Nov 18	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2021	Tranche 3 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.
Issue 19	25 Jun 20	Subject to achieving employment service conditions, options vest on the completion of the employment service agreement.	Successful completion of the employment service period of three years expiring on 28 January 2023.

Directors' Report

Remuneration Report (Audited)

Relationship between remuneration and the Company's financial performance cont'd

Series	Issued	Vesting timing	Vesting conditions
Issue 20	8 Nov 20	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2020	Tranche 2 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2020. 50% of Tranche 2 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 3 excluding those rolled from Tranche 1 and 50% of Tranche 2 eligible rights will be rolled into the future and tested on 30 June 2021 but will have a Performance Hurdle of the Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.
Issue 21	8 Nov 20	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2021	Tranche 3 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.
Issue 22	13 Nov 20	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2020	Tranche 2 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2020. 50% of Tranche 2 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 3 excluding those rolled from Tranche 1 and 50% of Tranche 2 eligible rights will be rolled into the future and tested on 30 June 2021 but will have a Performance Hurdle of the Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.
Issue 23	13 Nov 20	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2021	Tranche 3 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.
Issue 24	18 Nov 20	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2020	Tranche 2 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2020. 50% of Tranche 2 eligible rights will be rolled into the future and tested against vesting conditions for Tranche 3 excluding those rolled from Tranche 1 and 50% of Tranche 2 eligible rights will be rolled into the future and tested on 30 June 2021 but will have a Performance Hurdle of the Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.
Issue 25	18 Nov 20	Subject to achieving KPI's, options vest on issue date of financial statements in respect of the Testing Date – 30 June 2021	Tranche 3 – Performance Hurdle Budgeted EBITDA approved by the Board for the financial year ending 30 June 2021.

With respect to LTIs, the primary objective is to reward staff and KMP in a way that aligns payment of remuneration with generating long-term shareholder value.

LTI option grants are made using a premium or an at-market price of the shares under option as a component of the performance hurdle, and in addition KMP and staff are required to meet certain length-of-service obligations.

As the fixed or variable component of remuneration is not dependent on share price or dividends, there is no discussion of the relationship between the board's remuneration policy and financial performance, included in this report.

Directors invite individuals to participate in the Employee and Executive Incentive Plan (EEIP) whereby they are granted options that can only be exercised subject to achieving service and vesting conditions at the end of specific periods.

Voting and comments at the Company's 2020 Annual General Meeting (AGM)

At the last Annual General Meeting, the Company received a 'yes' vote of 99% on its Remuneration Report for the 2020 financial year. The Company did not receive any specific feedback from shareholders at the meeting relating to the nature of its remuneration practices.

Directors' Report

Remuneration Report (Audited)

Details of Remuneration – Key Management Personnel

Remuneration arrangements are formalised in employment or consultancy agreements. Remuneration packages contain cash salary, commissions, other short-term incentives, annual leave and long service leave provision movements, superannuation and the cost of share-based payments expensed for LTI's.

Remuneration for each member of KMP for the year ended 30 June 2021 is shown below:

2021	Short Term Employee Benefits	Short Term Incentives	Short Term Benefits Total	Post Employment Benefits	Share Based Payment	Long Term Employee Benefits	Termination Benefits	Total
Non Executive Directors of Sports Entertainment Group Limited								
C Coleman [4]	65,000	-	65,000	-	-	-	-	65,000
A Moffat [4]	43,333	-	43,333	4,117	-	-	-	47,450
C O'Brien [4]	47,450	-	47,450	-	-	-	-	47,450
R Hall	-	-	-	-	-	-	-	-
Sub-total	**155,783**	**-**	**155,783**	**4,117**	**-**	**-**	**-**	**159,900**
Other Key Management Personnel of the Group								
C Hutchison [5, 6]	432,341	-	432,341	21,694	24,770 [2] 6%	(33,042)	-	445,763
C Giannopoulos [5]	370,005	-	370,005	21,694	12,385 [2] 3%	200	-	404,284
J Simm [5]	337,701	-	337,701	21,694	12,385 [2] 3%	3,077	-	374,857
R Simkiss [5]	371,821	-	371,821	21,694	18,491 [2] 4%	3,898	-	415,904
P Moloughney [3, 5]	211,173	40,894 [1] 9%	252,067	26,196	-	-	192,505	470,768
Sub-total	**1,723,041**	**40,894 [1] 2%**	**1,763,935**	**112,972**	**68,031 [2] 3%**	**(25,867)**	**192,505**	**2,111,576**
Total	**1,878,824**	**40,894 [1] 2%**	**1,919,718**	**117,089**	**68,031 [2] 3%**	**(25,867)**	**192,505**	**2,271,476**

[1] Included a quarterly discretionary cash payment for commission based on Group revenue targets met during the first quarter of the financial year.

[2] Share-based expense calculated under the Binomial model in respect of the value of share options issued.

[3] P Moloughney's employment ceased on 16 February 2021. All amounts disclosed for P Moloughney are for the period that he was employed.

[4] It was mutually agreed by the Board of Directors, that Director fees were reduced by 20% from April 2020 through to 31 October 2020 as a result of the significant financial and operational impact the COVID-19 pandemic and subsequent government restrictions have had on the Group. It was also agreed that the Directors' fee were permanently reduced by 10% from 1 November 2020.

[5] The mutual agreement with Executives of 20% reduction in salaries, along with variable reduced hours as a result of the significant financial and operational impact the COVID-19 pandemic and subsequent government restrictions have had on the Group remained in place until 31 October 2020, with November 2020 and December 2020 having a reduction of 10% in salaries. Furthermore, effective 1 November 2020 remunerations were re-negotiated with individual Executives and details of which can be found on page 17.

[6] In addition to the remuneration for C Hutchison, the Group has an agreement with Craig Hutchison Media Pty Ltd for the provision of talent appearances and services totalling $550,000. The total remuneration for C Hutchison for the reporting period inclusive of the talent services fee was $945,763.

Directors' Report

Remuneration Report (Audited)

Details of Remuneration – Key Management Personnel cont'd

	Short Term Employee Benefits	Short Term Incentives	Short Term Benefits Total	Post Employment Benefits	Share Based Payment	Long Term Employee Benefits	Termination Benefits	Total
2020								
Non Executive Directors of Sports Entertainment Group Limited								
C Coleman [1]	70,000	-	70,000	-	-	-	-	70,000
A Moffat [1]	47,500	-	47,500	4,513	-	-	-	52,013
C O'Brien [1]	52,013	-	52,013	-	-	-	-	52,013
R Hall	-	-	-	-	-	-	-	-
Sub-total	**169,513**	**-**	**169,513**	**4,513**	**-**	**-**	**-**	**174,026**
Other Key Management Personnel of the Group								
C Hutchison [2, 6]	576,608	-	576,608	21,003	20,618 [5] 3%	6,017	-	624,246
C Giannopoulos [2]	382,580	-	382,580	21,003	10,309 [5] 2%	307	-	414,199
J Simm [2]	287,668	-	287,668	21,003	10,309 [5] 3%	240	-	319,220
R Simkiss [2]	382,066	-	382,066	21,003	73,999 [5] 15%	2,277	-	479,345
S Bingley [3]	237,398	17,502 10%	254,900	15,752	(92,997) [5] (55)%	(13,980)	6,277	169,952
T Cleary [2, 4]	165,588	-	165,588	13,429	(116,246) [5] (156)%	(295)	12,000	74,476
Sub-total	**2,031,908**	**17,502** **1%**	**2,049,410**	**113,193**	**(94,008) [5]** **(5)%**	**(5,434)**	**18,277**	**2,081,438**
Total	**2,201,421**	**17,502** **1%**	**2,218,923**	**117,706**	**(94,008) [5]** **(4)%**	**(5,434)**	**18,277**	**2,255,464**

[1] It was mutually agreed by the Board of Directors, that Director fees were reduced by 20% from April 2020 as a result of the significant financial and operational impact the COVID-19 pandemic and subsequent government restrictions have had on the Group. It was also agreed that payment of the Director fees have been deferred until September 2020.

[2] Effective 1 April 2020, the executive team mutually agreed to a 20% reduction in salaries, along with variable reduced hours as a result of the significant financial and operational impact the COVID-19 pandemic and subsequent government restrictions have had on the Group. At the date of this report the reduction in salaries and varied reduced hours are still in place.

[3] S Bingley ceased employment on 1 April 2020. All amounts disclosed for S Bingley are for the period that he was employed and classified as a key management personnel (1 July 2019 to 1 April 2020). S Bingley's share based payment includes the write-back of share options which were forfeited upon cessation of employment on 1 April 2020. His short term incentive relates to a discretionary cash payment for commissions based on Group revenue targets.

[4] T Cleary's share based payment includes an adjustment to his share options held because of his notice of resignation provided on 17 June 2020, with his employment to cease on 27 September 2020.

[5] Share-based expense calculated under the Binomial model in respect of the value of share options issued.

[6] In addition to the remuneration for C Hutchison, the Group has an agreement with Craig Hutchison Media Pty Ltd for the provision of talent appearances and services totalling $400,000. The total remuneration for C Hutchison for the reporting period inclusive of the talent services fee was $1,042,246.

Directors' Report

Remuneration Report (Audited)

Details of Share Based Compensation

Issued to / Grant date	Vesting date	Expiry date	Exercise date	Granted during the year Number	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed / forfeited during the year $	Fair value of options at grant date $
C Hutchison [2] 29 Mar 18	30 Sep 19	30 Sep 20 [1]	Nil	-	-	-	(342,508)	33 cents
C Giannopoulos [2] 29 Mar 18	30 Sep 19	30 Sep 20 [1]	Nil	-	-	-	(171,254)	33 cents
J Simm [2] 29 Mar 18	30 Sep 19	30 Sep 20 [1]	Nil	-	-	-	(171,254)	33 cents
R Simkiss [2] 29 Mar 18	30 Sep 19	30 Sep 20 [1]	Nil	-	-	-	(342,508)	33 cents
Total	**n/a**	**n/a**	**n/a**	**-**	**-**	**-**	**(1,027,524)**	**n/a**

[1] The expiry date of these options is as per the vesting conditions outlined on pages 11-12.

[2] 50% of Tranche 1 options were rolled into the future and tested against the Tranche 2 (EBITDA for 30 June 2020) vesting conditions. The vesting conditions were not met and therefore lapsed during the financial year. The remaining 50% of Tranche 1 have rolled into the future and will be tested against Tranche 3 vesting conditions.

Share Based Payments

Details of options over shares provided as remuneration is set out below.

- At 30 June 2021, 4,110,101 options can be exercised by KMP's in the future subject to achieving KPI's.
- There were no options over ordinary shares granted to KMP during the financial year.
- When exercisable, each option is convertible into one ordinary share.

Details of options over shares provided as remuneration is set out below.

Key Management Personnel	Balance as at 1 Jul 20	Granted during the year	Exercised during the year	Lapsed / Forfeited during the year	Balance as at 30 Jun 21	Expiry Date	Estimate of min / max grant value $
C Hutchison	2,055,050	-	-	(342,508)	1,712,542	30 Sep 22 [1]	509,995
C Giannopoulos	1,027,525	-	-	(171,254)	856,271	30 Sep 22 [1]	254,997
J Simm	1,027,525	-	-	(171,254)	856,271	30 Sep 22 [1]	254,997
R Simkiss	1,027,525	-	-	(342,508)	685,017	30 Sep 22 [1]	210,529
Total	**5,137,625**	**-**	**-**	**(1,027,524)**	**4,110,101**	**n/a**	**1,230,518**

[1] The expiry date of these options is as per the vesting conditions outlined on pages 11-12.

Assessed fair value at grant date of options granted to individuals is allocated equally over the period from grant date to vesting date and amounts included in the remuneration tables above.

Fair values at grant date are independently determined using the binomial approximation option pricing model and take account of the exercise price, term of the option, impact of dilution, share price at grant date and expected price volatility of the underlying share, expected dividend yield and risk-free interest rate for the term of the option.

Directors' Report

Remuneration Report (Audited)

Share Based Payments cont'd

Model inputs for options granted up to and including the year ended 30 June 2021 included:

(i) Options issued to employees were issued for nil consideration and on vesting are exercisable into an equivalent number of shares.

(ii) The price volatility of the company's ordinary shares used for the purposes of calculating the share-based cost for the reporting period was in a range of 63 - 85%.

(iii) Risk-free rates for options issued were 1.9% (Tranche 1) and 2.1% (Tranche 2 and 3).

No options were granted in the financial year ended 30 June 2021.

Movement in Equity Instruments held by Key Management Personnel

The number of ordinary shares and options held directly or beneficially during the financial year by each director and KMP, including their personally related parties, is set out below.

Ordinary Shares	Balance at beginning of the year	EEIP / EESP Shares Issued	Dividend Reinvestment Plan	Ordinary Shares Acquired	Ordinary Shares Sold	Balance at end of year
	Number	Number	Number	Number	Number	Number
C Coleman [1]	49,913,497	-	-	5,968,124	-	55,881,621
A Moffat	3,002,700	-	-	-	-	3,002,700
C O'Brien	301,209	-	-	9,128	-	310,337
R Hall [2]	20,109,998	-	-	-	-	20,109,998
C Hutchison	49,410,736	-	-	176,514	-	49,587,250
C Giannopoulos	8,845,980	-	-	110,648	-	8,956,628
J Simm	5,126,354	-	-	-	-	5,126,354
R Simkiss	81,844	342,508	-	202,481	-	626,833
	136,792,318	**342,508**	**-**	**6,466,895**	**-**	**143,601,721**

[1] Includes 55,211,924 shares held by Viburnum Funds Pty Ltd.

[2] R Hall's interest in ordinary shares is held through Tosca Boxer Pty Ltd ATF The Hall Family Trust.

Share Options	Balance at beginning of the year	Exercised during the year	Options Granted as compensation	Expired / Forfeited / Other	Balance at end of year
	Number	Number	Number	Number	Number
C Giannopoulos	1,027,525	-	-	(171,254)	856,271
C Hutchison	2,055,050	-	-	(342,508)	1,712,542
J Simm	1,027,525	-	-	(171,254)	856,271
R Simkiss	1,027,525	-	-	(342,508)	685,017
Total	**5,137,625**	**-**	**-**	**(1,027,524)**	**4,110,101**

None of the 4,110,101 options at reporting date had vested at 30 June 2021.

There are no other options on issue to Key Management Personnel.

Directors' Report

Remuneration Report (Audited)

Transactions with Key Management Personnel

(i) The Company has an agreement with Craig Hutchison Media Pty Ltd for the provision of talent appearances and services totalling $550,000 per annum, with the negotiated adjustment from $400,000 being effective from 1 November 2020. This agreement is made on normal commercial terms and conditions.

(ii) The profit / (loss) before income tax includes the following expense resulting from transactions with directors or director-related entities:

	Consolidated	
	2021	2020
	$	$
Talent & Consulting services	**500,000**	400,000
Total	**500,000**	400,000

Service Agreements – Key Management Personnel

Remuneration and other terms of employment for the management team are formalised in employee agreements.

Key Management Personnel	Details
Craig Hutchison Executive Director and Chief Executive Officer	• Term of employment is ongoing • Base salary, inclusive of superannuation for the year ended 30 June 2021 was $406,074 p.a. • An annual bonus is payable for achievement of board approved net profit before tax (NPBT) budget • Entitled to participate in an equity incentive plan as approved by the Board which will include vesting hurdles based on performance targets set by the Board • Payment of termination benefit on early termination, other than for gross misconduct, equal to 12 months' base salary. Employee can terminate with 12 months' notice
Chris Giannopoulos Executive Director – Stakeholder Management and Acquisitions Managing Director – Bravo Talent Management	• Term of employment is ongoing • Base salary, inclusive of superannuation for the year ended 30 June 2021 was $391,694 p.a. • An annual bonus is payable for achievement of board approved net profit before tax (NPBT) budget • Entitled to participate in an equity incentive plan as approved by the Board which will include vesting hurdles based on performance targets set by the Board • Payment of termination benefit on early termination, other than for gross misconduct, equal to 6 months' base salary. Employee can terminate with 6 months' notice
Jodie Simm Chief Operating Officer	• Term of employment is ongoing • Base salary, inclusive of superannuation for the year ended 30 June 2021 was $311,694 p.a. • An annual bonus is payable for achievement of board approved net profit before tax (NPBT) budget • Entitled to participate in an equity incentive plan as approved by the Board which will include vesting hurdles based on performance targets set by the Board • Payment of termination benefit on early termination, other than for gross misconduct, equal to 6 months' base salary. Employee can terminate with 6 months' notice
Richard Simkiss Group Business Director	• Term of employment is ongoing • Base salary, inclusive of superannuation for the year ended 30 June 2021 was $391,694 p.a. • An annual bonus is payable for achievement of board approved net profit before tax (NPBT) budget • Entitled to participate in an equity incentive plan as approved by the Board which will include vesting hurdles based on performance targets set by the Board • Payment of termination benefit on early termination, other than for gross misconduct, equal to 6 months' base salary. Employee can terminate with 6 months' notice

End of Audited Remuneration Report

Directors' Report

Non-Audit Services

The Company may decide to employ BDO on assignments additional to their statutory audit duties where the auditors' expertise and experience is considered important.

The value of non-audit services performed by the auditor during the year was $36,068 (2020: $82,735) and related to the provision of taxation services. Directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, for the following reasons:

(i) all non-audit services have been reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
(ii) none of the services undermine the general principles relating to auditor independence as set out in APES110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethics Standards Board including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity, or acting as advocate, or jointly sharing economic risk and rewards.

Details of fees paid (including for non-audit services) to the auditor are disclosed in Note 8.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 as required under Section 307(c) of the Corporations Act 2001 has been received and is located on page 19.

Corporate Governance Statement

The 2021 Corporate Governance Statement has been released as a separate document and can be located on our website at www.sportsentertainmentnetwork.com.au/investors.

Proceedings on behalf of the Company

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Directors' Interests in Contracts

Directors' interests in contracts are disclosed on page 17 and in note 26 of this report.

Rounding of Amounts

In accordance with ASIC Legislative Instrument 2016/191, amounts shown in the Directors' Report and the financial report have been rounded off to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors,

Craig Coleman

Chairman

Melbourne, 24 September 2021

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DECLARATION OF INDEPENDENCE BY DAVID GARVEY TO THE DIRECTORS OF SPORTS ENTERTAINMENT GROUP LIMITED

As lead auditor of Sports Entertainment Group Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Sports Entertainment Group Limited and the entities it controlled during the period.

David Garvey
Director

BDO Audit Pty Ltd

Melbourne, 24 September 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Sports Entertainment Group Limited

Report on the Audit of the Financial Report

Opinion

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

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for 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 Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have 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 the Company, 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of indefinite intangible assets

Key audit matter	*How the matter was addressed in our audit*
The Group has material indefinite life intangible assets including goodwill, radio licenses, brand and distribution rights. Indefinite life intangibles are required to be tested at least annually for impairment in accordance with Australian Accounting Standards. Management assessed the ongoing trading conditions of the Group and formed the opinion that no impairment is required for the year ended 30 June 2021. This is a key audit matter because the impairment assessment process is complex and is required to be carried out at the level of the lowest identifiable cash generating unit. The assessment requires significant judgement and includes assumptions that are based on future operating results, discount rates and the broader market conditions in which the Group operates. The degree of estimation of uncertainty was heightened as a result of COVID-19. *Refer to Note 15 "Intangible Assets" of the accompanying financial report*	Our procedures, amongst others, included: • Assessing management's CGU allocations in order to ensure that they reflect how financial information is reported to the Chief Operating Decision Maker as required by AASB 136 *Impairment of Assets*. • Assessing the Group's cash flow forecasts including consideration of the discount rates and growth rates used. • Testing the integrity and mathematical accuracy of the value in use discounted cash flow models. • Engaging our BDO valuation experts to assist in assessing the discount rate, revenue growth rate and the terminal growth rate applied. • Performing a sensitivity analysis to identify whether a reasonable variation in the assumptions could cause the carrying amount of the cash generating units to exceed their recoverable amount and therefore indicate an impairment. • Evaluating the Group's ability to forecast future cash flows by comparing historically budgeted cash flows with actual performance. • Reviewing the market capitalisation of the Group in comparison to the carrying value of the assets. • Evaluating the adequacy of the disclosures relating to intangible assets in the financial report, including those made with respect to judgments and estimates.

Acquisition accounting

Key audit matter	*How the matter was addressed in our audit*
The Group completed the EON 2CH Pty Ltd business combination during the year ended 30 June 2021, and finalised provisional accounting for the Spirit 621AM Bunbury business combination completed in the prior financial year. Accounting for the business combinations is a key audit matter due to the significance of the acquisitions to the Group and the complexities associated with the transactions. This included determining whether the acquisitions were business combinations or asset acquisitions, determining the acquisition dates, determining the fair value of the assets and liabilities acquired including the potential identification and recognition of identifiable intangible assets. *Refer to Note 30 "Business Combinations" of the accompanying financial report.*	Our procedures, amongst others, included: • Reviewing the sale and purchase agreements to understand the terms and obligations under the contracts. • Evaluating management's assessment of the accounting treatment of the acquisitions for compliance with the requirements of Australian Accounting Standards. • Reviewing management's assessment of the fair value of assets and liabilities acquired at acquisition date. • Engaging our BDO valuation experts to review management's assessment of the fair value of assets and liabilities acquired at acquisition date. • Reviewing management's assessment for and valuation of any separately identifiable intangibles. • Evaluating the adequacy of the disclosures relating to the business combinations within the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Directors' report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Chairman's report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 regard.

When we read the Chairman's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

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 and the *Corporations Act 2001* and for such internal control as the directors determine is 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 ability of the group 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 Group or to cease operations, or has 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 17 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Sports Entertainment Group Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

David Garvey

David Garvey
Director

Melbourne, 24 September 2021

Directors' Declaration

In the opinion of the Directors of Sports Entertainment Group Limited

a) the financial statements and notes set out on pages 25 to 66 are in accordance with the Corporations Act 2001, including:

   (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

   (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

   (iii) As stated in note 1, the consolidated financial statements also comply with International Financial Reporting Standards.

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; and

c) the Directors have been given the declarations required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021; and

d) the remuneration disclosures included at pages 9 to 17 of the Directors' Report (Audited Remuneration Report) for the year ended 30 June 2021 comply with section 300A of the Corporations Act 2001.

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,

Craig Coleman

Chairman

Melbourne, 24 September 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Financial Year Ended 30 June 2021

	Notes	30 June 2021 $'000s	30 June 2020 $'000s
Revenue	2(a)	**73,720**	66,785
Sales and marketing expenses		**(26,868)**	(22,179)
Occupancy expenses		**(697)**	(698)
Administration expenses		**(5,817)**	(7,484)
Technical expenses		**(18,513)**	(19,094)
Production / creative expenses		**(7,759)**	(8,902)
Restructuring and transaction costs	3	**(654)**	(327)
Corporate expenses		**(1,714)**	(2,332)
Impairment of intangible assets	3	**-**	(3,366)
Loss on cancellation of intangible assets	3	**-**	(1,556)
Loss on disposal of property, plant, and equipment	3	**(148)**	-
Loss on disposal of radio licence	3	**(542)**	-
Loss on disposal of investments accounted for using the equity method	3	**(72)**	-
Depreciation and amortisation	2(b)	**(6,842)**	(5,285)
Finance costs		**(1,186)**	(868)
Gain on investments accounted for using the equity method	13	**177**	13
Expenses		**(70,635)**	(72,078)
Profit / (Loss) for the year before income tax		**3,085**	(5,293)
Income tax (expense) / benefit	5(c)	**(1,042)**	933
Profit / (Loss) for the year after income tax		**2,043**	(4,360)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		**(11)**	-
Other comprehensive income for the year (net of tax)		**(11)**	**-**
Total comprehensive income for the year		**2,032**	(4,360)
Earnings / (loss) per share for profit attributable to the owners			
Basic (cents per share)	22	**0.89**	(2.13)
Diluted (cents per share)	22	**0.86**	(2.13)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 30 June 2021

	Notes	30 June 2021 $'000s	* Restated 30 June 2020 $'000s
Current Assets			
Cash and cash equivalents	27	5,324	7,652
Trade and other receivables	9	14,951	6,962
Prepayments		3,034	2,738
Income tax receivable		189	-
Assets classified as held for sale	14	-	5,020
Total Current Assets		23,498	22,372
Non-Current Assets			
Property, plant and equipment	10	15,278	9,838
Right-of-use assets	12	19,549	13,266
Deferred tax assets	11	2,065	1,204
Investments accounted for using the equity method	13	1,057	951
Intangibles	15	59,564	43,724
Other non-current assets		500	-
Total Non-Current Assets		98,013	68,983
Total Assets		121,511	91,355
Current Liabilities			
Trade and other payables	16	18,687	10,567
Borrowings	18	15,929	5,913
Lease liabilities	12	1,735	936
Income tax payable		-	546
Deferred revenue		1,481	416
Provisions	17	1,817	1,197
Total Current Liabilities		39,649	19,575
Non-Current Liabilities			
Trade and other payables	16	1,495	-
Borrowings	18	624	8,906
Lease liabilities	12	18,890	12,613
Deferred tax liability	11	9,747	6,958
Deferred revenue		1,644	578
Provisions	17	776	499
Total Non-Current Liabilities		33,176	29,554
Total Liabilities		72,825	49,129
Net Assets		48,686	42,226
Equity			
Issued capital	19	61,473	57,209
Reserves	21	1,145	992
Accumulated losses	20	(13,932)	(15,975)
Total Equity		48,686	42,226

* *Comparative period was restated for finalisation of provisional accounting of Business combination. Refer to note 30*

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Financial Year Ended 30 June 2021

	Notes	Issued Capital $'000s	Share Based Payment Reserve $'000s	Foreign Currency Translation Reserve $'000s	Accumulated Losses $'000s	Total $'000s
Total Equity at 1 July 2020		**57,209**	**992**	**-**	**(15,975)**	**42,226**
Profit after income tax		**-**	**-**	**-**	**2,043**	**2,043**
Other comprehensive income	**21**	**-**	**-**	**(11)**	**-**	**(11)**
Total comprehensive income		**-**	**-**	**(11)**	**2,043**	**2,032**
Transactions with owners in their capacity as owners						
Issue of share capital	**19**	**4,499**	**(70)**	**-**	**-**	**4,429**
Share issue costs	**19**	**(235)**	**-**	**-**	**-**	**(235)**
Share Based Payments		**-**	**234**	**-**	**-**	**234**
Total Equity at 30 June 2021		**61,473**	**1,156**	**(11)**	**(13,932)**	**48,686**
Total Equity at 1 July 2019		54,716	941	-	(11,615)	44,042
Loss after income tax		-	-	-	(4,360)	(4,360)
Other comprehensive income		-	-	-	-	-
Total comprehensive income		-	-	-	(4,360)	(4,360)
Transactions with owners in their capacity as owners						
Issue of share capital	**19**	2,506	(31)	-	-	2,475
Share issue costs	**19**	(13)	-	-	-	(13)
Share Based Payments	**2(b)**	-	82	-	-	82
Total Equity at 30 June 2020		57,209	992	-	(15,975)	42,226

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Financial Year Ended 30 June 2021

	Notes	30 June 2021 $'000s	30 June 2020 $'000s
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**63,671**	74,065
Payments to suppliers and employees (inclusive of GST)		**(58,088)**	(60,756)
JobKeeper program funding received		**3,852**	1,620
Interest received		**3**	2
Interest and other costs of finance paid		**(777)**	(478)
Interest on lease liabilities	**12**	**(412)**	(390)
Income taxes paid		**(1,668)**	(1,230)
Net operating cash flows provided by operating activities	**27(b)**	**6,581**	12,833
Cash flows from investing activities			
Proceeds from sale of intangible assets – radio licences	**14**	**4,478**	-
Proceeds from sale of property, plant and equipment		**174**	-
Payment for property, plant and equipment	**10**	**(5,290)**	(2,748)
Payment for intangible assets – radio licences	**15**	**(4,450)**	(5,941)
Payment for intangible assets – computer software	**15**	**(97)**	(861)
Payment for the acquisition of 2CH	**30**	**(4,772)**	-
Payment of deposit for the acquisition of Perth Wildcats		**(500)**	-
Payment for the acquisition of AFL Record		**-**	(1,752)
Payment for the acquisition of Rapid TV		**-**	(2,223)
Payment for the acquisition of Precision Talent		**-**	(500)
Payment for the acquisition of Lifestyle1		**-**	(73)
Payment for the acquisition of Spirit Bunbury 621AM		**-**	(3,220)
Net cash used in investing activities		**(10,457)**	(17,318)
Cash flows from financing activities			
Proceeds from issue of shares	**19**	**1,526**	1,975
Payment of share issue costs	**19**	**(235)**	(13)
Proceeds from borrowings		**2,000**	6,618
Repayment of borrowings		**(295)**	(329)
Repayment of lease liabilities	**12**	**(1,448)**	(1,048)
Net cash provided by financing activities		**1,548**	7,203
Net (decrease) / increase in cash and equivalents		**(2,328)**	2,718
Cash and cash equivalents at the beginning of the year		**7,652**	4,934
Cash and cash equivalents at the end of the year		**5,324**	7,652

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. In addition, significant and other accounting policies that summarise the measurement basis used and that are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

The financial statements are for the consolidated entity consisting of Sports Entertainment Group Limited ("the Company") and its subsidiaries ("the Group").

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Company is a for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise. Except for cash flow information, the financial statements 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 financial statements were authorised for issue on 24 September 2021 by the directors of the Company.

All amounts are presented in Australian dollars, unless otherwise stated.

The consolidated financial statements include the information contained in the financial statements of Sports Entertainment Group Limited and each of its controlled entities as from the date the parent entity obtains control until such time as control ceases.

Separate financial statements for Sports Entertainment Group Limited as an individual entity are not presented as permitted by the Corporations Act 2001. However, limited financial information for this individual entity is included in Note 28 of the financial statements.

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

Sports Entertainment Group Limited is a company limited by shares and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange (ASX).

Statement of Compliance with IFRS

Australian Accounting Standards include International Financial Reporting Standards (IFRS) as adopted in Australia. The financial statements and notes of Sports Entertainment Group Limited comply with International Financial Reporting Standards (IFRS).

Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

1. Summary of Significant Accounting Policies cont'd

Critical Accounting Judgements and Key Sources of Estimation Uncertainty cont'd

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives. Technically obsolete or non-strategic assets that are abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 15. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Regional radio licences which are not yet activated and therefore are not currently generating their own cash flows have been assessed on the basis of Fair Value Less Cost of Disposal ("FVLCD").

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

In the application of accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

1. Summary of Significant Accounting Policies cont'd

Critical Accounting Judgements and Key Sources of Estimation Uncertainty cont'd

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The standards adopted did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising Sports Entertainment Group Limited (the parent entity) and all entities that the parent entity controlled from time to time during the year and at reporting date.

The financial statements of controlled entities are prepared for the same reporting year as the parent entity, using consistent accounting policies.

All intercompany balances and transactions have been eliminated in full.

A list of controlled entities appears in Note 24 of this report.

Rounding of Amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 relating to "rounding off" of amounts in the financial report.

Amounts in the financial report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, unless otherwise indicated.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

1. Summary of Significant Accounting Policies cont'd

Foreign Currency Translation

Functional and presentation currency

Items included in the financial statement of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Australian dollars, which is Sports Entertainment Group Limited's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in foreign operation.

Group companies

The results and financial position of foreign operations (none of which has currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities presented are translated at the closing rate at the date of that Statement of Financial Position;
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

2. Profit from Continuing Operations

a) Revenue from Continuing Activities

	Consolidated	
	2021	2020
	$'000s	$'000s
Revenue from contracts with customers		
Media revenue	**64,464**	53,959
Complementary Services revenue	**5,567**	11,062
	70,031	65,021
Other revenue		
Interest revenue	**3**	2
Other revenue	**385**	142
Government grants (JobKeeper payments)	**3,301**	1,620
	3,689	1,764
Revenue from continuing operations	**73,720**	66,785

Revenue Recognition and Measurement

Revenues are recognised at fair value of the consideration received or receivable net of the GST payable to the Australian Taxation Office (ATO).

Sales Revenue

(i) Media Revenue

Media revenue is derived from the sale of advertising time or placement of advertising amongst radio, print, television, digital, and in stadium platforms for local and national advertisers. Revenue is recognised when a client's advertisements have been broadcast on the agreed platform or published in a magazine.

Publishing revenue represents sales of magazines. Revenue is recognised when a customer makes a purchase and it is delivered to the customer.

Other regular sources of revenue are derived from commercial production for advertisers and the sale of programming. Revenue from commercial production and programming sale is recognised at the time of completion of the commercial or sale.

(ii) Complementary Services Revenue

Complementary services revenue is derived from the sale of tickets, hospitality, talent management commissions and creative agency services. Revenue from complementary services is recognised at the time the service is provided.

(iii) Interest Income

Interest is recognised as it accrues, taking account of the yield on the financial asset.

(iv) Cost to obtain a contract

The Group pays sales commission to its employees for new contracts obtained. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commissions because the amortisation period of the asset that the Group otherwise would have used is one year or less.

(v) JobKeeper payments

The JobKeeper payments are a wage subsidy whereby employers who qualify for the stimulus receive $1,500 per fortnight for each eligible employee who was employed by the Group during the period April 2020 to September 2020. JobKeeper payments are government grants and are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Grants of Government Assistance*.

The Group has recognised JobKeeper payments received from the Australian Federal Government as other revenue over the period necessary to match them with the salaries and wages costs that they are intended to subsidise.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

2. Profit from Continuing Operations cont'd

b) Expenses

	Consolidated	
	2021	2020
	$'000s	$'000s
Credit Loss Allowance – trade receivables	**117**	909
Depreciation / amortisation of non-current assets:		
Property, plant and equipment	**2,469**	1,462
Low value assets	**168**	41
Borrowing costs	**57**	38
Intangible assets	**2,146**	2,147
Right-of-use-assets	**2,002**	1,597
Employee benefits expense	**25,245**	20,667
Defined contribution superannuation expense	**2,014**	1,676
Share-based payments - EEIP	**357**	82

Superannuation benefits

Employees receive defined contribution superannuation entitlements, for which the employer pays the fixed superannuation guarantee contribution (9.5% of the employee's average ordinary salary) to the employee's nominated superannuation fund of choice.

All contributions in respect of employees' contribution entitlements are recognised as an expense when they become payable. The Company's obligation in respect of employee's contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period.

All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled, and are presented as current liabilities in the company's statement of financial position.

3. Significant costs

Net profit / (loss) after tax includes the following items whose disclosure is relevant in explaining the financial performance of the Group. Significant items are those items of such a size or nature that separate disclosure will enhance a user's understanding of the financial statements.

	Consolidated	
	2021	2020
	$'000s	$'000s
Impairment of intangibles – goodwill in Broadcasting & Media CGU	**-**	3,366
Loss on cancellation of intangible assets – NRL broadcast rights	**-**	805
Loss on cancellation of intangible assets – NRL supplier relationships	**-**	751
Loss on disposal of 1377AM licence	**542**	-
Loss on disposal of property, plant and equipment	**148**	-
Loss on disposal of the joint venture investment	**72**	-
Restructure and transaction costs	**654**	327
Total significant items included in net profit / (loss) after tax	**1,416**	5,249

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

4. Financial Risk Management

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date the Company commits to either the purchase / sale of the asset. Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case, costs are expensed to the income statement immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost when this approximates fair value. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are measured at amortised cost. Gains / losses are recognised in the income statement through the amortisation process and when the financial asset is derecognised.

Financial Liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in the income statement through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the receivables or a group of receivables are experiencing significant financial difficulty, default in payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the profit or loss if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms had not been renegotiated so that the loss events that have occurred are duly considered.

De-recognition

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

Financial Instruments

Financial instruments consist mainly of cash and short-term deposits with banks, accounts receivable, payables and intercompany / third party loans.

There were no derivative instruments at reporting date.

The Board reviews and agrees policies for each of the risks associated with these instruments as summarised on the next page.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

4. Financial Risk Management cont'd

Risk Exposures and Responses

The primary risk exposure is to interest rate, credit and liquidity risk.

a) Interest Rate Risk

Interest rate risk arises from loans. A 1% increase / decrease in loan rates would change trading results by +/- $156,737 (2020: +/- $133,334).

Risk is managed by taking account of the interest rate environment, movements in variable / fixed-rate interest rates, availability of alternative products, the cash flow position and advice from bankers.

At reporting date, the Company had a mix of financial assets and liabilities exposed to Australian and New Zealand variable interest rate risk.

	Note	Consolidated	
		2021	2020
		$'000s	$'000s
Financial Assets			
Cash and cash equivalents	**27**	**5,324**	7,652
		5,324	7,652
Financial Liabilities			
Bank loans	**18**	**16,553**	14,819
		16,553	14,819
Net exposure		**(11,229)**	(7,167)

Consideration is given to interest rate exposure, alternative financing and the mix of fixed and variable interest rates.

b) Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. Credit risk arises from financial assets such as cash and cash equivalents, trade and other receivables. At reporting date, the maximum exposure to credit risk on recognised financial assets is the carrying amount, net of any loss allowance for those assets as disclosed in the ageing analysis in Note 9(b).

Exposure at reporting date where applicable is addressed in each applicable note.

It is trading policy to transact only with recognised and creditworthy third parties. The Company manages cash balances through Commonwealth Bank of Australia and National Australia Bank.

Collateral is not requested nor is it policy to securitise trade and other receivables.

Trade receivables are monitored on an ongoing basis to minimise potential exposure and consequently bad debts as a percentage of sales are not considered material.

The business does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the business.

Capital Risk Management

The objective in managing capital is to safeguard the Company's ability to continue as a going concern, to generate returns for shareholders and to maintain a capital structure that minimises costs of capital.

The capital structure of the Group consists of debt, which includes the borrowings listed in Note 18, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The net debt to equity gearing ratio at reporting date was 23% (2020: 17%).

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

4. Financial Risk Management cont'd

c) Liquidity Risk

Liquidity risk is managed by forecasting and monitoring cash flows on an ongoing basis. The primary objective is to maintain flexibility whilst having access to continuity of funding.

The business has $16.553 million of loans owing at reporting date. $16.260 million of this balance is the Group's debt facility with the Commonwealth Bank of Australia which was due to expire on 31 August 2021. This facility was renewed in August 2021 for another 3 years. The details on the debt facility extension are included in Note 18.

The contractual maturity of other financial liabilities of $20.182 million (2020: $10.567 million) is predominantly less than six months.

The maturity analysis for financial assets and liabilities is based on contractual obligations.

The risks implied from the values disclosed in the table reflect a balanced view of cash inflows, outflows, payables, loans and other financial liabilities that originate from the financing of assets used in ongoing operations such as property, equipment and investments in working capital such as receivables. These assets are fully considered in assessing liquidity risk.

2021	≤ 6 months $'000s	6-12 months $'000s	1-5 years $'000s	> 5 years $'000s	Total $'000s
Financial Assets					
Cash & cash equivalents	**5,324**	**-**	**-**	**-**	**5,324**
Trade, other receivables and prepayments	**17,985**	**-**	**-**	**-**	**17,985**
	23,309	**-**	**-**	**-**	**23,309**
Financial Liabilities – Non-Interest Bearing					
Trade & other payables	**(17,214)**	**(1,473)**	**(1,495)**	**-**	**(20,182)**
Financial Liabilities – Interest Bearing					
Loans – contractual	**(15,772)**	**(157)**	**(624)**	**-**	**(16,553)**
Lease liabilities	**(777)**	**(957)**	**(8,295)**	**(10,595)**	**(20,624)**
	(33,763)	**(2,587)**	**(10,414)**	**(10,595)**	**(57,359)**
Net maturity	**(10,456)**	**(2,587)**	**(10,414)**	**(10,595)**	**(34,050)**

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

4. Financial Risk Management cont'd

c) Liquidity Risk

2020	≤ 6 months $'000s	6-12 months $'000s	1-5 years $'000s	> 5 years $'000s	Total $'000s
Financial Assets					
Cash & cash equivalents	7,652	-	-	-	7,652
Trade, other receivables and prepayments	9,700	-	-	-	9,700
	17,352	-	-	-	17,352
Financial Liabilities – Non-Interest Bearing					
Trade & other payables	(10,567)	-	-	-	(10,567)
Financial Liabilities – Interest Bearing					
Loans - contractual	(146)	(5,768)	(8,905)	-	(14,819)
Lease Liabilities	(347)	(589)	(5,089)	(7,524)	(13,549)
	(11,060)	(6,357)	(13,994)	(7,524)	(38,935)
Net maturity	6,292	(6,357)	(13,994)	(7,524)	(21,583)

d) Fair value of financial instruments

The Group does not have any financial assets or financial liabilities carried at fair value in the current financial year.

The carrying amount of all other financial assets and financial liabilities recorded in the financial statements approximate their fair values.

5. Income Tax

a) Reconciliation of Income tax expense

Income tax expense for the financial year differs from the amount calculated in the net result from continuing operations. The differences are reconciled as follows:

	Consolidated	
	2021 $'000s	2020 $'000s
Profit / (Loss) before income tax expense	**3,085**	(5,293)
Income tax expense / (benefit) calculated at 30%	**926**	(1,588)
Non-allowable expenses / assessable income	**299**	1,132
	1,225	(456)
Prior year adjustments: over provision for income tax	**(183)**	(477)
Income tax expense / (benefit)	**1,042**	(933)

b) Weighted average effective income tax rate

	Consolidated	
	2021	2020
The applicable weighted average effective income tax rates are as follows	**34%**	30%

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

5. Income Tax cont'd

c) Income tax expense components

	Consolidated	
	2021	2020
	$'000s	$'000s
Current year tax	**1,161**	829
Current year temporary differences:		
movement in deferred tax asset	**(660)**	(239)
movement in deferred tax liability	**724**	(1,046)
Prior year adjustments: over provision for income tax	**(183)**	(477)
	1,042	(933)

d) Franking Credits

Franking credits	**7,710**	6,043

e) Recognition and Measurement

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and, where applicable, any adjustment recognised for prior periods.

Deferred Taxes

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

(i) When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

(ii) When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered.

Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there will be future taxable profits available to recover the asset.

Tax Consolidation

Sports Entertainment Group Limited (the "Company") and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts.

The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group. The entities have also entered into a tax funding agreement under which each wholly owned entity compensates the parent entity for any current tax payable assumed and is compensated for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the parent entity.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

6. Key Management Personnel Compensation

a) Details of Key Management Personnel (KMP)

Detailed remuneration disclosures are included in the Directors' Report in accordance with section 300A of the *Corporations Act 2001.*

b) Compensation of Key Management Personnel

	Short Term Employee Benefits	Short Term Employee Incentives	Short Term Benefits Total	Post Employment Benefits	Share Based Payment	Long Term Employee Benefits	Termination Benefits	Total
	$	$	$	$	$	$	$	$
2021	**1,878,824**	**40,894**	**1,919,718**	**117,089**	**68,031**	**(25,867)**	**192,505**	**2,271,476**
2020	2,201,421	17,502	2,218,923	117,706	(94,008)	(5,434)	18,277	2,255,464

7. Share Based Payments

a) Employee and Executive Incentive Plan (EEIP)

The Company operates an Employee and Executive Incentive Plan.

The Plan is designed to provide short and long-term incentives for employees, by allowing them to participate in the future growth of the business and generate improved shareholder returns. Under the Plan, directors may in their absolute discretion offer to grant options to eligible recipients. The options can be granted for nil consideration and carry rights in favour of the option holder to subscribe for one ordinary share for each option issued. Employees joining after commencement of the plan are eligible recipients and all shares issued on exercise of options rank equally with issued shares.

Initial Recognition and Measurement

The cost of these equity settled transactions is measured by reference to the fair value of the equity instruments at the date on which they are granted. The cost of such transactions is recognised as an expense, together with a corresponding increase in equity, over the period in which the performance conditions (where applicable) are fulfilled, ending on the date on which the relevant employee becomes fully entitled to the award ('vesting date').

Options are issued pursuant to the EEIP and have expiry dates of up to 36 months from their date of grant. The option pricing model values each vesting portion and accordingly the amortised share-based compensation disclosed in the Remuneration Report includes the apportioned value of any options held by the KMPs.

The charge or credit for a period represents the difference in the cumulative expense recognised at the beginning and end of that period and is reflected in Note 2(b).

The cumulative expense recognised for equity settled transactions at each reporting date until vesting reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors, will ultimately vest.

The Company has established a Share-Based Payment Reserve (SBPR). This reserve reflects the cumulative expense recognised from inception to the reporting date for all equity settled transactions.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

7. Share Based Payments cont'd

a) Employee and Executive Incentive Plan (EEIP) cont'd

Fair value of options granted

The fair value at grant date is determined using a binomial pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The model inputs for options granted include:

(i) Options are issued for nil consideration and on vesting are exercisable for up to one year.

(ii) The exercise price for all options granted to employees is nil cents per share.

(iii) Grant and expiry dates for each option issue are listed below.

(iv) Expected price volatility is in the range of 63 - 85%. Volatility was determined using data reports from Capital IQ and this data was utilised to value the options.

(v) Expected long term average dividend yield was nil% (2020: nil%).

Risk-free rates used were 1.9% for Tranche 1 and 2.1% for Tranches 2 and 3.

Details of share options issued under the EEIP are as follows:

2021 Grant Date	Expiry Date	Exercise Price Number	Balance at start of the year Number	Issued during the year Number	Exercised during the year Number	Lapsed / Forfeited during the year Number	Balance at the end of the year Number	Vested and exercisable at the end of the year Number
29 Mar 2018 Issue 12, 13 & 14	30 Sep 2022 [1]	Nil Cents	4,795,117	-	-	(913,356)	3,881,761	-
6 Aug 2018 Issue 15	30 Sep 2022 [1]	Nil Cents	513,763	-	-	(171,254)	342,509	-
4 Nov 2018 Issue 16, 17 & 18	30 Sep 2022 [1]	Nil Cents	342,508	-	-	(114,169)	228,339	-
4 Apr 2019 Issue 20	28 Jan 2021 [1]	Nil Cents	200,000	-	(200,000)	-	-	-
17 Jul 19 Issue 21	17 Jul 2022 [1]	Nil Cents	600,000	-	-	(600,000)	-	-
25 Jun 20 Issue 22	28 Jan 2024 [1]	Nil Cents	-	100	-	-	100	-
8 Nov 20	30 Sep 2022 [1]	Nil Cents	-	297,232	-	-	297,232	-
13 Nov 20	30 Sep 2022 [1]	Nil Cents	-	130,565	-	-	130,565	-
18 Nov 20	30 Sep 2022 [1]	Nil Cents	-	130,565	-	-	130,565	-
			6,451,388	558,462	(200,000)	(1,798,779)	5,011,071	-
Weighted Average Exercise Price			Nil	Nil	Nil	Nil	Nil	Nil

[1] The expiry date of these options is as per the vesting conditions outlined on pages 11-12.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

7. Share Based Payments cont'd

a) Employee and Executive Incentive Plan (EEIP) cont'd

Fair value of options granted cont'd

2020 Grant Date	Expiry Date	Exercise Price Number	Balance at start of the year Number	Issued during the year Number	Exercised during the year Number	Lapsed / Forfeited during the year Number	Balance at the end of the year Number	Vested and exercisable at the end of the year Number
29 Mar 2018 Issue 12, 13 & 14	30 Sep 2022 [1]	Nil Cents	6,336,405	-	-	(1,541,288)	4,795,117	-
6 Aug 2018 Issue 15	30 Sep 2022 [1]	Nil Cents	513,763	-	-	-	513,763	-
4 Nov 2018 Issue 16, 17 & 18	30 Sep 2022 [1]	Nil Cents	342,508	-	-	-	342,508	-
20 Feb 2019 Issue 19	30 Jun 2020 [1]	Nil Cents	100,000	-	(100,000)	-	-	-
4 Apr 2019 Issue 20	28 Jan 2021 [1]	Nil Cents	200,000	-	-	-	200,000	200,000
17 Jul 19 Issue 21	17 Jul 2022 [1]	Nil Cents	-	600,000	-	-	600,000	-
			7,492,676	**600,000**	**(100,000)**	**(1,541,288)**	**6,451,388**	**200,000**
Weighted Average Exercise Price			**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

The weighted average remaining contractual life for all outstanding options at the end of the financial year is 1.25 years (2020: 1.88 years).

There were no other options on issue during the financial year.

b) Payments for Services

There were no options issued for services during this or the previous financial year.

8. Remuneration of Auditors – BDO and related network firms

	Consolidated 2021 $	Consolidated 2020 $
Audit and assurance services:		
Audit and review of financial statements	**216,000**	227,500
Other assurance services	**2,400**	2,200
Total audit and assurance services	**218,400**	229,700
Other services:		
Taxation services	**27,218**	23,242
Taxation services – acquisition related	**8,850**	59,493
Total other services	**36,068**	82,735
Total	**254,468**	312,435

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

9. Trade and Other Receivables

	Consolidated 2021 $'000s	Consolidated 2020 $'000s
a) Current Receivables		
Trade receivables	**15,807**	7,573
Less expected credit loss	**(1,363)**	(611)
	14,444	6,962
Other receivables	**507**	-
	14,951	6,962

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any loss allowance. Trade receivables are generally due for settlement within a range of 30 - 120 days.

	Consolidated 2021 $'000s	Consolidated 2020 $'000s
b) Provision for expected credit loss		
Balance at 1 July	**611**	325
Charge for the year	**774**	909
Receivables balances written off	**(22)**	(623)
Balance at 30 June	**1,363**	611

The loss allowance is based on a simplified model of recognising lifetime expected credit loss immediately upon recognition. These provisions are considered representative across all customers based on recent sales experience, historical collection rates and forward-looking information that is available. The amount of the loss allowance is recognised in profit or loss. Where a debt is known to be uncollectable, it is considered a bad debt and is written off.

An adjustment to the provision of $774,749 (2020: $908,942) was recognised as an expense during the financial year.

At reporting date, the ageing analysis of past due but not impaired trade receivables was as follows:

Provision for expected credit loss	Expected credit loss rate %	Carrying amount $'000s	Allowances for expected credit losses $'000s
Not overdue	0.3%	7,398	20
0 to 60 days overdue	1.2%	2,326	27
60 to 90 days overdue	3.1%	1,545	48
Over 90 days overdue	27.9%	4,538	1,268
Balance at 30 June 2021		**15,807**	**1,363**

Other balances within trade and other receivables do not contain impaired assets, are not considered past due and it is assumed these balances will be settled in full.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

10. Property, Plant and Equipment

30 June 2021	2021 $'000s Studio	Equipment	Improvements	Total
Carrying Amount (Cost)				
Balance at start of the year	**6,532**	**4,548**	**3,889**	**14,969**
Acquired on business combination	1,048	92	-	1,140
Additions	4,362	1,448	1,281	7,091
Disposals	(264)	(722)	(406)	(1,392)
Balance at end of the year	**11,678**	**5,366**	**4,764**	**21,808**
Accumulated Depreciation				
Balance at start of the year	**2,013**	**2,089**	**1,029**	**5,131**
Disposals	(205)	(475)	(390)	(1,070)
Depreciation expense for the year	959	879	631	2,469
Balance at end of the year	**2,767**	**2,493**	**1,270**	**6,530**
Net Book Value				
Balance at start of the year	**4,519**	**2,459**	**2,860**	**9,838**
Balance at end of the year	**8,911**	**2,873**	**3,494**	**15,278**

30 June 2020	2020 $'000s Studio	Equipment	Improvements	Total
Carrying Amount (Cost)				
Balance at start of the year	2,984	3,656	3,392	10,032
Acquired on business combination	2,117	75	-	2,192
Additions	1,431	820	497	2,748
Disposals	-	(3)	-	(3)
Balance at end of the year	6,532	4,548	3,889	14,969
Accumulated Depreciation				
Balance at start of the year	1,473	1,639	558	3,670
Disposals	-	(1)	-	(1)
Depreciation expense for the year	540	451	471	1,462
Balance at end of the year	2,013	2,089	1,029	5,131
Net Book Value				
Balance at start of the year	1,511	2,017	2,834	6,362
Balance at end of the year	4,519	2,459	2,860	9,838

Recognition and Measurement

Property, Plant and Equipment

Property, plant and equipment is recorded at cost less accumulated depreciation. The carrying value of property, plant and equipment is reviewed for impairment at each reporting date. An asset's carrying value is written down immediately to its recoverable value, if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

10. Property, Plant and Equipment cont'd

Recognition and Measurement cont'd

Depreciation

Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessment for major items.

Depreciation is provided on a straight-line basis so as to write down the cost of assets in use, net of residual values over their expected useful life.

The expected useful life of property, plant and equipment is as follows:

- Studio facilities 8 years
- Computer equipment 4 years
- Motor vehicles 5 years
- Office equipment 5 years
- Plant and equipment 4 - 10 years
- Improvements 7 years

11. Deferred Tax Assets and Liabilities

a) Deferred tax assets

	Consolidated	
	2021	2020
	$'000s	$'000s
Deferred tax asset comprises temporary differences attributable to:		
Amount recognised in profit or loss		
Expected credit loss allowance	**409**	183
Employment provisions	**607**	429
Lease liabilities	**341**	85
Provision for make good	**153**	80
Accrued / other expenses	**555**	427
Deferred tax asset	**2,065**	1,204

b) Deferred tax liabilities

	Consolidated	
	2021	2020
	$'000s	$'000s
Prepayments	**30**	68
Intangible assets	**8,270**	6,890
Other deductions	**1,447**	-
	9,747	6,958

Information on the accounting policy for income and other taxes is disclosed in Note 5 of the financial statements.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

12. Right-of-use assets and lease liabilities

The Group leases various property across Australia. The non-cancellable period for these leases is generally between 1 – 10 years.

Extension options are included in a number of the Group's lease agreements, which are used to maximise operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group does not have any options to purchase leased assets. Increases clauses are in line with market practices and include inflation-linked, fixed rates, resets to market rents and hybrids of these.

The carrying value of the right-of-use assets and lease liabilities is presented below:

a) Right-of-use assets

	30 June 2021 $'000s	30 June 2020 $'000s
Cost	**22,636**	14,863
Accumulated depreciation	**(3,087)**	(1,597)
Carrying Value	**19,549**	13,266

Reconciliation of net book values

	Premises $'000s	**Transmitter sites $'000s**	**Total $'000s**
Balance at 1 July 2020	**11,325**	**1,941**	**13,266**
Additions, modifications and other reassessments of leases	3,813	2,650	6,463
Acquired through business combinations	-	1,822	1,822
Depreciation	(1,375)	(627)	(2,002)
Balance at 30 June 2021	**13,763**	**5,786**	**19,549**

	Premises $'000s	Transmitter sites $'000s	Total $'000s
Balance at 1 July 2019	-	-	-
Adoption of AASB 16	12,076	783	12,859
Additions, modifications and other reassessments of leases	608	1,396	2,004
Depreciation	(1,359)	(238)	(1,597)
Balance at 30 June 2020	11,325	1,941	13,266

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

12. Right-of-use assets and lease liabilities cont'd

b) Lease liabilities

	30 June 2021 $'000s	30 June 2020 $'000s
Current	**1,735**	936
Non-current	**18,890**	12,613
Total	**20,625**	13,549

Reconciliation of movement in lease liabilities

	Premises $'000s	**Transmitter sites $'000s**	**Total $'000s**
Balance at 1 July 2020	**11,588**	**1,961**	**13,549**
New and modified leases	2,430	1,747	4,177
Acquired through business combinations	-	1,863	1,863
Cash payments	816	632	1,448
Interest expense	(243)	(169)	(412)
Balance at 30 June 2021	**14,591**	**6,034**	**20,625**

	Premises $'000s	Transmitter sites $'000s	Total $'000s
Balance at 1 July 2019	-	-	-
Adoption of AASB 16	11,810	782	12,592
New and modified leases	608	1,397	2,005
Cash payments	(1,165)	(273)	(1,438)
Interest expense	335	55	390
Balance at 30 June 2020	11,588	1,961	13,549

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

13. Investments accounted using the equity method

	Consolidated	
	2021	2020
	$'000s	$'000s
Digital Radio Broadcasting Melbourne Pty Ltd	**95**	**144**
Melbourne United Basketball Club Pty Ltd	**962**	**807**
	1,057	**951**

Recognition and Measurement

Investments in associates are accounted for in the financial statements by applying the equity method of accounting. The equity method of accounting reflects the treatment of equity investments in associate companies. An investor's proportional share of the associate company's net income increases the investment (and a net loss decreases the investment), and proportional payments of dividends decrease it. In the investor's income statement, the proportional share of the investee's net income or net loss is reported as a single-line item. Accordingly, investments in associates are carried in the Statement of Financial Position at cost plus any post-acquisition changes in the share of net assets of the associate less any impairment in value. When the business has significant influence over an entity that is not jointly controlled, it is deemed an associate.

Investments in Controlled Entities and Associates

Digital Radio Broadcasting Melbourne Pty Limited

The shareholding in Digital Radio Broadcasting Melbourne Pty Limited ("DRBM") is accounted for using the equity method of accounting and the current shareholding is 9.09% (2020: 18.2%). In July 2020, the Group disposed of 9.09% of its shareholding in DRBM as part of its disposal of the 1377AM radio broadcasting licence it owned. The Company is considered to have significant influence due to its voting rights. For the reporting period, the company recorded an increase in the value of the investment of $0.023 million (2020: increase of $0.017 million) attributable to its share of profits.

Information relating to the associate is set out below:

	Consolidated	
	2021	2020
	$'000s	$'000s
Associate gross assets and liabilities		
Current assets	**655**	402
Non-current assets	**522**	434
Total assets	**1,177**	836
Current liabilities	**113**	19
Non-current liabilities	**71**	71
Total liabilities	**184**	90
Net assets	**993**	746
Associate gross revenue, expenses and results		
Revenues	**1,560**	1,474
Expenses	**1,307**	1,378
Profit for the year before tax	**253**	96
Share of Profit for the year	**23**	17

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

13. Investments accounted using the equity method cont'd

Investments in Controlled Entities and Associates cont'd

Melbourne United Basketball Club Pty Limited

The shareholding in Melbourne United Basketball Club Pty Limited is accounted for using the equity method of accounting and the current shareholding is 25% (2020: 25%). The Company is considered to have significant influence due to its voting rights. For the reporting period, the company recorded an increase in the value of the investment of $0.154 million (2020: decrease of $0.004 million) attributable to its share of profits.

Information relating to the associate is set out below.

	Consolidated	
	2021	2020
	$'000s	$'000s
Associate gross assets and liabilities		
Current assets	**2,469**	2,516
Non-current assets	**710**	671
Total assets	**3,179**	3,187
Current liabilities	**3,186**	2,785
Non-current liabilities	**162**	414
Total liabilities	**3,348**	3,199
Net assets	**(169)**	(12)
Associate gross revenue, expenses and results		
Revenues	**8,955**	11,230
Expenses	**(8,338)**	(11,246)
Profit / (Loss) for the year before tax	**617**	(16)
Share of Profit / (Loss) for the year	**154**	(4)

14. Assets classifies as held for sale

Assets classified as held for sale

	Consolidated	
	2021	2020
	$'000s	$'000s
Radio licences - indefinite useful life	**-**	5,020
Total Radio licences	**-**	5,020

1377AM Melbourne Radio Broadcasting Licence

On 16 July 2020, the Group completed the sale of the 1377AM commercial radio broadcasting licence for a cash consideration of $4.478 million plus an offset of liabilities which were transferred to the purchaser. This resulted in a $0.542 million loss on disposal of the radio licence. Associated transmitter site equipment was also disposed of for a loss of $0.075 million, along with the investment held in D R B Melbourne Pty Ltd which resulted in loss of $0.072 million. The losses noted have been recognised in the Statement of Profit or Loss and Other Comprehensive Income

The disposal of the radio licence along with the accompanied transmitter site equipment, and the investment held in D R B Melbourne Pty Ltd, did not result in the discontinuation of operations, as the Group radio station programming previously broadcast on the 1377AM radio licence immediately commenced on the newly acquired radio broadcasting licence Melbourne 1593AM.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

15. Intangible Assets

	30 June 2021 $'000s	** Restated* 30 June 2020 $'000s
Broadcasting & Media Australia		
Goodwill – indefinite useful life	**8,771**	6,609
Radio licences - indefinite useful life	**23,355**	8,538
Patents and trademarks – indefinite useful life	**150**	138
Broadcast rights – finite useful life	**8,242**	8,242
Broadcast rights – amortisation	**(2,679)**	(1,854)
	5,563	6,388
Supplier relationships – finite useful life	**6,467**	6,467
Supplier relationships – amortisation	**(2,102)**	(1,455)
	4,365	5,012
Customer relationships – finite useful life	**146**	146
Customer relationships – amortisation	**(37)**	-
	109	146
Website and computer software – finite useful life	**1,923**	1,519
Website and computer software – amortisation	**(834)**	(435)
	1,089	1,084
Total Broadcasting & Media Australia	**43,402**	27,915
Broadcasting & Media New Zealand		
Radio licences - indefinite useful life	**2,191**	-
Patents and trademarks – indefinite useful life	**2**	-
Total Broadcasting & Media New Zealand	**2,193**	-
Regional Radio Licences		
Radio licences - indefinite useful life	**2,570**	4,172
Total Regional Radio Licences	**2,570**	4,172
AFL Record		
Goodwill – indefinite useful life	**2,468**	2,468
Brand and distribution rights – indefinite useful life	**7,958**	7,958
Total AFL Record	**10,426**	10,426
Complementary Services		
Talent contracts – finite useful life	**1,429**	1,429
Talent contracts – amortisation	**(456)**	(218)
	973	1,211
Total Complementary Services	**973**	1,211
Total Intangible Assets	**59,564**	43,724

** Comparative period was restated for finalisation of provisional accounting of Business combination. Refer to note 30.*

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

15. Intangible Assets cont'd

a) Reconciliation of net book value

Net Book Value	Goodwill $'000s	Brand and distribution rights $'000s	Radio licences $'000s	Broadcast rights $'000s	Supplier relationships $'000s	Talent Contracts $'000s	Patents and Trademarks $'000s	Customer relationships $'000s	Websites and Computer software $'000s	Total $'000s
Balance at 1 July 2020	**9,077**	**7,958**	**12,710**	**6,388**	**5,012**	**1,211**	**138**	**146**	**1,084**	**43,724**
Acquired on business combination	2,162	-	6,354	-	-	-	-	-	-	8,516
Additions[1]	-	-	9,052	-	-	-	14	-	404	9,470
Amortisation	-	-	-	(825)	(647)	(238)	-	(37)	(399)	(2,146)
Balance at 30 June 2021	**11,239**	**7,958**	**28,116**	**5,563**	**4,365**	**973**	**152**	**109**	**1,089**	**59,564**

Net Book Value	Goodwill $'000s	Brand and distribution rights $'000s	Radio licences $'000s	Broadcast rights $'000s	Supplier relationships $'000s	Talent Contracts $'000s	Patents and Trademarks $'000s	Customer relationships $'000s	Websites and Computer software $'000s	Total $'000s
Balance at 1 July 2019	8,358	7,958	8,169	8,120	6,507	-	132	-	482	39,726
Acquired on business combination	5,759	-	-	-	-	1,429	-	-	-	7,188
Additions	-	-	7,316	-	-	-	6	-	861	8,183
Cancellation	-	-	-	(805)	(751)	-	-	-	-	(1,556)
Amortisation	-	-	-	(927)	(744)	(218)	-	-	(259)	(2,148)
Impairment	(3,366)	-	-	-	-	-	-	-	-	(3,366)
Reclassifications – held for sale [2]	-	-	(5,020)	-	-	-	-	-	-	(5,020)
Restatement on the finalisation of business combination [3]	(1,674)	-	2,245	-	-	-	-	146	-	717
Balance at 30 June 2020	9,077	7,958	12,710	6,388	5,012	1,211	138	146	1,084	43,724

[1] Additions includes the acquisition of the 3 narrowband radio licences (1539AM Sydney, 1593AM Melbourne and 90.7FM Darwin) on 1 July 2020 for $6.180 million, and the acquisition of the 29 AM/FM radio licences in New Zealand on 4 June 2021 for $2.191 million.

[2] At 30 June 2020, the 1377AM Melbourne radio broadcasting licence held by the Group was reclassified as held for sale.

[3] Comparative period was restated to reflect the finalisation of provisional accounting for the Spirit Bunbury Business combination. Refer Note 30.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

15. Intangible Assets cont'd

b) Recognition and Measurement

Intangible assets with an indefinite useful life

Radio licences

Radio licences are stated at cost. In Australia, analogue licences are renewed for a minimal cost every five years under the provisions of the *Broadcasting Services Act 1992*. In New Zealand, the Group holds two types of licences under the *Radiocommunications Act 1989* and its regulations: spectrum licences for broadcasting, which are renewed every 10 years for a minimal cost, and radio licences for fixed radio links, which are renewed annually at minimal cost.

Licences are a tradeable commodity and have an underlying value, which is ultimately determined by agreement between vendor and purchaser. Directors understand that the revocation of a radio licence has never occurred in Australia and New Zealand have no reason to believe the licences have a finite life. These licences are not amortised since in the opinion of the Directors the licences have an indefinite useful life.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business less accumulated impairment losses.

Patents and trademarks

Patents and trademarks are not amortised as they are determined to relate to the indefinite useful life of the radio licences.

Brand and distribution rights

Brand and distribution rights are carried at cost. The rights provide the Group access to the usage of the AFL brand for the publication of AFL Record, and access to all stadia where AFL fixtures are held for the sale of the publications. Brand and distribution rights acquired through the purchase of the AFL Publications business have been assessed as having indefinite useful lives. This assessment reflects the purchase agreement which stipulates that the rights to branding and distribution will be ongoing whilst the publication continues to be in circulation. Management's intention is to continue to utilise these rights into the foreseeable future.

Intangible assets with an indefinite useful life are tested for impairment annually and at each reporting date to assess whether there is an indication that the carrying value may be impaired.

Intangible assets with a finite useful life

Intangible assets with a finite life such as websites, computer software, supplier relationships, customer relationships, talent contracts, and broadcast rights are amortised on a systematic basis over their expected useful life.

The following estimated useful life is used in determining the amortisation cost for tangible assets with a finite life:

- Websites – 5 years
- Computer software – 5 years
- Supplier relationships – 10 years
- Talent contracts – 6 years
- Broadcast rights – 10 years

The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit or Loss and Other Comprehensive Income in the line item 'Depreciation and amortisation'.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

15. Intangible Assets cont'd

c) Intangible Asset Impairment

Goodwill and intangible assets with an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Other intangible assets are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of 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 which the estimates of future cash flows have been adjusted.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or groups of assets (cash generating units).

Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis and an assessment of the recoverable amount of the intangible is made each reporting period to ensure this is not less than its carrying amount.

Intangibles are tested annually for impairment at CGU level. Intangibles have been allocated to four CGUs for impairment testing as follows:

	Radio Licences	Goodwill	Patents and Trademarks	Brand and distribution rights	Total
2021	**$'000s**	**$'000s**	**$'000s**	**$'000s**	**$'000s**
Broadcasting & Media Australia	**23,355**	**8,771**	**150**	**-**	**32,276**
Broadcasting & Media New Zealand	**2,191**	**-**	**2**	**-**	**2,193**
Regional Radio Licences	**2,570**	**-**	**-**	**-**	**2,570**
Publications	**-**	**2,468**	**-**	**7,958**	**10,426**
	28,116	**11,239**	**152**	**7,958**	**47,465**

	Radio Licences	Goodwill	Patents and Trademarks	Brand and distribution rights	Total
2020	$'000s	$'000s	$'000s	$'000s	$'000s
Broadcast & Media Australia	8,538	6,609	138	-	15,285
Regional Radio Licences	4,172	-	-	-	4,172
Publications	-	2,468	-	7,958	10,426
	12,710	9,077	138	7,958	29,883

Intangibles are tested annually for impairment at CGU level with the recoverable amount of the Broadcasting and Media for Australia and New Zealand, and the Publications CGUs determined based on the value in use method. The recoverable amount of Regional Radio Licences have been determined based on fair value less cost of disposal ("FVLCD").

The recoverable amount of the Broadcasting & Media CGUs for Australia and New Zealand, and the Publications CGU have been determined based on value in use calculations, using a discounted cash flow methodology which requires the use of assumptions. The calculations use cash flow projections based on the annual budget and adjusted cash flow forecasts over five years. Cash flows beyond the forecast period are extrapolated using the estimated growth rates stated below.

The Group considered the following three scenarios, each carrying a probability weighting to determine a recoverable amount:

- Base case – The Group's budgeted Underlying EBITDA for the year ending 30 June 2022
- Lower case – A % reduction applied against the Base case revenue budgeted
- Worst case - A further % reduction applied against the Base case revenue budgeted

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

15. Intangible Assets cont'd

c) Intangible Asset Impairment cont'd

The key assumptions under each scenario are as follows:

Broadcasting & Media Australia CGU

Key assumption	Worst Case	Lower Case	Base Case
Approach	Base case less a reduction in revenue of 30% in Year 1, improving over Years 2, 3, and 4 before a 10% reduction to revenue in Year 5.	Base case less a reduction in revenue of 20% in Year 1, improving over Years 2, 3, and 4 before a 5% reduction to revenue in Year 5.	Based on the Group's budget for the Media & Content Australia CGU on management's forecasts and using assumptions around the impact of COVID-19, market growth, market share, and adjusting for past performances and market trends.
Long term growth rate	5.00%	5.00%	5.00%
Terminal growth rate	2.50%	2.50%	2.50%
Discount rate (post-tax)	10.46%	10.46%	10.46%
Probability weighting	5%	15%	80%
Headroom / (Deficit)	$(62.031) million	$(14.835) million	$29.575 million
Probability weighted headroom			$18.333 million

The Group concluded the recoverable amount resulting from the value in use methodology is appropriate in supporting the carrying value of the Broadcasting & Media Australia CGU and no impairment was recognised for the year ended 30 June 2021.

Broadcasting & Media New Zealand CGU

Key assumption	Worst Case	Lower Case	Base Case
Approach	Base case less a reduction in revenue of 30% in Year 1, improving over Years 2, 3, and 4 before a 10% reduction to revenue in Year 5.	Base case less a reduction in revenue of 20% in Year 1, improving over Years 2, 3, and 4 before a 5% reduction to revenue in Year 5.	Based on the Group's budget for the Media & Content New Zealand CGU on management's forecasts and using assumptions around market growth, market share, and adjusting for expected performances in a new market for the Group.
Long term growth rate	10.00%	10.00%	10.00%
Terminal growth rate	2.50%	2.50%	2.50%
Discount rate (post-tax)	10.46%	10.46%	10.46%
Probability weighting	10%	30%	60%
Headroom	$10.130 million	$15.205 million	$20.247 million
Probability weighted headroom			$17.722 million

The Group concluded the recoverable amount resulting from the value in use methodology is appropriate in supporting the carrying value of the Broadcasting & Media New Zealand CGU and no impairment was recognised for the year ended 30 June 2021.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

15. Intangible Assets cont'd

c) Intangible Asset Impairment cont'd

Publications CGU

Key assumption	Worst Case	Lower Case	Base Case
Approach	Base case less a reduction in revenue of 30% in Year 1, improving over Years 2, 3, and 4 before a 10% reduction to revenue in Year 5.	Base case less a reduction in revenue of 20% in Year 1, improving over Years 2, 3, and 4 before a 5% reduction to revenue in Year 5.	Based on the Group's budget for the Publications CGU on management's forecasts and using assumptions around the impact of COVID-19, market growth, market share, and adjusting for past performances and market trends.
Long term growth rate	2.00%	2.00%	2.00%
Terminal growth rate	1.50%	1.50%	1.50%
Discount rate (post-tax)	10.46%	10.46%	10.46%
Probability weighting	5%	15%	80%
Headroom / (Deficit)	$(5.014) million	$(1.377) million	$3.819 million
Probability weighted headroom			$2.598 million

The Group concluded the recoverable amount resulting from the value in use methodology is appropriate in supporting the carrying value of the Publications CGU and no impairment was recognised for the year ended 30 June 2021. Management performed sensitivity analysis on the value in use of the Publications CGU through the 3 above scenarios (Base Case, Lower Case, and Worst Case).

Regional Radio Licences

The recoverable amount for the Regional Radio Licences CGU has been determined based on the Fair Value Less Cost of Disposal method. As the licences are not currently generating their own cash flows, management have determined that Fair Value Less Cost of Disposal ("FVCLD") as the appropriate method of valuation until the licences are activated and generating cash flows.

The Group determined and concluded the recoverable amount resulting from the FVLCD methodology is appropriate in supporting the carrying value of the Regional Radio Licence CGU and no impairment was recognised for the year ended 30 June 2021. It is Management's intention to activate these radio licences in the next 12 to 24 months to continue the Group's expansion of nationally owned radio platforms and mass audience reach.

16. Trade and Other Payables

	Consolidated	
	2021	2020
	$'000s	$'000s
Trade payables - current	**7,435**	7,098
PAYG payable - current	**633**	378
GST payable - current	**601**	3
Other creditors and accruals – current	**6,702**	3,088
Deferred consideration on radio licences and equipment – current	**3,316**	-
Total current	**18,687**	10,567
Deferred consideration on radio licences and equipment – non-current	**1,495**	-
Total non-current	**1,495**	-
	20,182	10,567

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

16. Trade and Other Payables cont'd

Recognition and Measurement

Trade and Other Payables

Trade payables and other payables are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. Trade and other payables are initially measured at fair value, and subsequently amortised at cost.

17. Provisions

	Consolidated	
	2021	2020
	$'000s	$'000s
Employee provisions - current	**1,817**	1,197
Total current	**1,817**	1,197
Employee provisions – non-current	**335**	232
Lease make good provisions – non-current	**441**	267
Total non-current	**776**	499
	2,593	1,696

Recognition and Measurement

Employee benefits provisions

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly 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 are 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 periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Lease make good provisions

The lease make good provision includes the Group's best estimate of the amount required to return the Group's leased premises to their original condition.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

18. Borrowings

	Consolidated	
	2021	2020
	$'000s	$'000s
Bank loan- current	**15,929**	5,913
Bank loan – non-current	**624**	8,906
	16,553	14,819

Recognition and Measurement

Borrowing costs are recognised as an expense in the statement of profit or loss in the period in which they are incurred.

Debt Facility Maturity and Extension

The Group's debt facility with the Commonwealth Bank of Australia which was due to expire on 31 August 2021 has been successfully renewed for another 3 years. The total of the new facility will be $28.700 million (previously $28.600 million) and will have a maturity date of 31 August 2024.

As a result of the previous facility's 31 August 2021 maturity date, the debt facility has been classified as a current liability in accordance with the relevant accounting standards despite the successful extension for another 3 years being completed subsequent to the reporting period. The facility will revert to a non-current classification in the Statement of Financial Position from the next reporting period.

Debt Covenants

The Group was fully compliant with banking covenants for the final three quarters of the financial year ended 30 June 2021. As a result of the economic impact of COVID-19, the Company was provided a banking covenant waiver as part of the debt funding facility extension in June 2020, whereby it allowed the Company to breach the existing covenant requirements until 31 March 2021. This waiver was only utilised for the September 2020 quarter, with the remaining three quarters covenants being met.

Debt Security

CBA have first ranking security over all assets of the Company and its subsidiaries.

Debt Facility - Financial Undertakings

The agreement under which the Commonwealth Bank of Australia facilities have been made available contains financial undertakings typical for facilities of this nature.

The undertakings include financial undertakings that are to be tested at financial year end and financial half-year end based on the preceding 12-month period.

The financial undertakings relate to both leverage and interest coverage and include:

- Annual financial statements to be provided by 30 November of each calendar year;
- Group management accounts to be provided within 45 days of end of the quarter;
- Compliance certificate to be provided within 45 days of each calendar quarter;
- Budgets for next financial year to be provided by 31 July each year; and
- ASX notices are to be advised within seven days of release to the market.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

19. Issued Capital

Contributed Equity

	2021 No.	2020 No.
Number of shares on issue	**231,101,056**	213,604,963
	$'000s	$'000s
Total amount paid on these shares	**61,473**	57,209

	2021 No. '000s	2021 $'000s	2020 No. '000s	2020 $'000s
Fully Paid Ordinary Share Capital				
Balance at beginning of financial year	**213,605**	**57,209**	202,941	54,716
Issue of shares – EEIP	**714**	**193**	100	31
Issue of shares – Business Combination	**10,000**	**2,780**	1,786	500
Issue of shares – Placement	**-**	**-**	8,778	1,975
Issue of shares – Non-renounceable rights offer	**6,782**	**1,526**	-	-
Share issue costs	**-**	**(235)**	-	(13)
Total issued shares during the year	**17,496**	**4,264**	10,664	2,493
Balance at the end of the year	**231,101**	**61,473**	213,605	57,209

Recognition and Measurement

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity.

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up in proportion to the number of and amounts paid on shares held.

The fully paid ordinary shares have no par value.

Terms and Conditions of Issued Capital Ordinary Shares

Ordinary shareholders have the right to receive dividends as declared and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number and amounts of paid up shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy at a meeting of shareholders.

Details of share options on issue are disclosed in Note 7.

20. Accumulated losses

	Consolidated 2021 $'000s	Consolidated 2020 $'000s
Balance at 1 July	**(15,975)**	(11,615)
Net profit / (loss)	**2,043**	(4,360)
Balance at 30 June	**(13,932)**	(15,975)

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

21. Reserves

	Consolidated	
	2021	2020
	$'000s	$'000s
Share based payments reserve	**1,156**	992
Foreign currency translation reserve	**(11)**	-
	1,145	992

Share based payments reserve

The Share based payments reserve arises on the grant of performance rights to executives and non-executive management under the Company's performance rights plan. Further information about share based payments is in note 7 of the financial statements.

Foreign currency translation reserve

Exchange differences relating to the translation of the Group's foreign controlled entities from their functional currencies into Australian dollars are brought to account directly to the foreign currency translation reserve, as described in note 1 of the financial statements.

22. Earnings per Share

Basic and diluted earnings / (loss) per Share

The profit / (loss) and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2021	2020
Weighted average number of ordinary shares on issued for calculation of:	**No. '000s**	No. '000s
Basic ordinary shares	**230,458**	204,504
Diluted ordinary shares	**236,415**	204,504
	$'000s	$'000s
Profit / (Loss) for the year	**2,043**	(4,360)
Basic earnings / (loss) (cents per share)	**0.89**	(2.13)
Diluted earnings / (loss) (cents per share)	**0.86**	(2.13)

Recognition and Measurement

(i) Basic earnings / (loss) per Share

Basic earnings / (loss) per share is determined by dividing the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary share issues during the year.

(ii) Diluted earnings / (loss) per Share

Diluted earnings / (loss) per share adjusts the amounts used in determining basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shareholders and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

23. Contingent Assets and Liabilities

The Company and its subsidiaries are not engaged in any litigation proceedings, which could have a material impact on the result for future reporting periods.

24. Controlled Entities

Entity – Investment in ordinary shares	Country of Incorporation	Ownership Interest 2021 %	Ownership Interest 2020 %
Parent Entity			
Sports Entertainment Group Limited (Formerly Pacific Star Network Limited)	Australia	**100**	100
Controlled Entities			
Victorian Radio Network Pty Ltd	Australia	**100**	100
Malbend Pty Ltd	Australia	**100**	100
Sports Entertainment Network International Pty Ltd (Formerly Morrison Media Services Pty Ltd)	Australia	**100**	100
Inside Football Pty Ltd	Australia	**100**	100
Sports Entertainment Network Pty Ltd (Formerly Crocmedia Pty Ltd)	Australia	**100**	100
Thread Communications Pty Ltd	Australia	**100**	100
Ballpark Entertainment Pty Ltd	Australia	**100**	100
Bravo Management Pty Ltd	Australia	**100**	100
AFL Nation Pty Ltd	Australia	**100**	100
Rapid TV Pty Ltd	Australia	**100**	100
Rapid Broadcast Pty Ltd	Australia	**100**	100
EON 2CH Pty Ltd	Australia	**100**	-
Radio 2CH Pty Ltd	Australia	**100**	-
Sports Entertainment Network NZ Limited	New Zealand	**100**	-
Associate			
Digital Radio Broadcasting Melbourne Pty Ltd	Australia	**9**	18
Melbourne United Basketball Club Pty Ltd	Australia	**25**	25

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

25. Segment Information

The company operates in the Media industry in Australia and New Zealand.

There are four operating segments – Media Australia, Media New Zealand, Complementary Services, and Head Office.

AASB 8 requires operating segments to be disclosed in a manner that reflects the management information reviewed by the Chief Operating Decision Makers ("CODM"). The financial performance of each segment is reviewed by CODM at the level of earnings before interest, tax, depreciation and amortisation (EBITDA), pre AASB 16 Leases adjustments.

Segment Reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. Accordingly, reporting segments have been determined based on business and cash generating units at the reporting date, as this forms the basis of reporting to the Board (CODM).

Unallocated items

Income tax expense is not allocated to operating segments as it is not considered part of the core operations of any segment.

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board, being the CODM with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Company.

Intersegment transactions

Internally determined management fees are set for intersegment activities and all such transactions are eliminated on consolidation of the financial statements.

30 June 2021	Media Australia $'000s	Media New Zealand $'000s	Complem-entary $'000s	Head Office $'000s	Total $'000s
Segment Revenue	**66,948**	**-**	**5,718**	**1,054**	**73,720**
Underlying EBITDA pre AASB 16	**13,877**	**(72)**	**341**	**(4,713)**	**9,433**
Rent expense adjustment from AASB 16	**415**	**-**	**-**	**1,274**	**1,689**
Depreciation & Amortisation	**(3,331)**	**-**	**(371)**	**(3,140)**	**(6,842)**
Earnings before interest, tax & significant items	**10,961**	**(72)**	**(30)**	**(6,579)**	**4,280**
Net finance cost	**-**	**-**	**-**	**(1,183)**	**(1,183)**
Loss on disposal of intangibles & property plant and equipment	**(617)**	**-**	**-**	**(73)**	**(690)**
Loss on disposal of investment in joint venture	**(72)**	**-**	**-**	**-**	**(72)**
Significant / restructuring costs	**1,092**	**(28)**	**28**	**(342)**	**750**
Segment profit / (loss) before tax	**11,364**	**(100)**	**(2)**	**(8,177)**	**3,085**

30 June 2020	Media Australia $'000s	Media New Zealand $'000s	Complem-entary $'000s	Head Office $'000s	Total $'000s
Segment Revenue	53,959	-	11,062	1,764	66,785
Underlying EBITDA pre AASB 16	7,121	-	302	(2,928)	4,495
Rent expense adjustment from AASB 16	307	-	-	1,305	1,612
Depreciation & Amortisation	(552)	-	(219)	(4,514)	(5,285)
Earnings before interest, tax & significant items	6,876	-	83	(6,137)	822
Net finance cost	-	-	-	(866)	(866)
Impairment of Broadcasting & Media Goodwill	(3,366)	-	-	-	(3,366)
Loss on cancellation of intangible assets	(1,556)	-	-	-	(1,556)
Significant / restructuring costs	(18)	-	-	(309)	(327)
Segment profit / (loss) before tax	1,936	-	83	(7,312)	(5,293)

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

26. Related Party Disclosures

a) Equity Interests in Related Parties

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 24 of this report. Details of interests in associates and loans due from associates are disclosed in Note 13.

b) Remuneration and Retirement Benefits

Details of Key Management Personnel remuneration is disclosed in the Directors' Report and Note 6.

c) Transactions with Key Management Personnel

The Company has an agreement with Craig Hutchison Media Pty Ltd for the provision of talent appearances and services totalling $550,000 per annum, with the negotiated adjustment from $400,000 being effective from 1 November 2020. This agreement is made on normal commercial terms and conditions.

Profit before income tax includes the following expense resulting from transactions with directors or their director-related entities:

	Consolidated	
	2021	2020
	$	$
Talent & Consulting services	**500,000**	400,000
Total	**500,000**	400,000

d) Parent Entity

The parent entity in the consolidated entity is Sports Entertainment Group Limited.

The parent entity in the wholly-owned group is Sports Entertainment Group Limited.

The ultimate Australian parent entity is Sports Entertainment Group Limited.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

27. Note to The Statement of Cash Flows

a) Reconciliation of Cash

	Consolidated	
	2021	2020
	$'000s	$'000s
Cash assets	**5,324**	7,652

b) Reconciliation of Profit/(Loss) after Income Tax to Net Cash Flows from Operating Activities

	Consolidated	
	2021	2020
	$'000s	$'000s
Net profit / (loss) profit after income tax	**2,043**	(4,360)
Depreciation and amortisation of non-current assets	**6,842**	5,285
Intangibles impairment and asset write-off	**-**	3,366
Loss on cancellation of intangible assets	**-**	1,556
Loss on disposal of intangible assets	**542**	-
Loss on disposal of investments	**72**	-
Share based payments – EEIP	**357**	82
Prepaid advertising revenue from AFL Publications acquisition	**(400)**	(400)
Loss on disposal of non-current assets	**148**	2
Profit on investment in associates	**(177)**	(13)
Change in operating assets and liabilities (net of effects from acquisition of businesses):		
- (increase) / decrease in receivables and prepayments	**(7,935)**	7,020
- increase in deferred tax assets	**(829)**	(468)
- increase in payables	**4,457**	2,903
- increase / (decrease) in provisions	**786**	(477)
- increase in deferred revenue	**528**	2
- decrease in current tax liabilities	**(735)**	(451)
- increase / (decrease) in deferred tax liabilities	**882**	(1,214)
Net cash inflows from operating activities	**6,581**	12,833

c) Recognition and Measurement

Cash and Cash Equivalents

For statement of cash flows presentation purposes, cash and cash equivalents includes cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

28. Parent Entity Disclosures

	Parent Entity	
	2021	2020
	$'000s	$'000s
Result of the Parent Entity		
Loss for the year after tax	**(1,493)**	(3,481)
Total comprehensive loss for the year	**(1,493)**	(3,481)
Summarised Statement of Financial Position		
Current Assets	**111**	2,061
Total Assets	**57,932**	47,979
Current Liabilities	**(18,338)**	(6,862)
Total Liabilities	**(28,094)**	(21,076)
Net Assets	**29,838**	26,903
Share Capital	**61,473**	57,209
Share Based Payment Reserve	**1,156**	992
Accumulated Losses	**(32,791)**	(31,298)
Total Equity	**29,838**	26,903

The Company has not provided any guarantees at reporting date (2020: Nil). There were also no contingent liabilities or capital commitments at reporting date (2020: Nil).

29. Events subsequent to reporting date

Acquisition of Perth Wildcats

On 8 August 2021, the Group completed the acquisition of 100% of the Perth Wildcats basketball team for a purchase consideration of $8.500 million less working capital adjustments of $0.854 million for a net cash consideration of $7.646 million which was paid upon completion. The Group has acquired all assets and liabilities of the existing operations of the Wildcats.

The Wildcats are the most successful NBL team with 10 championships and one of the world's most successful sporting franchises, having recently secured their 35th consecutive NBL finals appearance.

Aligning with its "Whole of Sport" strategy, the Wildcats will enhance the Group's ability to enrich the lives of sports fans and connect brands to those fans, while providing significant strategic value to the Group's operations, particularly in Western Australia where it will support other investments which have been made in the last 12 months.

As a result of the acquisition, and with the Group having a 25% ownership of a fellow NBL basketball club, the Group has proposed to dilute or divest its current 25% shareholding in Melbourne United and CEO and Managing Director, Craig Hutchison has resigned from his position as Co-Chairman of the team.

Due to the proximity of the acquisition to the release of the financial statements, the Group has not yet completed the purchase price allocation for the acquisition. The Group is still performing its purchase price allocation for the acquisition and will include a provisional fair value assessment for the acquisition in the financial statements of the Group for the half year ending 31 December 2021.

Debt Facility Extension

The Group's debt facility with the Commonwealth Bank of Australia which was due to expire on 31 August 2021 has been successfully renewed for another 3 years. The total of the new facility will be $28.700 million (previously $28.600 million) and will have a maturity date of 31 August 2024.

As a result of the previous facility's 31 August 2021 maturity date, the debt facility has been classified as a current liability in accordance with the relevant accounting standards despite the successful extension for another 3 years being completed subsequent to the reporting period. The facility will revert to a non-current classification in the Statement of Financial Position from the next reporting period.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

30. Business Combinations

EON 2CH Pty Ltd

On 1 July 2020, the Group acquired 100% of the shares in EON 2CH Pty Ltd (EON), for a cash consideration of $5.000 million upon completion on 1 July 2020, and a scrip consideration of $2.780 million in fully paid ordinary shares in the Company.

EON is the owner of all the shares in the licensee of the 2CH 1170AM radio broadcasting licences in Sydney, NSW. 2CH operates a music broadcast format with 3.8% audience share in metropolitan Sydney, NSW, Australia's largest radio advertising market. The acquisition expands the Group's owned radio platform and audience reach into Sydney.

Details of the purchase consideration, and fair values of the net assets acquired and goodwill at the date of acquisition are as follows:

	Fair Value $'000s
Fair Values of assets and liabilities assumed at the date of acquisition	
Cash and cash equivalents	228
Trade and other receivables	331
Prepaid expenses	19
Property, plant and equipment	1,140
Deferred tax assets – on employee liabilities	33
Right-of-use assets	1,822
Intangibles – broadcasting radio licence	6,354
Trade and other payables	(436)
Provision for employee benefits	(110)
Lease Liabilities	(1,863)
Deferred tax liabilities – on broadcasting radio licence	(1,906)
Net Identifiable Assets Acquired	**5,612**

Settlement of purchase consideration	**$'000s**
Cash paid	5,000
Scrip consideration	2,780
Purchase price adjustments	(6)
Purchase consideration	**7,774**

	$'000s
Purchase consideration	7,774
Less: fair value of net identifiable assets acquired	(5,612)
Goodwill arising on acquisition	**2,162**

An amount of $0.027 million was recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income in the significant/restructuring costs line item relating to once-off legal, due diligence, corporate advisory and independent report costs incurred in completing the acquisition.

Notes to the Consolidated Financial Statements for the Financial Year Ended 30 June 2021

30. Business Combinations cont'd

Spirit Bunbury

On 1 May 2020, the Group acquired 100% of the business assets in the Spirit 621AM Bunbury business for a total cash consideration of $3.220 million net of purchase price adjustments, paid upon completion.

At 30 June 2020, this business combination had been accounted for on a provisional basis in accordance with AASB 3 Business Combinations. Therefore, the fair value of assets acquired, liabilities and contingent liabilities assumed were initially estimated by the Group, taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting are retrospective, where applicable, to the period the combination occurred and therefore may have an impact on previously reported assets and liabilities, depreciation and amortisation.

The Group finalised the accounting for this business combination in the half-year ended 31 December 2020, and in doing so recognised Customer Relationships and a Broadcasting Radio Licence as intangible assets. As noted above the finalised accounting is retrospective. The adjustment therefore impacts the 30 June 2020 financial year reported comparatives.

Set out below is the impact the finalisation of the provisional accounting had on the 30 June 2020 financial statements.

Goodwill arising on the acquisition has been adjusted as follows:

	Provisional $'000s	Movement $'000s	Final $'000s
Purchase consideration	3,220	-	3,220
Less: Fair value of net identifiable assets acquired	(265)	-	(265)
Less: Fair value of intangible acquired – radio licence	-	(2,245)	(2,245)
Less: Fair value of intangible acquired – customer relationships	-	(146)	(146)
Add: Deferred tax liability – on indefinite intangibles	-	717	717
Goodwill arising on acquisition	**2,955**	**(1,674)**	**1,281**

Additional Securities Exchange Information as at 1 September 2021

Number of Holders of Equity Securities

Ordinary Share Capital

231,101,056 fully paid ordinary shares held by 739 individual shareholders.

All issued ordinary shares carry one vote per share.

Options

5,011,072 share options are held by 10 individual option holders.

Share options do not carry the right to vote.

Distribution of Holders of Equity Securities

	Fully Paid Ordinary Shares	Share Options
1 - 1,000	147	1
1,001 - 5,000	304	-
5,001 - 10,000	94	-
10,001 - 100,000	134	-
100,001 - and over	60	11
Total Holders	**739**	**12**
Holdings with less than a marketable parcel	**230**	**-**

Substantial Shareholders

The following substantial holding notices have been provided to the Company

Ordinary Shareholders	Fully Paid Ordinary Shares	% of Issued Capital
Viburnum Funds Pty Ltd	55,881,621	24.18
Craig Hutchison	49,587,250	21.46
Chase Properties & Development Pty Ltd	27,107,151	11.73
Tosca Boxer Pty Ltd	20,109,998	8.70
Total	**152,686,020**	**66.07**

Additional Securities Exchange Information as at 1 September 2021

Twenty Largest Holders of Quoted Equity Securities

Rank	Name	Units	% of Units
1.	CRAIG HUTCHISON MEDIA PTY LTD	48,851,736	21.14
2.	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	27,937,102	12.09
3.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	27,322,852	11.82
4.	CHASE PROPERTIES & DEVELOPMENT PTY LTD	26,424,217	11.43
5.	TOSCA BOXER PTY LTD <THE HALL FAMILY TRUST>	20,109,998	8.70
6.	OCEANIA CAPITAL PARTNERS LIMITED	10,303,031	4.46
7.	RADIO 3AW MELBOURNE PTY LIMITED	7,932,357	3.43
8.	LEISA GIANNOPOULOS	7,914,638	3.42
9.	YARRAGENE PTY LTD <YENZIK NO 1 A/C>	5,283,003	2.29
10.	KARAPHONE PTY LTD	3,977,133	1.72
11.	MRS JODIE SIMM	3,926,354	1.70
12.	CAMINITI & CO PTY LTD <CAM INVESTMENT A/C>	3,555,555	1.54
13.	COWOSO CAPITAL PTY LTD <THE COWOSO S/F A/C>	3,000,000	1.30
14.	QUATTROVEST PTY LTD	2,868,596	1.24
15.	MRS AMANDA ELISE HENDERSON	1,509,935	0.65
16.	LORDS FURNITURE PTY LTD <BILL GUEST FAMILY S/F A/C>	1,442,425	0.62
17.	KEMBLA NO 20 PTY LTD	1,343,750	0.58
18.	CHILLIMIA PTY LTD <PICKERING FAMILY A/C>	1,339,287	0.58
19.	HILLARITY SMSF PTY LTD <HILL SUPER FUND A/C>	1,333,333	0.58
20.	VIVRE INVESTMENTS PTY LTD	1,090,000	0.47
Top 20 holders of Ordinary Fully Paid Shares (Total)		**207,465,302**	**89.77**
Total Remaining Holders Balance		**23,635,754**	**10.23**