

Norwood Football Club Incorporated & Controlled Entity

ABN 66 129 168 283

Financial Statements

For the Year Ended 31 October 2019

Norwood Football Club Incorporated & Controlled Entity

ABN 66 129 168 283

Contents

31 October 2019

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Norwood Football Club Incorporated & Controlled Entity

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 October 2019

	Note	2019 \$	2018 \$
Revenue	2	5,426,853	3,436,428
Trust distributions		318,312	312,619
Other income	2	761,195	1,293,036
Administration & office expenses		(1,886,233)	(1,286,434)
Player costs & coaching		(839,835)	(783,562)
Cost of sales - bar, food and gaming	3	(302,410)	(143,611)
Gaming tax	3	(937,734)	(369,412)
Rent		(311,443)	(100,000)
Oval management		(230,072)	(271,518)
Underage & zone development costs		(226,839)	(209,530)
Recruiting costs & transfer fees		(17,568)	(36,972)
Medical expenses		(63,112)	(66,780)
Depreciation expense	3	(212,736)	(138,375)
Match training expenses		(124,949)	(88,183)
Finance costs	3	(25,839)	(5,988)
Other expenses		(854,728)	(536,143)
Transfer of net liabilities from Redlegs Club Inc.		-	(100,069)
Impairment of gaming machine entitlements		(55,000)	-
Write-off administration building		(102,118)	-
Surplus for the year		315,744	905,506
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members		315,744	905,506

The accompanying notes form part of these financial statements

Norwood Football Club Incorporated & Controlled Entity
 ABN 66 129 168 283
Consolidated Statement of Financial Position
 As At 31 October 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	2,218,517	1,544,151
Trade and other receivables	5	83,149	157,426
Other assets	6	27,125	33,776
Inventories	7	92,101	83,506
TOTAL CURRENT ASSETS		2,420,892	1,818,859
NON-CURRENT ASSETS			
Trade and other receivables	5	5,503,745	5,205,951
Property, plant and equipment	8	1,374,750	1,536,678
Intangible assets	9	455,000	510,000
TOTAL NON-CURRENT ASSETS		7,333,495	7,252,629
TOTAL ASSETS		9,754,387	9,071,488
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	901,181	988,017
Borrowings	11	311,188	105,876
Provisions	12	157,907	149,342
TOTAL CURRENT LIABILITIES		1,370,276	1,243,235
NON-CURRENT LIABILITIES			
Borrowings	11	3,003,138	2,768,611
Provisions	12	6,917	1,330
TOTAL NON-CURRENT LIABILITIES		3,010,055	2,769,941
TOTAL LIABILITIES		4,380,331	4,013,176
NET ASSETS		5,374,056	5,058,312
EQUITY			
Retained earnings	13	5,374,056	5,058,312
TOTAL EQUITY		5,374,056	5,058,312

The accompanying notes form part of these financial statements

Norwood Football Club Incorporated & Controlled Entity
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Consolidated Statement of Changes in Equity
 For the Year Ended 31 October 2019

2019

	Retained Earnings	Total
	\$	\$
Balance at 1 November 2018	5,058,312	5,058,312
Surplus for the year	315,744	315,744
Balance at 31 October 2019	5,374,056	5,374,056

2018

	Retained Earnings	Total
	\$	\$
Balance at 1 November 2017	4,152,806	4,152,806
Surplus for the year	905,506	905,506
Balance at 31 October 2018	5,058,312	5,058,312

The accompanying notes form part of these financial statements

Norwood Football Club Incorporated & Controlled Entity

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Consolidated Statement of Cash Flows

For the Year Ended 31 October 2019

	2019	2018
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and sponsors	1,011,254	768,661
Other receipts	5,136,355	2,327,877
Payments to suppliers and employees	(5,673,512)	(3,671,701)
League dividends received	833,000	833,000
Gaming tax paid	(937,734)	(369,412)
Interest paid	(25,839)	(5,988)
Net cash provided by/(used in) operating activities	<u>343,524</u>	<u>(117,563)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payment for property, plant and equipment	(160,265)	(347,397)
Proceeds from sale of property, plant and equipment	30,750	16,182
Transfer of cash from Redlegs Club Inc.	-	1,050,357
Net cash provided by /(used in) investing activities	<u>(129,515)</u>	<u>719,142</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loan - Redlegs Club Inc.	-	638,517
Loan - 137 The Parade Pty Ltd	319,561	4,323
Proceeds from/(repayment of) finance leases	(24,325)	229,862
Net cash provided by financing activities	<u>295,236</u>	<u>872,702</u>
Net increase in cash and cash equivalents held	509,245	1,474,281
Cash and cash equivalents at beginning of year	<u>1,543,714</u>	<u>69,433</u>
Cash and cash equivalents at end of financial year	4 <u>2,052,959</u>	<u>1,543,714</u>

The accompanying notes form part of these financial statements

Norwood Football Club Incorporated & Controlled Entity

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Notes to the Financial Statements

For the Year Ended 31 October 2019

The financial statements cover Norwood Football Club Incorporated & Controlled Entity as an individual entity. Norwood Football Club Incorporated & Controlled Entity is a not-for-profit association incorporated in South Australia under the *Associations Incorporation Act (SA) 1985*.

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Associations Incorporation Act (SA) 1985.

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

The financial statements, except for cash flow information, have been prepared on an accruals 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.

(b) Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have an October financial year end.

A list of controlled entities is contained in Note 17 to the financial statements.

(c) Comparative figures

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

(d) Inventories

Inventories consist of general merchandise and are measured at the lower of cost and net realisable value. Costs are assigned on a specific identification basis and include direct costs and appropriate overheads if any.

(e) Property, plant and equipment

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

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Notes to the Financial Statements

For the Year Ended 31 October 2019

1 Summary of Significant Accounting Policies (continued)

(e) Property, plant and equipment (continued)

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to its estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

Plant and equipment that have been acquired at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets are depreciated on either a straight line or a diminishing value basis over their useful lives of the assets to the Group commencing from the time the asset is held and ready for use.

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

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	2% - 20% (Straight line)
Plant and Equipment	15% - 33% (Diminishing value)

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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

(f) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

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Notes to the Financial Statements

For the Year Ended 31 October 2019

1 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

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Notes to the Financial Statements
For the Year Ended 31 October 2019

1 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flowa are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables, bank and other loans and finance lease liabilities.

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Notes to the Financial Statements

For the Year Ended 31 October 2019

1 Summary of Significant Accounting Policies (continued)

(g) Impairment of non-financial assets

At the end of each reporting year, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the consolidated statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Intangibles

Gaming machine entitlements

Gaming machine entitlements have been brought to account at their market value. The members of the Board have determined this value with reference to the "Gaming Machine Entitlements Trading System" as set out in the Gaming Machine Regulations 2005.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are convertible to a known amount of cash and subject to an insignificant risk of change in value.

(j) Employee benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The Group's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

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Notes to the Financial Statements

For the Year Ended 31 October 2019

1 Summary of Significant Accounting Policies (continued)

(k) Trade and other payables

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

(l) Income tax

The Group is a sporting body for taxation purposes and has been granted exemption from income tax by the Commissioner of Taxation.

(m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in the Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

(n) Revenue and other income

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as discussed below.

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

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

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

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

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For the Year Ended 31 October 2019

1 Summary of Significant Accounting Policies (continued)

(o) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(p) Critical accounting estimates and judgments

The Group assesses impairment at the end of each reporting year by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key judgments - provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history. Included in trade receivables and other receivables at the end of the reporting period are amounts that in the Board's opinion are not recoverable and therefore a provision for impairment has been made.

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Notes to the Financial Statements

For the Year Ended 31 October 2019

2 Revenue and Other Income

	2019	2018
	\$	\$
Revenue		
- League dividends	833,000	833,000
- Transfer fees received	12,655	53,500
- Fundraising activities	698,401	751,282
- Membership subscriptions	193,601	143,949
- Ground revenue	300,825	341,221
- Womens Funding	20,000	20,000
- Food and liquor	768,888	319,007
- Gaming revenue	2,599,483	974,469
	<u>5,426,853</u>	<u>3,436,428</u>
Other revenue		
- Administration fees	-	1,031,371
- Other income	285,075	226,950
- Build the fort donation income	476,120	34,715
	<u>761,195</u>	<u>1,293,036</u>
Total Revenue	<u>6,188,048</u>	<u>4,729,464</u>

3 Result for the Year

Cost of sales - general merchandise	38,876	74,897
Depreciation - property, plant and equipment	212,736	138,375
Finance costs	25,839	5,988
Bad debts	5,905	-
Gaming tax	937,734	369,412
Cost of sales - bar, food and gaming	302,410	143,611

4 Cash and Cash Equivalents

Cash on hand	82,622	80,258
Cash at bank	2,135,895	1,463,893
Cash at bank and on hand	<u>2,218,517</u>	<u>1,544,151</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to items in the consolidated statement of financial position as follows:

Cash and cash equivalents	2,218,517	1,544,151
Bank overdrafts	11 (165,558)	(437)
Balance as per consolidated statement of cash flows	<u>2,052,959</u>	<u>1,543,714</u>

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Notes to the Financial Statements

For the Year Ended 31 October 2019

5 Trade and Other Receivables

	2019	2018
	\$	\$
CURRENT		
Trade receivables	94,559	162,931
Provision for impairment	(11,410)	(5,505)
Total current trade and other receivables	83,149	157,426
NON-CURRENT		
Loan - 137 The Parade Pty Ltd	5,503,745	5,205,951
Total non-current receivables	5,503,745	5,205,951

137 The Parade Pty Ltd is the trustee of the following trusts:

- 137 The Parade Trust
- 581 North East Road Trust
- 583 North East Road Trust

The loan to 137 The Parade Pty Ltd is supported by the underlying properties and operations in the trusts.

6 Other Assets

CURRENT		
Prepayments	27,125	33,776

7 Inventories

CURRENT		
At cost:		
Merchandise	92,101	83,506
	92,101	83,506

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Notes to the Financial Statements

For the Year Ended 31 October 2019

8 Property, Plant and Equipment

	2019	2018
	\$	\$
Work in progress	24,087	-
	<u>24,087</u>	<u>-</u>
Plant and equipment		
At cost	2,858,788	2,861,953
Accumulated depreciation	(2,142,043)	(2,091,671)
	<u>716,745</u>	<u>770,282</u>
Buildings & Improvements		
At cost	915,286	1,056,168
Accumulated depreciation	(281,368)	(289,772)
	<u>633,918</u>	<u>766,396</u>
Total property, plant and equipment	<u>1,374,750</u>	<u>1,536,678</u>

(a) Movements in Carrying Amounts

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

	Capital Works in Progress	Buildings & Improvements	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	-	766,396	770,282	1,536,678
Additions	24,087	-	136,178	160,265
Disposals - written down value	-	(102,118)	(7,339)	(109,457)
Depreciation expense	-	(30,360)	(182,376)	(212,736)
Balance at 31 October 2019	<u>24,087</u>	<u>633,918</u>	<u>716,745</u>	<u>1,374,750</u>

9 Intangible Assets

	2019	2018
	\$	\$
Gaming machine entitlements at fair value	<u>455,000</u>	<u>510,000</u>

Gaming machine entitlements have been brought to account at the market value. The members of the Board have determined this value with reference to the "Gaming Machine Entitlement Trading System" as set out in the Gaming Machine Regulations 2005.

Each entitlement is valued at \$15,167, however in accordance with the Gaming Machines (Miscellaneous) Amendment Act 2004 which states that 25% of entitlements will be withheld if sold, the Board has valued each entitlement at \$11,375.

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Notes to the Financial Statements

For the Year Ended 31 October 2019

10 Trade and Other Payables

	Note	2019 \$	2018 \$
CURRENT			
Sundry creditors and accruals		901,181	988,017
		<u>901,181</u>	<u>988,017</u>

11 Borrowings

CURRENT			
Bank overdrafts		165,558	437
Finance lease	14	131,227	91,036
Unsecured notes		14,403	14,403
Total current		<u>311,188</u>	<u>105,876</u>
NON-CURRENT			
Loan - 137 The Parade Pty Ltd		2,830,676	2,531,633
Finance lease	14	172,462	236,978
Total non-current		<u>3,003,138</u>	<u>2,768,611</u>

Details of security given

The Norwood Football Club Incorporated and its related entities (Redlegs Club Trust, 137 The Parade Pty Ltd as trustee for The 137 The Parade Trust, 581 North East Road Trust and 583 North East Road Trust) have given a guarantee and indemnity of \$2,400,000 to 137 The Parade Pty Ltd as trustee for The 583 North East Road Trust and 581 North East Road Trust. This is supported by a fixed and floating charge over the whole assets of Norwood Football Club Incorporated and its related entities.

Overdraft facility

The Group has an overdraft facility of \$350,000 as at 31 October 2019, the amount of unused facility is \$172,203.

12 Provisions

CURRENT			
Annual leave		64,748	67,775
Long service leave		93,159	81,567
		<u>157,907</u>	<u>149,342</u>
NON-CURRENT			
Long service leave		6,917	1,330
		<u>6,917</u>	<u>1,330</u>

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Notes to the Financial Statements

For the Year Ended 31 October 2019

13 Retained Earnings

	2019	2018
	\$	\$
Opening balance	5,058,312	4,152,806
Net surplus for the year	315,744	905,506
Retained earnings at end of the financial year	5,374,056	5,058,312

14 Leasing and Capital Commitments

(a) Finance Leases

Minimum lease payments:		
- not later than one year	142,170	103,068
- between one year and five years	182,979	254,971
Minimum lease payments	325,149	358,039
Less: finance changes	(21,460)	(30,025)
Present value of minimum lease payments	303,689	328,014

(b) Capital Commitments

Build the Fort Project - The Norwood Stadium is currently being redeveloped. Total cost of the project is estimated to be \$8million. City of Norwood Payneham & St Peters Council will be contributing \$3.4million towards the project and Norwood Football Club Inc. will contribute the balance of \$4.6million.

Western Stand Project - Redevelopment of the western stand of the stadium will be carried out in the next financial year with total project cost estimated to be \$1.9million. The project will be funded by Norwood Football Club Inc. (\$700,000), City of Norwood Payneham & St Peter's Council (\$700,000) and the South Australian State Government (\$500,000).

Building works in relation to the above projects have commenced during the financial year. The arrangement between Norwood Football Club Inc. and the Council is that the Council will incur all the costs relating to the project up to completion. At completion of the project, Norwood Football Club Inc. will pay the Council their portion of the project.

Final agreements for the above projects are yet to be formally executed including terms for the repayment of loans from the council.

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Notes to the Financial Statements

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15 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans from related parties.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2019	2018
	\$	\$
Financial Assets		
Cash and cash equivalents	2,218,517	1,544,151
Trade and other receivables	83,149	157,426
Related party loans	5,503,745	5,205,951
Total financial assets	7,805,411	6,907,528
Financial Liabilities		
Trade and other payables	901,181	988,017
Related party borrowings	2,830,676	2,531,633
Other borrowings	483,650	342,854
Total financial liabilities	4,215,507	3,862,504

16 Interests of Key Management Personnel

(a) Board Members

The names of the person who held office as a member of the Board during the year are:

P Di Iulio (President)
W Moody (resigned 13 February 2019)
B Seekamp
M Skrodzki
J Startiski
S Arblaster
R Neagle
J Fantasia (CEO) (Non voting)

(b) Remuneration of Board Members

Board members who are considered the key management personnel of the Group, did not receive any remuneration for their services.

(c) Loans to Board Members

No loans have been made, guaranteed or secured by the Group to a Board member or related entity of a Board member or by the Group to a director of any related party or director related entity.

Norwood Football Club Incorporated & Controlled Entity

ABN 66 129 168 283

Notes to the Financial Statements

For the Year Ended 31 October 2019

17 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) 2019	Percentage Owned (%) 2018
Redlegs Club Trust	Australia	-	-

The Redlegs Club Trust was created on 29 June 2018. Norwood Football Club Inc. is the principal and only beneficiary of the trust. The operations and net liabilities of the Redlegs Club Inc. were transferred to the Redlegs Club Trust on 1 July 2018. The consolidated financial reports includes the results of this entity from that date.

18 Contingent Liabilities and Contingent Assets

In the opinion of the Board of Management, the Group did not have any contingencies at 31 October 2019 (31 October 2018:None).

Norwood Football Club Incorporated & Controlled Entity

ABN 66 129 168 283

Notes to the Financial Statements

For the Year Ended 31 October 2019

19 Related Party Transactions

Transactions between related parties are on normal terms and conditions unless otherwise stated.

(a) Trust distributions received

	2019	2018
	\$	\$
583 North East Road Trust	<u>318,312</u>	<u>312,619</u>

(b) Loans

Provision for net unsecured interest free loan to:

137 The Parade Pty Ltd

Accumulated impairment

	3,321,027	3,322,276
	<u>(647,958)</u>	<u>(647,958)</u>
	<u>2,673,069</u>	<u>2,674,318</u>

(c) Sponsorships received

Director related entities

	<u>1,364</u>	<u>8,923</u>
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(d) Administration fees received

Redlegs Club Inc.

	<u>-</u>	<u>1,031,371</u>
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(e) Purchases made

Director related entities

Redlegs Club Inc.

	1,520	2,288
	<u>-</u>	<u>100,069</u>
Total	<u>1,520</u>	<u>102,357</u>

20 Events after the end of the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Norwood Football Club Incorporated & Controlled Entity

ABN 66 129 168 283

Notes to the Financial Statements

For the Year Ended 31 October 2019

21 Parent entity

The parent entity is Norwood Football Club Incorporated.

	2019	2018
	\$	\$
Consolidated Statement of Financial Position		
Assets		
Current assets	164,581	256,628
Non-current assets	6,459,156	6,379,340
Total Assets	6,623,737	6,635,968
Liabilities		
Current liabilities	760,187	849,006
Non-current liabilities	1,209,652	791,764
Total Liabilities	1,969,839	1,640,770
Equity		
Retained earnings	4,653,898	4,995,198
Total Equity	4,653,898	4,995,198
Statement of Profit or Loss and Other Comprehensive Income		
Surplus/(deficit) for the year	(341,300)	842,392
Total comprehensive income	(341,300)	842,392

22 Trust distributions

The Group is a beneficiary in relation to the trusts named below:

- 137 The Parade Trust
- 581 North East Road Trust
- 583 North East Road Trust

581 North East Road Trust

This trust holds property situated at 581 North East Road, Gilles Plains. The property was acquired for \$896,000 in 2007 and generates commercial rental income for the benefit of the Group.

583 North East Road Trust

This trust holds property situated at 583 North East Road, Gilles Plains that is used by the Redlegs Club Trust for the operation of the Nor East pokie venue. The property generates commercial rental income for the benefit of the Group.

23 Group Details

The registered office and principal place of business of the Group is:
Norwood Football Club Incorporated & Controlled Entity
4 Woods Street
NORWOOD SA 5067

Norwood Football Club Incorporated & Controlled Entity

ABN 66 129 168 283

Statement by Members of the Board

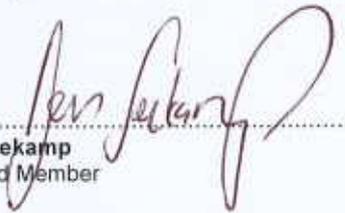
In the opinion of the Board, the financial report comprising the Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of the Norwood Football Club Incorporated & Controlled Entity as at 31 October 2019 and its performance for the year ended on that date, in accordance with Australian Accounting Standards - Reduced Disclosure Requirements (including Australian Accounting Interpretations) of the Australian Accounting Standards Board.
2. At the date of this statement, there are reasonable grounds to believe that the Norwood Football Club Incorporated & Controlled Entity will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



.....
P Di Iulio
President



.....
B Seekamp
Board Member

Dated this 12 day of December, 2019

Norwood Football Club Incorporated & Controlled Entity

ABN 66 129 168 283

Report of the Members of the Board

31 October 2019

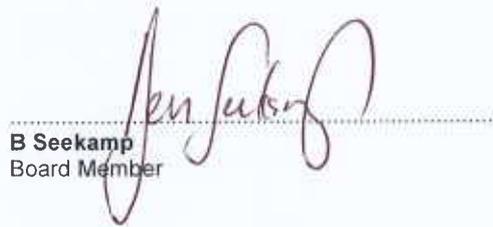
In accordance with Section 35(5) of the Associations Incorporation Act (SA) 1985, the Board of the Norwood Football Club Incorporated & Controlled Entity hereby states that during the financial year ended 31 October 2019:

1. (a) no officer of the Group;
(b) no firm of which an officer is a member; and
(c) no body corporate in which an officer has a substantial financial interest;
has received or become entitled to receive a benefit as a result of a contract between the officer, firm or body corporate and the Group except as disclosed within the body of these accounts.
2. no officer of the Group has received directly or indirectly from the association any payment or other benefit of pecuniary value.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:



P Di Iulio
President



B Seekamp
Board Member

Dated this 18 day of December, 2019

Norwood Football Club Incorporated & Controlled Entity

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Norwood Football Club Incorporated & Controlled Entity (the Group), which comprises the statement of financial position as at 31 October 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, statement by members of the Board and report of the members of the Board.

In our opinion the financial report of Norwood Football Club Incorporated & Controlled Entity has been prepared in accordance with the Associations Incorporation Act (SA) 1985, including:

- a) giving a true and fair view of the Group's financial position as at 31 October 2019 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Reduced Disclosure Regime.

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 auditor independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibilities of the Board

The Board of the Group is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the Associations Incorporations Act (SA) 1985 and for such internal control as the Board determines 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.

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000

GPO Box 11050
Adelaide SA 5001

Telephone: +61 8 8409 4333

williambuck.com

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

The Board is responsible for overseeing the Group's financial reporting process.

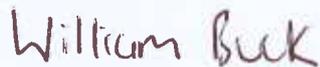
Auditor's Responsibilities for the Audit of the Financial Statements

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 these financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

A handwritten signature in dark ink that reads 'William Buck'.

William Buck

ABN: 38 280 203 274

A handwritten signature in dark ink that reads 'M. D. King'.

M. D. King

Partner

Adelaide, 18th December 2019

Compilation Report

COMPILATION REPORT TO NORWOOD FOOTBALL CLUB INCORPORATED & CONTROLLED ENTITY

We have compiled the accompanying special purpose financial statements of Norwood Football Club Incorporated & Controlled Entity, which comprise the income & expenditure statement as at 31 October 2019. The specific purpose for which the special purpose financial statements have been prepared is to provide financial information to the Board.

The Responsibility of the Board

The Board is solely responsible for the information contained in the special purpose financial statements and have determined that the basis of accounting adopted is appropriate to meet the needs of the members for the purpose of complying with the Group's constitution.

Our Responsibility

On the basis of the information provided by the Board, we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Board provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the Board. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

William Buck

William Buck
ABN 38 280 203 274

M. D. King

M. D. King
Partner

Dated this ^{18th} day of December, 2019

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
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Adelaide SA 5001
Telephone: +61 8 8409 4333
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Norwood Football Club Incorporated & Controlled Entity

ABN 66 129 168 283

Income & Expenditure Statement

For the Year Ended 31 October 2019

	2019	2018
	\$	\$
Income		
League dividends	833,000	833,000
Sponsorships & donations	568,453	582,750
Memberships	193,601	143,949
Transfer fees	12,655	53,500
Oval management	107,535	117,199
Arena advertising	107,173	128,218
Prize money	28,200	45,800
Home match ticket sales	32,112	30,406
Reserve seats sales	25,805	19,598
Fundraising	603,795	202,161
Development income	174,020	115,000
Trust distribution	318,312	312,619
Revenue from food, bar and gaming	3,368,371	1,293,476
Sundry Income	131,055	1,164,407
Total Income	6,504,087	5,042,083
Less: Expenses		
Administration & office expenses	2,298,297	1,425,985
Players costs & coaching fees	839,835	783,562
Cost of sale - food, bar and gaming	302,410	143,611
Oval management expenses	230,072	271,518
Underage & zone development costs	226,839	209,530
Match & training fees	124,949	88,183
Medical expenses & equipment	63,112	66,780
Depreciation expense	212,736	138,375
Recruiting costs & transfer fees	17,568	36,972
Match day expenses	95,650	89,412
Doctors	13,700	18,238
Interest paid	25,839	5,988
Other expenses	244,225	253,380
Management fees	14,513	21,240
Gaming tax	937,734	369,412
Rent	301,400	100,000
Build the Fort expenses	82,346	14,322
Purchase of assets from Redlegs Club Inc.	-	100,069
Fair value adjustment	55,000	-
Write-off admin building	102,118	-
Total Expenses	6,188,343	4,136,577
Operating surplus	315,744	905,506