

Norwood Football Club Incorporated & Controlled Entities

ABN 66 129 168 283

Financial Statements

For the Year Ended 31 October 2021

Norwood Football Club Incorporated & Controlled Entities

ABN 66 129 168 283

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31 October 2021

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Norwood Football Club Incorporated & Controlled Entities

ABN 66 129 168 283

**Consolidated Statement of Profit or Loss and Other Comprehensive
Income**

For the Year Ended 31 October 2021

		2021	2020
	Note	\$	\$
Revenue	2	6,530,054	4,068,959
Trust distributions		324,464	326,001
Grant income	2	378,750	1,847,500
Other income	2	952,322	231,012
Administration & office expenses		(2,142,332)	(1,691,910)
Player costs & coaching		(852,645)	(1,082,002)
Cost of sales - bar, food and gaming	3	(584,874)	(252,656)
Gaming tax	3	(1,213,357)	(717,158)
Rent		(16,745)	(16,744)
Oval management		(229,026)	(172,830)
Underage & zone development costs		(220,004)	(91,903)
Recruiting costs & transfer fees		(38,337)	(12,627)
Medical expenses		(52,279)	(47,859)
Depreciation expense	3	(663,843)	(553,140)
Match training expenses		(101,660)	(83,985)
Finance costs	3	(20,395)	(41,237)
Other expenses		(1,117,675)	(826,809)
Gain/(impairment) on revaluation of gaming machine entitlements		120,085	(65,085)
Surplus for the year		1,052,503	817,527
Other comprehensive income		-	-
Total comprehensive income for the year attributable to members		1,052,503	817,527

The accompanying notes form part of these financial statements

Norwood Football Club Incorporated & Controlled Entities
 ABN 66 129 168 283
Consolidated Statement of Financial Position
 As At 31 October 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	3,885,406	3,109,959
Trade and other receivables	5	90,923	188,273
Other assets	6	31,240	27,084
Inventories	7	99,782	79,895
TOTAL CURRENT ASSETS		4,107,351	3,405,211
NON-CURRENT ASSETS			
Trade and other receivables	5	6,166,284	5,826,178
Property, plant and equipment	8	1,544,661	1,550,603
Right-of-use assets	9	888,309	1,203,344
Intangible assets	10	600,000	389,915
TOTAL NON-CURRENT ASSETS		9,199,254	8,970,040
TOTAL ASSETS		13,306,605	12,375,251
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	1,219,472	1,425,787
Borrowings	12	433,699	428,006
Provisions	13	143,910	145,508
TOTAL CURRENT LIABILITIES		1,797,081	1,999,301
NON-CURRENT LIABILITIES			
Borrowings	12	4,158,940	4,170,741
Provisions	13	16,498	13,626
TOTAL NON-CURRENT LIABILITIES		4,175,438	4,184,367
TOTAL LIABILITIES		5,972,519	6,183,668
NET ASSETS		7,334,086	6,191,583
EQUITY			
Asset revaluation reserve		90,000	-
Retained earnings	14	7,244,086	6,191,583
TOTAL EQUITY		7,334,086	6,191,583

The accompanying notes form part of these financial statements

Norwood Football Club Incorporated & Controlled Entities
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Consolidated Statement of Changes in Equity
For the Year Ended 31 October 2021

2021

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 November 2020	6,191,583	-	6,191,583
Surplus for the year	1,052,503	-	1,052,053
Revaluation of gaming machine entitlements	-	90,000	90,000
Balance at 31 October 2021	7,244,086	90,000	7,334,086

2020

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 November 2019	5,374,056	-	5,374,056
Surplus for the year	817,527	-	817,527
Balance at 31 October 2020	6,191,583	-	6,191,583

The accompanying notes form part of these financial statements

Norwood Football Club Incorporated & Controlled Entities

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Consolidated Statement of Cash Flows

For the Year Ended 31 October 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from members and sponsors		1,024,585	643,314
Receipts from grants		378,750	1,753,000
Other receipts		6,892,624	3,796,668
Payments to suppliers and employees		(6,504,359)	(4,465,366)
League dividends received		640,000	253,000
Gaming tax paid		(1,213,357)	(717,158)
Interest paid		(20,395)	(22,495)
Net cash provided by operating activities		<u>1,197,848</u>	<u>1,240,963</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for property, plant and equipment		(465,154)	(430,598)
Proceeds from sale of property, plant and equipment		64,504	16,013
Net cash used in investing activities		<u>(400,650)</u>	<u>(414,585)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from other loans		129,898	-
Loan - 137 The Parade Pty Ltd		284,360	303,566
Repayment of leases		(416,655)	(92,298)
Net cash provided by financing activities		<u>(2,397)</u>	<u>211,268</u>
Net increase in cash and cash equivalents held		794,801	1,037,646
Cash and cash equivalents at beginning of year		<u>3,090,605</u>	<u>2,052,959</u>
Cash and cash equivalents at end of financial year	4	<u>3,885,406</u>	<u>3,090,605</u>

The accompanying notes form part of these financial statements

Norwood Football Club Incorporated & Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 October 2021

The financial statements cover Norwood Football Club Incorporated & Controlled Entities as an individual entity. Norwood Football Club Incorporated & Controlled Entities 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 18 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 2021

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).

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Notes to the Financial Statements

For the Year Ended 31 October 2021

1 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

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:

- 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 that 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.

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Notes to the Financial Statements

For the Year Ended 31 October 2021

1 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

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

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 flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

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Notes to the Financial Statements

For the Year Ended 31 October 2021

1 Summary of Significant Accounting Policies (continued)

(f) Financial instruments (continued)

Financial assets (continued)

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.

(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.

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Notes to the Financial Statements

For the Year Ended 31 October 2021

1 Summary of Significant Accounting Policies (continued)

(j) Employee benefits (continued)

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.

(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) Leases

At the lease commencement, the Group recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Group believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

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Notes to the Financial Statements

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1 Summary of Significant Accounting Policies (continued)

(l) Leases (continued)

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Group's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Group's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Group has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Group recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(m) Income tax

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

(n) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

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Notes to the Financial Statements

For the Year Ended 31 October 2021

1 Summary of Significant Accounting Policies (continued)

(n) Revenue and other income (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the point in time at which the performance obligation has been satisfied.

Membership subscriptions

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

Interest revenue

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

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

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

(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) Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 31 October 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

Norwood Football Club Incorporated & Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 October 2021

1 Summary of Significant Accounting Policies (continued)

(q) 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.

Norwood Football Club Incorporated & Controlled Entities

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Notes to the Financial Statements

For the Year Ended 31 October 2021

2 Revenue and Other Income

	2021	2020
	\$	\$
Revenue		
- League dividends	640,000	253,000
- Transfer fees received	10,000	17,825
- Fundraising activities	816,108	664,327
- Membership subscriptions	200,734	186,205
- Ground revenue	277,913	191,063
- Womens Funding	20,000	20,000
- Food and liquor	1,437,687	643,637
- Gaming revenue	3,127,612	2,092,902
	6,530,054	4,068,959
Other revenue		
- Other income	332,359	159,325
- Build the fort donation income	619,963	71,687
- Jobkeeper & cash flow boost	378,750	1,695,500
- Other grant funding	-	152,000
	1,331,072	2,078,512
Total Revenue	7,861,126	6,147,471

3 Result for the Year

Cost of sales - general merchandise	100,062	41,498
Depreciation - property, plant and equipment	367,731	252,300
Depreciation - right-of-use assets	296,112	300,840
Finance costs	20,395	41,237
Gaming tax	1,213,357	717,158
Cost of sales - bar, food and gaming	584,874	252,656

4 Cash and Cash Equivalents

Cash on hand	89,450	84,302
Cash at bank	3,795,956	3,025,657
Cash at bank and on hand	3,885,406	3,109,959

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		3,885,406
Bank overdrafts	12	(19,354)
Balance as per consolidated statement of cash flows	3,885,406	3,090,605

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Notes to the Financial Statements

For the Year Ended 31 October 2021

5 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	93,220	190,570
Provision for impairment	(2,297)	(2,297)
Total current trade and other receivables	90,923	188,273
NON-CURRENT		
Loan - 137 The Parade Pty Ltd	6,166,284	5,826,178
Total non-current receivables	6,166,284	5,826,178

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 value of the underlying properties and operations in the trusts.

6 Other Assets

CURRENT		
Prepayments	31,240	27,084

7 Inventories

CURRENT		
At cost:		
Merchandise	99,782	79,895

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Notes to the Financial Statements

For the Year Ended 31 October 2021

8 Property, Plant and Equipment

	2021	2020
	\$	\$
Work in progress	24,087	24,087
	<u>24,087</u>	<u>24,087</u>
Plant and equipment		
At cost	3,447,424	3,229,723
Accumulated depreciation	(2,544,495)	(2,311,315)
	<u>902,929</u>	<u>918,408</u>
Buildings & Improvements		
At cost	934,164	916,461
Accumulated depreciation	(316,519)	(308,353)
	<u>617,645</u>	<u>608,108</u>
Total property, plant and equipment	<u><u>1,544,661</u></u>	<u><u>1,550,603</u></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 & Improvement s	Plant and Equipment	Total
	\$	\$	\$	\$
Balance at the beginning of year	24,087	608,108	918,408	1,550,603
Additions	-	17,703	447,451	465,154
Disposals - written down value	-	-	(103,365)	(103,365)
Depreciation expense	-	(8,166)	(359,565)	(367,731)
Balance at 31 October 2021	<u><u>24,087</u></u>	<u><u>617,645</u></u>	<u><u>902,929</u></u>	<u><u>1,544,661</u></u>

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Notes to the Financial Statements

For the Year Ended 31 October 2021

9 Right-of-use Assets

	2021	2020
	\$	\$
Right of Use Asset	1,504,184	1,504,184
Accumulated depreciation	(615,875)	(300,840)
Closing balance	888,309	1,203,344

10 Intangible Assets

Gaming machine entitlements at fair value	600,000	389,915
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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 \$20,000, 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 \$15,000.

11 Trade and Other Payables

CURRENT		
Sundry creditors and accruals	1,219,472	1,425,787

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Notes to the Financial Statements

For the Year Ended 31 October 2021

12 Borrowings

	2021	2020
	\$	\$
CURRENT		
Bank overdrafts	-	19,354
Lease liabilities	15 369,891	394,250
Loan - SANFL	49,405	-
Unsecured notes	14,403	14,402
Total current	433,699	428,006
NON-CURRENT		
Loan - 137 The Parade Pty Ltd	3,430,676	3,130,674
Lease liabilities	15 647,771	1,040,067
Loan - SANFL	80,493	-
Total non-current	4,158,940	4,170,741

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 2021, the amount of unused facility is \$350,000.

13 Provisions

CURRENT		
Annual leave	85,090	61,714
Long service leave	58,820	83,794
	143,910	145,508
NON-CURRENT		
Long service leave	16,498	13,626

14 Retained Earnings

Opening balance	6,191,583	5,374,056
Net surplus for the year	1,052,503	817,527
Retained earnings at end of the financial year	7,244,086	6,191,583

Norwood Football Club Incorporated & Controlled Entities

ABN 66 129 168 283

Notes to the Financial Statements

For the Year Ended 31 October 2021

15 Leasing and Capital Commitments

(a) Leases

	2021	2020
	\$	\$
Minimum lease payments:		
- not later than one year	388,887	419,854
- between one year and five years	658,080	1,065,706
Minimum lease payments	<u>1,046,967</u>	<u>1,485,560</u>
Less: finance changes	(26,292)	(51,243)
Present value of minimum lease payments	<u>1,020,675</u>	<u>1,434,317</u>

(b) Capital Commitments

Construction for the redevelopment of the Norwood Stadium was completed during the 2021 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.

The final agreement for the redevelopment of the Norwood Stadium is yet to be formally executed including terms of the loans from the Council. The total cost of the project is estimated to be \$8 million. Norwood Football Club Inc. estimated contribution to the project is \$3.4 million.

16 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:

Financial Assets

Cash and cash equivalents	3,885,406	3,109,959
Trade and other receivables	90,923	188,273
Related party loans	6,166,284	5,826,178
Total financial assets	<u>10,142,613</u>	<u>9,124,410</u>

Financial Liabilities

Trade and Other Payables (current)	1,219,472	1,425,787
Related party borrowings	3,430,676	3,130,674
Other borrowings	1,161,963	1,468,073
Total financial liabilities	<u>5,812,111</u>	<u>6,024,534</u>

Norwood Football Club Incorporated & Controlled Entities

ABN 66 129 168 283

Notes to the Financial Statements

For the Year Ended 31 October 2021

17 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)
B Seekamp
M Skrodzki
J Startiski
S Arblaster
R Neagle
J McEwen

(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.

18 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%) 2021	Percentage Owned (%) 2020
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.

19 Contingent Liabilities and Contingent Assets

In the opinion of the Board of Management, with the exception of any assets and liabilities arising from the Norwood Stadium redevelopment, as outlined in Note 15(b), the Group did not have any contingencies at 31 October 2021 (31 October 2020:None).

Norwood Football Club Incorporated & Controlled Entities

ABN 66 129 168 283

Notes to the Financial Statements

For the Year Ended 31 October 2021

20 Related Party Transactions

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

(a) Trust distributions received

	2021	2020
	\$	\$
581 North East Road Trust	36,848	42,172
583 North East Road Trust	287,616	284,096
137 The Parade Trust	-	(267)
	<u>324,464</u>	<u>326,001</u>

(b) Loans

Provision for net unsecured interest free loan to:

137 The Parade Pty Ltd

Accumulated impairment

	3,383,566	3,343,462
	(647,958)	(647,958)
	<u>2,735,608</u>	<u>2,695,504</u>

21 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.

22 Parent entity

The parent entity is Norwood Football Club Incorporated.

Consolidated Statement of Financial Position

Assets

Current assets

332,445

539,882

Non-current assets

6,987,975

6,691,596

Total Assets

7,320,420

7,231,478

Liabilities

Current liabilities

970,981

666,813

Non-current liabilities

1,159,397

1,349,247

Total Liabilities

2,130,378

2,016,060

Equity

Retained earnings

5,190,042

5,215,418

Total Equity

5,190,042

5,215,418

Statement of Profit or Loss and Other Comprehensive Income

Surplus/(deficit) for the year

25,376

561,400

Total comprehensive income

25,376

561,400

Norwood Football Club Incorporated & Controlled Entities

ABN 66 129 168 283

Notes to the Financial Statements

For the Year Ended 31 October 2021

23 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.

24 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 Entities

ABN 66 129 168 283

Statement by Members of the Board

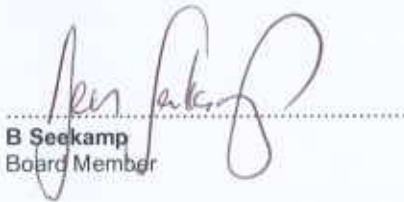
In the opinion of the Board, the financial report comprising the Consolidated Statement of Profit or Loss and other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Financial Statements:

1. Presents fairly the financial position of the Norwood Football Club Incorporated & Controlled Entity as at 31 October 2021 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 day of December, 2021

Norwood Football Club Incorporated & Controlled Entities

ABN 66 129 168 283

Report of the Members of the Board

31 October 2021

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 2021:

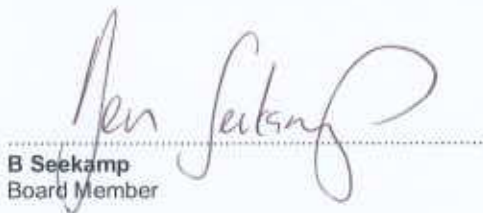
1. (a) no officer of the Group;
(b) no firm of which an officer is a member; and
(c) no body corporate in which an officer has a substantial financial interest;

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 day of December, 2021

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 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, 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 2021 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.

William Buck

William Buck (SA)
ABN: 38 280 203 274

M. D. King

M. D. King
Partner

Adelaide, 23rd day of December 2021

Compilation Report

COMPILATION REPORT TO NORWOOD FOOTBALL CLUB INCORPORATED & CONTROLLED ENTITIES

We have compiled the accompanying special purpose financial statements of Norwood Football Club Incorporated & Controlled Entity ("Group"), which comprise the income & expenditure statement as at 31 October 2021. 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 (SA)
ABN 38 280 203 274

A handwritten signature in black ink, appearing to read 'M. D. King'.

M. D. King
Partner

Dated this 23rd day of December, 2021

ACCOUNTANTS & ADVISORS

Level 6, 211 Victoria Square
Adelaide SA 5000
GPO Box 11050
Adelaide SA 5001
Telephone: +61 8 8409 4333
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Norwood Football Club Incorporated & Controlled Entities

ABN 66 129 168 283

Income & Expenditure Statement

For the Year Ended 31 October 2021

	2021	2020
	\$	\$
Income		
League dividends	640,000	253,000
Sponsorships & donations	564,185	446,839
Memberships	200,734	186,205
Transfer fees	10,000	17,825
Oval management	176,249	84,087
Arena advertising	104,114	51,119
Prize money	21,000	-
Home match ticket sales	47,286	33,808
Reserve seats sales	33,378	22,049
Fundraising	767,790	289,356
Development income	174,020	71,630
Trust distribution	324,464	326,001
Revenue from food, bar and gaming	4,565,299	2,736,539
Grant income	378,750	1,847,500
Sundry Income	178,321	107,514
Gain on gaming machine entitlements	120,085	-
Total Income	8,305,675	6,473,472
Less: Expenses		
Administration & office expenses	2,634,929	1,995,127
Players costs & coaching fees	852,645	1,082,002
Cost of sale - food, bar and gaming	584,874	252,656
Oval management expenses	229,026	172,830
Underage & zone development costs	220,004	91,903
Match & training fees	101,660	83,985
Medical expenses & equipment	52,279	47,859
Depreciation expense	663,843	553,140
Recruiting costs & transfer fees	38,337	12,627
Match day expenses	182,380	178,297
Doctors	22,000	2,600
Interest paid	20,395	41,237
Other expenses	277,727	206,703
Gaming tax	1,213,357	717,158
Rent	16,745	16,744
Build the Fort expenses	142,971	135,992
Impairment on gaming machine entitlement	-	65,085
Total Expenses	7,253,172	5,655,945
Operating surplus	1,052,503	817,527