

**Norwood Football Club Incorporated and Controlled
Entities**

ABN 66 129 168 283

Financial Statements - 31 October 2022

Norwood Football Club Incorporated and Controlled Entities
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For the year ended 31 October 2022

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Norwood Football Club Incorporated and Controlled Entities
Statement of profit or loss and other comprehensive income
For the year ended 31 October 2022

	Note	Consolidated 2022 \$	2021 \$
Revenue			
Revenue	4	7,162,630	6,530,054
Other revenue	5	351,626	1,331,072
Trust distributions		384,680	324,464
Gain on revaluation of gaming machine entitlements		-	120,085
		<u>7,898,936</u>	<u>8,305,675</u>
Expenses			
Administration and office expenses		(2,189,250)	(2,142,332)
Player costs and coaching		(796,584)	(852,645)
Cost of sales - bar, food and gaming		(770,044)	(584,874)
Gaming tax		(1,360,365)	(1,213,357)
Rent		(4,186)	(16,745)
Oval management		(309,083)	(229,026)
Underage and zone development costs		(224,027)	(220,004)
Recruiting costs and transfer fees		(45,096)	(38,337)
Medical expenses		(63,264)	(52,279)
Depreciation and amortisation expense		(612,331)	(663,843)
Match training expenses		(55,330)	(101,660)
Finance costs		(23,359)	(20,395)
Other expenses		(1,362,431)	(1,117,675)
Total expenses		<u>(7,815,350)</u>	<u>(7,253,172)</u>
Surplus for the year	17	83,586	1,052,503
Other comprehensive income			
Gain on revaluation of gaming machine entitlements		600,000	90,000
Other comprehensive income for the year		<u>600,000</u>	<u>90,000</u>
Total comprehensive income for the year		<u><u>683,586</u></u>	<u><u>1,142,503</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Norwood Football Club Incorporated and Controlled Entities
Statement of financial position
As at 31 October 2022

	Note	Consolidated 2022 \$	2021 \$
Assets			
Current assets			
Cash and cash equivalents	6	2,381,667	3,885,406
Trade and other receivables	7	453,852	90,923
Other assets	8	28,174	31,240
Inventories	9	106,695	99,782
Total current assets		<u>2,970,388</u>	<u>4,107,351</u>
Non-current assets			
Trade and other receivables	7	6,560,289	6,166,284
Property, plant and equipment	11	1,502,104	1,544,661
Right-of-use assets	10	638,587	888,309
Intangible assets	12	1,200,000	600,000
Total non-current assets		<u>9,900,980</u>	<u>9,199,254</u>
Total assets		<u>12,871,368</u>	<u>13,306,605</u>
Liabilities			
Current liabilities			
Trade and other payables	13	1,090,803	1,219,472
Borrowings	14	418,694	433,699
Provisions	16	148,477	143,910
Total current liabilities		<u>1,657,974</u>	<u>1,797,081</u>
Non-current liabilities			
Borrowings	14	3,174,423	4,158,940
Provisions	16	21,299	16,498
Total non-current liabilities		<u>3,195,722</u>	<u>4,175,438</u>
Total liabilities		<u>4,853,696</u>	<u>5,972,519</u>
Net assets		<u>8,017,672</u>	<u>7,334,086</u>
Equity			
Asset revaluation reserve		690,000	90,000
Retained earnings	17	7,327,672	7,244,086
Total equity		<u>8,017,672</u>	<u>7,334,086</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Norwood Football Club Incorporated and Controlled Entities
Statement of changes in equity
For the year ended 31 October 2022

Consolidated	Asset Revaluation Reserve \$	Retained earnings \$	Total equity \$
Balance at 1 November 2020	-	6,191,583	6,191,583
Surplus for the year	-	1,052,503	1,052,503
Other comprehensive income for the year	90,000	-	90,000
Total comprehensive income for the year	<u>90,000</u>	<u>1,052,503</u>	<u>1,142,503</u>
Balance at 31 October 2021	<u>90,000</u>	<u>7,244,086</u>	<u>7,334,086</u>

Consolidated	Asset Revaluation Reserve \$	Retained Earnings \$	Total equity \$
Balance at 1 November 2021	90,000	7,244,086	7,334,086
Surplus for the year	-	83,586	83,586
Other comprehensive income for the year	600,000	-	600,000
Total comprehensive income for the year	<u>600,000</u>	<u>83,586</u>	<u>683,586</u>
Balance at 31 October 2022	<u>690,000</u>	<u>7,327,672</u>	<u>8,017,672</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Norwood Football Club Incorporated and Controlled Entities
Statement of cash flows
For the year ended 31 October 2022

	Note	Consolidated 2022 \$	2021 \$
Cash flows from operating activities			
Receipts from members and sponsors		631,597	1,024,585
Receipts from grants		57,290	378,750
Other receipts		6,286,322	6,892,624
Payments to suppliers and employees		(6,571,345)	(6,504,359)
League dividends received		805,020	640,000
Gaming tax paid		(1,360,365)	(1,213,357)
Interest paid		(23,359)	(20,395)
		<u>(174,840)</u>	<u>1,197,848</u>
Net cash from/(used in) operating activities			
Cash flows from investing activities			
Payments for property, plant and equipment		(263,260)	(465,154)
Proceeds from sale of property, plant and equipment		-	64,504
		<u>(263,260)</u>	<u>(400,650)</u>
Net cash used in investing activities			
Cash flows from financing activities			
(Repayment of)/proceeds from other loans		(49,192)	129,898
Loan - 137 The Parade Pty Ltd		(650,237)	284,360
Repayment of leases		(366,210)	(416,655)
		<u>(1,065,639)</u>	<u>(2,397)</u>
Net cash used in financing activities			
Net increase/(decrease) in cash and cash equivalents		(1,503,739)	794,801
Cash and cash equivalents at the beginning of the financial year		<u>3,885,406</u>	<u>3,090,605</u>
Cash and cash equivalents at the end of the financial year	6	<u><u>2,381,667</u></u>	<u><u>3,885,406</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 1. General information

The financial statements cover Norwood Football Club Incorporated and Controlled Entities as a group consisting of Norwood Football Club Incorporated and Controlled Entities and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Norwood Football Club Incorporated and Controlled Entities' functional and presentation currency.

Norwood Football Club Incorporated and Controlled Entities is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Norwood Football Club Incorporated & Controlled Entity
4 Woods Street
Norwood SA 5067

A description of the nature of the group's operations and its principal activities are included in the Board Members' report, which is not part of the financial statements.

The financial statements were authorised for issue on 22 December 2022.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the group.

The following Accounting Standards and Interpretations are most relevant to the group:

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The group has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), and the Associations Incorporation Act (SA) 1985.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 2. Significant accounting policies (continued)

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Norwood Football Club Incorporated and Controlled Entities ('association' or 'parent entity') as at 31 October 2022 and the results of all subsidiaries for the year then ended. Norwood Football Club Incorporated and Controlled Entities and its subsidiaries together are referred to in these financial statements as the 'group'.

Subsidiaries are all those entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Revenue recognition

The group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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.

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 2. Significant accounting policies (continued)

Interest

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

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.

Income tax

As the group is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

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

The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 2. Significant accounting policies (continued)

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.

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.

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 for each class of depreciable assets are:

Buildings & 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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

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.

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 2. Significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 2. Significant accounting policies (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

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

Allowance for expected credit losses

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

Estimation of useful lives of assets

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

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 4. Revenue

	Consolidated	
	2022	2021
	\$	\$
League distributions	805,020	640,000
Transfer fees received	-	10,000
Fundraising activities	841,671	816,108
Membership subscriptions	174,078	200,734
Ground revenue	249,708	277,913
Womens funding	50,000	20,000
Food and liquor	1,677,929	1,437,687
Gaming revenue	3,364,224	3,127,612
	<u>7,162,630</u>	<u>6,530,054</u>

Note 5. Other revenue

	Consolidated	
	2022	2021
	\$	\$
Other income	276,815	332,359
Build the Fort donation income	17,521	619,963
Jobkeeper and cash flow boost	-	378,750
Other grant funding	57,290	-
	<u>351,626</u>	<u>1,331,072</u>

Note 6. Cash and cash equivalents

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Cash on hand	89,337	89,450
Cash at bank	2,292,330	3,795,956
	<u>2,381,667</u>	<u>3,885,406</u>

Note 7. Trade and other receivables

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	456,149	93,220
Less: Allowance for expected credit losses	(2,297)	(2,297)
	<u>453,852</u>	<u>90,923</u>
<i>Non-current assets</i>		
Loan - 137 The Parade Pty Ltd	6,560,289	6,166,284
	<u>7,014,141</u>	<u>6,257,207</u>

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 7. Trade and other receivables (continued)

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.

Note 8. Other assets

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Prepayments	28,174	31,240

Note 9. Inventories

	Consolidated	
	2022	2021
	\$	\$
<i>Current assets</i>		
Merchandise - at cost	106,695	99,782

Note 10. Right-of-use assets

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Right of use asset	1,556,237	1,504,184
Less: Accumulated depreciation	(917,650)	(615,875)
	638,587	888,309

Note 11. Property, plant and equipment

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	3,710,684	3,447,424
Less: Accumulated depreciation	(2,839,835)	(2,544,495)
	870,849	902,929
Buildings and improvements - at cost	958,251	934,164
Less: Accumulated depreciation	(326,996)	(316,519)
	631,255	617,645
Work in progress	-	24,087
	1,502,104	1,544,661

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 11. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Plant and equipment \$	Buildings and improvement s \$	Capital works in progress \$	Total \$
Balance at 1 November 2021	902,929	617,645	24,087	1,544,661
Additions	263,260	-	-	263,260
Transfers in/(out)	-	24,087	(24,087)	-
Depreciation expense	(295,340)	(10,477)	-	(305,817)
Balance at 31 October 2022	<u>870,849</u>	<u>631,255</u>	<u>-</u>	<u>1,502,104</u>

Note 12. Intangible assets

	Consolidated	
	2022	2021
	\$	\$
<i>Non-current assets</i>		
Gaming machine entitlements - at fair value	<u>1,200,000</u>	<u>600,000</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	Gaming machine entitlements \$	Total \$
Balance at 1 November 2021	600,000	600,000
Revaluation increments	600,000	600,000
Balance at 31 October 2022	<u>1,200,000</u>	<u>1,200,000</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 \$40,000, 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 \$30,000.

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 13. Trade and other payables

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Sundry creditors and accruals	879,227	983,324
GST payable	149,825	150,384
PAYG payable	61,751	85,764
	<u>1,090,803</u>	<u>1,219,472</u>

Note 14. Borrowings

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Lease liabilities	353,509	369,891
Loan - SANFL	50,782	49,405
Unsecured notes	14,403	14,403
	<u>418,694</u>	<u>433,699</u>
<i>Non-current liabilities</i>		
Lease liabilities	354,735	647,771
Loan - SANFL	29,924	80,493
Loan - 137 The Parade Pty Ltd	2,789,764	3,430,676
	<u>3,174,423</u>	<u>4,158,940</u>
	<u>3,593,117</u>	<u>4,592,639</u>

Assets pledged as security

The Norwood Football Club Incorporated and its related entities (Redlegs Club Tryst, 37 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 2022, the amount of unused facility is \$350,000.

Note 15. Lease commitments

	Consolidated	
	2022	2021
<i>Future lease payments</i>		
Future lease payments due as follows:		
Within one year	362,508	388,887
One to five years	360,078	658,080
Less: finance charges	(14,342)	(26,292)
	<u>708,244</u>	<u>1,020,675</u>
Present value of minimum lease payments	<u>708,244</u>	<u>1,020,675</u>

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 16. Provisions

	Consolidated	
	2022	2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	91,051	85,090
Long service leave	57,426	58,820
	<u>148,477</u>	<u>143,910</u>
 <i>Non-current liabilities</i>		
Long service leave	21,299	16,498
	<u>169,776</u>	<u>160,408</u>

Note 17. Retained earnings

	Consolidated	
	2022	2021
	\$	\$
Retained earnings at the beginning of the financial year	7,244,086	6,191,583
Surplus for the year	83,586	1,052,503
	<u>7,327,672</u>	<u>7,244,086</u>

Note 18. Key management personnel disclosures

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

Remuneration of Board Members

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

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.

Compensation

The aggregate compensation made to other members of key management personnel of the group is set out below:

	Consolidated	
	2022	2021
	\$	\$
Aggregate compensation	<u>183,775</u>	<u>179,978</u>

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 19. Contingent assets and liabilities

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 20, the Group did not have any contingencies at 31 October 2022 (31 October 2021:None).

Note 20. Capital commitments

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

Note 21. Related party transactions

Parent entity

Norwood Football Club Incorporated and Controlled Entities is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 22.

Key management personnel

Disclosures relating to key management personnel are set out in note 18.

Transactions with related parties

The following transactions occurred with related parties:

	2022 \$	2021 \$
Trust Distributions Received		
581 North East Road Trust	68,578	36,848
583 North East Road Trust	316,102	287,616

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2022 \$	2021 \$
Provision for net unsecured interest free loan to:		
137 The Parade Pty Ltd	4,418,483	3,383,566
Accumulated Impairment	(647,958)	(647,958)

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 22. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
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.

Note 23. Events after the reporting period

No matter or circumstance has arisen since 31 October 2022 that has significantly affected, or may significantly affect the group's operations, the results of those operations, or the group's state of affairs in future financial years.

Note 24. Parent Entity

The parent entity is Norwood Football Club Incorporated.

	2022 \$	2021 \$
Statement of Financial Position		
Assets		
Current Assets	569,611	332,445
Non-Current Assets	<u>5,360,542</u>	<u>6,987,975</u>
Total Assets	<u><u>5,930,153</u></u>	<u><u>7,320,420</u></u>
Liabilities		
Current Liabilities	797,216	970,981
Non-Current Liabilities	<u>212,184</u>	<u>1,159,397</u>
Total Liabilities	<u><u>1,009,400</u></u>	<u><u>2,130,378</u></u>
Equity		
Retained Earnings	4,920,753	5,190,042
Total Equity	<u><u>4,920,753</u></u>	<u><u>5,190,042</u></u>
Surplus/(deficit) for the year	<u><u>(269,289)</u></u>	<u><u>(25,376)</u></u>

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2022

Note 25. 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.

Norwood Football Club Incorporated and Controlled Entities
Board Members' declaration
For the year ended 31 October 2022

In the opinion of the Board:

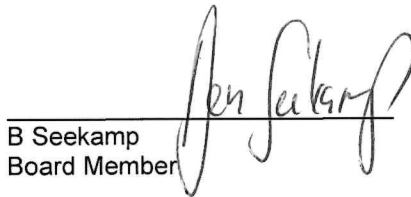
- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosures and South Australian legislation the Associations Incorporation Act 1985 and associated regulations;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 October 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the association will be able to pay its debts as and when they become due and payable.

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

23 December 2022



B Seekamp
Board Member

Norwood Football Club Incorporated and Controlled Entities
Board Members' report
For the year ended 31 October 2022

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 2022:

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.

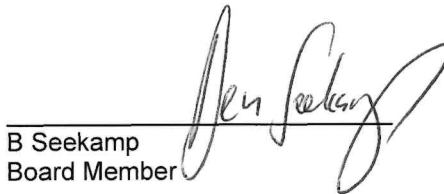
2. no officer of the Group has received directly or indirectly from the association any payment or other benefit of pecuniary value.

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

23 December 2022



B Seekamp
Board Member

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 2022, 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, Board members' declaration and Board members' report.

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 2022 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosures.

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 – Simplified Disclosures 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.

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 2022