Norwood Football Club Incorporated and Controlled Entities

ABN 66 129 168 283

Financial Statements - 31 October 2023

Norwood Football Club Incorporated and Controlled Entities
Contents
For the year ended 31 October 2023

Norwood Football Club Incorporated and Controlled Entities
Statement of profit or loss and other comprehensive income
For the year ended 31 October 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Revenue			
Revenue	4	7,756,324	7,162,630
Other revenue	5	279,423	351,626
Trust distributions		433,402	384,680
		8,469,149	7,898,936
Expenses			
Administration and office expenses		(2,692,378)	(2,189,250)
Player costs and coaching		(811,684)	(796,584)
Cost of sales - bar, food and gaming		(998,196)	(770,044)
Gaming tax		(1,374,593)	(1,360,365)
POS terminal rent		-	(4,186)
Oval management		(291,081)	(309,083)
Underage and zone development costs		(167,174)	(224,027)
Recruiting costs and transfer fees		(24,973)	(45,096)
Medical expenses		(54,358)	(63,264)
Depreciation and amortisation expense		(629,914)	(612,331)
Match training expenses		(55,245)	(55,330)
Finance costs		(110,289)	(23,359)
Other expenses		(1,598,391)	(1,362,431)
Total expenses		(8,808,276)	(7,815,350)
Surplus/(deficit) for the year	17	(339,127)	83,586
Other comprehensive income			
Gain on revaluation of gaming machine entitlements		250,000	600,000
Other comprehensive income for the year		250,000	600,000
Total comprehensive income for the year		(89,127)	683,586

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 2023

	Note	Consolidated 2023 $	2022 $
Assets			
Current assets			
Cash and cash equivalents	6	2,045,482	2,381,667
Trade and other receivables	7	478,498	453,852
Other assets	8	20,212	28,174
Inventories	9	101,563	106,695
Total current assets		2,645,755	2,970,388
Non-current assets			
Trade and other receivables	7	6,999,411	6,560,289
Property, plant and equipment	11	1,481,862	1,502,104
Right-of-use assets	10	13,191,483	638,587
Intangible assets	12	1,450,000	1,200,000
Total non-current assets		23,122,756	9,900,980
Total assets		25,768,511	12,871,368
Liabilities			
Current liabilities			
Trade and other payables	13	1,112,397	1,090,803
Borrowings	14	127,108	418,694
Provisions	16	185,792	148,477
Total current liabilities		1,425,297	1,657,974
Non-current liabilities			
Borrowings	14	16,367,333	3,174,423
Provisions	16	47,336	21,299
Total non-current liabilities		16,414,669	3,195,722
Total liabilities		17,839,966	4,853,696
Net assets		7,928,545	8,017,672
Equity			
Asset revaluation reserve		940,000	690,000
Retained earnings	17	6,988,545	7,327,672
Total equity		7,928,545	8,017,672

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 2023

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	600,000	83,586	683,586
Balance at 31 October 2022	690,000	7,327,672	8,017,672

Consolidated	Asset revaluation reserve $	Retained earnings $	Total equity $
Balance at 1 November 2022	690,000	7,327,672	8,017,672
Deficit for the year	-	(339,127)	(339,127)
Other comprehensive income for the year	250,000	-	250,000
Total comprehensive income for the year	250,000	(339,127)	(89,127)
Balance at 31 October 2023	940,000	6,988,545	7,928,545

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 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Receipts from members and sponsors		1,209,432	631,597
Receipts from grants		13,365	57,290
Other receipts		6,663,726	6,286,322
Payments to suppliers and employees		(7,398,781)	(6,571,345)
League dividends received		840,320	805,020
Gaming tax paid		(1,374,593)	(1,360,365)
Interest paid		(11,136)	(23,359)
Net cash used in operating activities		(57,667)	(174,840)
Cash flows from investing activities			
Payments for property, plant and equipment		(289,886)	(263,260)
Net cash used in investing activities		(289,886)	(263,260)
Cash flows from financing activities			
(Repayment of)/proceeds from other loans		(50,563)	(49,192)
Loan - 137 The Parade Pty Ltd		332,680	(650,237)
Repayment of leases		(270,749)	(366,210)
Net cash from/(used in) financing activities		11,368	(1,065,639)
Net decrease in cash and cash equivalents		(336,185)	(1,503,739)
Cash and cash equivalents at the beginning of the financial year		2,381,667	3,885,406
Cash and cash equivalents at the end of the financial year	6	2,045,482	2,381,667

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

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 's 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 2023.

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:

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 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.

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 2023 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'.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

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.

Note 2. Significant accounting policies (continued)

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.

Note 4. Revenue

	Consolidated	
	2023	2022
	$	$
League distributions	840,320	805,020
Fundraising activities	890,554	841,671
Membership subscriptions	334,059	174,078
Ground revenue	153,041	249,708
Womens funding	87,500	50,000
Food and liquor	2,047,009	1,677,929
Gaming revenue	3,403,841	3,364,224
	7,756,324	7,162,630

Note 5. Other revenue

	Consolidated 2023 $	Consolidated 2022 $
Other income	190,258	276,815
Build the Fort donation income	75,801	17,521
Other grant funding	13,364	57,290
	279,423	351,626

Note 6. Cash and cash equivalents

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Cash on hand	94,308	89,337
Cash at bank	1,951,174	2,292,330
	2,045,482	2,381,667

Note 7. Trade and other receivables

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Trade receivables	480,795	456,149
Less: Allowance for expected credit losses	(2,297)	(2,297)
	478,498	453,852
Non-current assets		
Loan - 137 The Parade Pty Ltd	6,999,411	6,560,289
	7,477,909	7,014,141

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 2023 $	Consolidated 2022 $
Current assets		
Prepayments	20,212	28,174

Note 9. Inventories

	Consolidated 2023 $	Consolidated 2022 $
Current assets		
Merchandise - at cost	101,563	106,695

Note 10. Right-of-use assets

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Building	14,439,527	1,556,237
Less: Accumulated depreciation	(1,248,044)	(917,650)
	13,191,483	638,587

Reconciliations

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

Consolidated	Building $	Total $
Balance at 1 November 2022	638,587	638,587
Additions through lease modification	12,884,236	12,884,236
Depreciation expense	(331,340)	(331,340)
Balance at 31 October 2023	13,191,483	13,191,483

Note 11. Property, plant and equipment

	Consolidated 2023 $	Consolidated 2022 $
Non-current assets		
Plant and equipment - at cost	3,987,016	3,710,684
Less: Accumulated depreciation	(3,130,680)	(2,839,835)
	856,336	870,849
Buildings and improvements - at cost	960,251	958,251
Less: Accumulated depreciation	(334,725)	(326,996)
	625,526	631,255
	1,481,862	1,502,104

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 improvements $	Total $
Balance at 1 November 2022	870,849	631,255	1,502,104
Additions	276,332	2,000	278,332
Depreciation expense	(290,845)	(7,729)	(298,574)
Balance at 31 October 2023	856,336	625,526	1,481,862

Note 12. Intangible assets

	Consolidated	
	2023	**2022**
	$	**$**
Non-current assets		
Gaming machine entitlements - at fair value	1,450,000	1,200,000

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 2022	1,200,000	1,200,000
Revaluation decrements	250,000	250,000
Balance at 31 October 2023	1,450,000	1,450,000

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 $36,250.

Norwood Football Club Incorporated and Controlled Entities
Notes to the financial statements
For the year ended 31 October 2023

Note 13. Trade and other payables

	Consolidated 2023 $	Consolidated 2022 $
Current liabilities		
Sundry creditors and accruals	843,902	879,227
GST payable	122,503	149,825
PAYG payable	100,424	61,751
Other paybles	45,568	-
	1,112,397	1,090,803

Note 14. Borrowings

	Consolidated 2023 $	Consolidated 2022 $
Current liabilities		
Lease liabilities	82,562	353,509
Loan - SANFL	30,143	50,782
Unsecured notes	14,403	14,403
	127,108	418,694
Non-current liabilities		
Lease liabilities	13,239,169	354,735
Loan - SANFL	-	29,924
Loan - 137 The Parade Pty Ltd	3,128,164	2,789,764
	16,367,333	3,174,423
	16,494,441	3,593,117

Assets pledged as security

The Norwood Football Club Incorporated and its related entities (Redlegs Club Trust, 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 2023, the amount of unused facility is $350,000.

Note 15. Lease commitments

	Consolidated 2023	Consolidated 2022
Future lease payments		
Future lease payments due as follows:		
Within one year	342,346	362,508
One to five years	1,439,236	360,078
More than five years	18,460,929	-
Less: finance charges	(6,920,780)	(14,342)
Present value of minimum lease payments	13,321,731	708,244

Note 16. Provisions

	Consolidated 2023 $	Consolidated 2022 $
Current liabilities		
Annual leave	113,239	91,051
Long service leave	72,553	57,426
	185,792	148,477
Non-current liabilities		
Long service leave	47,336	21,299
	233,128	169,776

Note 17. Retained earnings

	Consolidated 2023 $	Consolidated 2022 $
Retained earnings at the beginning of the financial year	7,327,672	7,244,086
Surplus/(deficit) for the year	(339,127)	83,586
Retained earnings at the end of the financial year	6,988,545	7,327,672

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
J Fantasia

Note 18. Key management personnel disclosures (continued)

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	
	2023	2022
	$	$
Aggregate compensation	190,986	183,775

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 2023 (31 October 2022: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 $2.15 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:

	2023	2022
	$	$
Trust Distributions Received		
581 North East Road Trust	96,424	68,578
583 North East Road Trust	336,987	316,102

Note 21. Related party transactions (continued)

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

	Consolidated 2023 $	Consolidated 2022 $
Provision for net unsecured interest free loan to:		
137 The Parade Pty Ltd	4,522,839	4,418,483
Accumulated Impairment	(647,958)	(647,958)

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

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 2023 %	Ownership interest 2022 %
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 2023 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.

	2023 $	2022 $
Statement of Financial Position		
Assets		
Current Assets	617,337	569,611
Non-Current Assets	7,767,440	5,360,542
Total Assets	8,384,777	5,930,153
Liabilities		
Current Liabilities	786,942	797,216
Non-Current Liabilities	3,043,272	212,184
Total Liabilities	3,830,214	1,009,400

Note 24. Parent Entity (continued)

Equity		
Retained Earnings	4,554,563	4,920,753
Total Equity	4,554,563	4,920,753
Surplus/(deficit) for the year	(366,190)	(269,289)

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 2023

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 2023 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

B Seekamp
Board Member

22 December 2023

Norwood Football Club Incorporated and Controlled Entities
Board Members' report
For the year ended 31 October 2023

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 2023:

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

22 December 2023

William Buck
ACCOUNTANTS & ADVISORS

Norwood Football Club Incorporated & Controlled Entities
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 Entities (the Group), which comprises the statement of financial position as at 31 October 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and Management's declaration.

In our opinion the financial report of Norwood Football Club Incorporated & Controlled Entities has been prepared in accordance with the *Association's Incorporations Act (SA) 1985*, including:

a. giving a true and fair view of the Group's financial position as at 31 October 2023 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

The Board of the Group are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 October 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board and Those Charged with Governance for the Financial Report

The Board of the Group are 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 Association's Incorporations Act (SA) 1985 and for such internal control as the Board determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board are 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 are 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 (SA)
ABN: 38 280 203 274

M. D. King
Partner

Adelaide, 22nd day of December 2023