
WEST ADELAIDE FOOTBALL CLUB INC
FINANCIAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2019

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2019**

	2019	2018
	\$	\$
INCOME		
Fund Raising, Arena Advertising, Sponsorships etc	929,584	935,646
Memberships	99,882	107,785
SANFL distributions, gate receipts & prize money	674,393	703,264
Sundry income	73,476	106,280
Transfer fees received	2,813	5,000
Westies Wolfpack dividends	55,034	16,332
Rent Received	-	-
SANFL land divestment grant	275,000	275,000
WAFC memorabilia donations	-	7,000
	<u>2,110,181</u>	<u>2,156,307</u>
EXPENDITURE		
Administration & Office Expenses	374,324	356,247
Borrowing Costs (Interest)	14,417	7,555
Depreciation of Property, Plant & Equipment	124,642	117,870
Fund Raising, Membership & Sponsorships Expenses	187,990	250,013
Honorariums	60,780	66,195
Juniors, Development & Women's Football	186,613	160,408
Match & Training Expenses	157,477	148,763
Medical Expenses & Equipment	74,502	43,285
Oval & Property Expenses	112,128	77,584
Player Costs & Coaching Fees	656,675	677,958
Bad Debts Written Off	22,026	-
Recruiting Expenses (League)	14,807	20,203
	<u>1,986,381</u>	<u>1,926,080</u>
Net surplus for the year	<u>123,800</u>	<u>230,227</u>
Other comprehensive income	-	-
Total comprehensive income	<u><u>123,800</u></u>	<u><u>230,227</u></u>

The accompanying notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2019**

	NOTES	2019 \$	2018 \$
CURRENT ASSETS			
Income in arrears		-	275,000
Receivables		28,661	103,148
Units - Westies Wolfpack Unit Trust		900,000	350,000
Inventories		12,642	10,959
TOTAL CURRENT ASSETS		941,302	739,107
NON-CURRENT ASSETS			
Property, plant & equipment	4	2,261,734	2,369,328
WAFC memorabilia collection at 2018 independent valuation		350,000	350,000
TOTAL NON-CURRENT ASSETS		2,611,734	2,719,328
TOTAL ASSETS		3,553,037	3,458,435
CURRENT LIABILITIES			
Bank overdraft		43,380	49,692
Payables & accruals		331,645	372,559
Lease liabilities	6	4,917	7,309
Interest bearing liabilities		87,320	43,495
Council lease - lights		10,000	10,000
Provision for employee benefits		45,291	48,008
TOTAL CURRENT LIABILITIES		522,553	531,063
NON-CURRENT LIABILITIES			
Loan - West Adelaide Footballers' Club		138,809	148,408
Lease liabilities	6	3,375	9,464
Council lease - lights		57,054	62,054
Interest bearing liabilities	5	2,000,000	2,000,000
TOTAL NON-CURRENT LIABILITIES		2,199,238	2,219,926
TOTAL LIABILITIES		2,721,791	2,750,990
NET ASSETS		831,245	707,446
EQUITY			
Retained surplus		(141,596)	(265,396)
Asset revaluation reserve		972,841	972,841
TOTAL EQUITY		831,245	707,445

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
AS AT 31 OCTOBER 2019

	NOTES	Retained Surplus \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 November 2017		(795,607)	972,841	177,234
Surplus for the year		230,227	-	230,227
Prior year adjustments	2	299,984	-	299,984
Balance at 31 October 2018		(265,396)	972,841	707,445
Surplus for the year		123,800	-	123,800
Balance at 31 October 2019		(141,596)	972,841	831,245

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2019

	NOTE	2019 \$	2018 \$
Cash Flows From Operating Activities			
Receipts from members, SANFL, public etc		2,469,423	2,066,541
Payments to suppliers and employees		(1,906,905)	(1,682,212)
Interest paid		(9,903)	(6,937)
Net cash provided by Operating Activities	7	552,615	377,392
Cash Flows from Investing Activities			
Payments for property, plant & equipment		(17,048)	(125,609)
Payment for Wolfpack Units		(550,000)	(200,000)
Net cash (used in) Investing Activities		(567,048)	(325,609)
Cash Flows from Financing Activities			
Funding from West Adelaide Football Club		(9,599)	(37,769)
Proceeds from borrowings		10,000	(55,000)
Proceeds / (repayment) of finance leases		20,344	34,029
Net cash provided by Financing Activities Activities		20,745	(58,740)
Net increase in cash held		6,312	(6,957)
Cash and cash equivalents at the beginning of the year		(49,692)	(42,735)
Cash and cash equivalents at the end of the year		(43,381)	(49,692)

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1 Summary of Significant Accounting Policies

(a) Basis of preparation

The financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 1985 (SA). The Board has determined that the association is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act 1985 (SA) and the following Australian Accounting Standards:

AASB 1031 Materiality

AASB 110 Events after the Reporting Period

No other applicable Accounting Standards, Australian Accounting Interpretations or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except, where specifically stated, current valuations of non-current assets.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(b) Income Tax

No income tax is payable as the Club is exempt from income tax by virtue of section 50-45 of the Income Tax Assessment Act 1997.

(c) Inventories

Inventories are valued at the lower of cost or net realisable value.

(d) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(e) Property, plant & equipment

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

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Board to ensure it is not in excess of the recoverable amount of those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

1 Summary of Significant Accounting Policies (continued)

(f) Depreciation of property, plant & equipment

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

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Buildings	2.5%
Plant & Equipment	5% to 33.3%

(g) Impairment of assets

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

(h) Employee entitlements

Provision is made for the Club's liability for annual and long service leave arising from services rendered by employees to balance date.

Contributions are made by the Club to an employee superannuation fund and are charged as expenses when incurred.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(j) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for a least 12 months after the balance sheet date.

(k) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

(l) Comparatives

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information.

2 CORRECTION OF A PRIOR PERIOD ERROR

During the year the Club noted an error in the recording rental payments between Westies Wolf Pack Unit Trust, West Adelaide Football Club Inc. (the Club) and West Adelaide Footballers Club Inc. Rental payments being made in prior years by the Club to Westies Wolf Pack should have been paid by the Footballers Club per the lease agreement. As a result, the prior year comparative figures have been amended to correctly reflect lease agreement between the entities. Refer below for a summary of the adjustments made.

	2018	
	Original	Amended
Income Statement		
Rent received	52,272	-
Total Income	2,208,579	2,156,307
Oval and property expenses	680,696	77,584
Total Expenses	2,087,602	1,986,081
Net Surplus	120,977	230,227
Balance Sheet		
Loan - West Adelaide Footballers' Club Inc	557,642	148,408
Total Liabilities	3,160,224	2,750,990
Retained Surplus	(674,630)	(265,396)
Total Equity	298,211	707,445

	2019 \$	2018 \$
3 REMUNERATION OF AUDITOR		
Audit Services	7,100	7,102
Other Services	-	-
	7,100	7,102

4 PROPERTY, PLANT & EQUIPMENT

Land at 2017 valuation	485,000	485,000
	485,000	485,000
Buildings at 1999 independent valuation	2,025,916	2,025,916
Buildings additions	777,196	777,196
Accumulated depreciation	(1,124,534)	(1,043,861)
	1,678,578	1,759,251
Motor vehicles	29,995	29,995
Accumulated depreciation	(17,996)	(13,497)
	11,999	16,498
Plant & equipment	718,789	666,614
Accumulated depreciation	(632,631)	(558,035)
	86,158	108,579
Total Property, Plant and Equipment	2,261,734	2,369,328

	Land \$	Buildings \$	Motor vehicles \$	Plant & equipment \$	TOTAL \$
Balance at the beginning of the year	485,000	1,759,251	16,498	108,579	2,369,328
Additions	-	-	-	17,048	17,048
Disposals	-	-	-	-	-
Depreciation expense		(80,674)	(4,499)	(39,469)	(124,642)
Carrying amount at the end of the year	485,000	1,678,577	11,999	86,158	2,261,734

5 WESTIES WOLF PACK UNIT TRUST LIABILITY

The West Adelaide Football Club assigned the leasing rights of its land and buildings in 2015 to the Westies Wolfpack Unit Trust. (WWUT) for an initial period of 10 years, with 3 renewal rights of 5 years each. The ownership of the land and buildings remains with the West Adelaide Football Club, but is still held as security for bank finance to the WWUT.

The West Adelaide Football Club retains the right to purchase all units in the WWUT at any time after the initial three years.

	2019	2018
	\$	\$
6 CAPITAL AND LEASING COMMITMENTS		
Hire purchase commitments payable		
- not later than 1 year	5,530	6,815
- later than 1 year and not later than 5 years	3,783	12,446
Minimum HP loan payments	9,314	19,261
less: Future finance charges	(1,022)	(2,488)
	8,292	16,773
Represented by:		
Current liability	4,917	7,309
Non-current liability	3,375	9,464
	8,292	16,773

7 CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET SURPLUS

Net surplus for the year	123,800	230,227
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Non-cash flows in profit:

- depreciation	124,642	117,870
- non-cash donations	-	(7,000)

Change in assets and liabilities, net of the effects of purchases of subsidiaries:

Decrease in receivables	74,487	192,234
Decrease / (increase) Income in arrears	275,000	(275,000)
(Decrease) / increase in payables	(40,915)	111,128
(Decrease) / increase in provisions	(2,717)	1,796
(Increase) / decrease in inventories	(1,683)	6,137
Cash flows from operations	552,615	377,392

8 LOAN - BANK

The National Australia Bank holds a charge over all assets of both the West Adelaide Football Club Inc. and West Adelaide Footballers Club Inc.

9 CONTINGENT LIABILITIES

- a) The West Adelaide Football Club Inc guarantees the bank overdraft of the West Adelaide Footballers' Club Inc.
- b) The West Adelaide Footballers' Club Inc guarantees the secured bank loan of the West Adelaide Football Club Inc
- c) The West Adelaide Football Club guarantees the secured bank loan of the Westies Wolf Pack Unit Trust.

10 RELATED PARTY TRANSACTIONS

(a) Related Incorporated Bodies

Provision of an unsecured interest free loan by the West Adelaide Footballers' Club Inc. to the West Adelaide Football Club Inc.

(b) The names of each person who held office as a member of the Board during the year were:

Board Members Appointed at the AGM on 25 February 2019

Murray Forbes	
Mark Goddard	
Nick Karasoulos	
Jacqui Rose	
Graeme Barton	
Troy Abbott	
Richard Sykes	- Resigned 21 June 2019
Martine Edwards	- Appointed 30 September 2019

Board Members Resigned at the AGM on 25 February 2019

Lee Harradine
Robert Tidswell
Joseph Masika
Kristen Demetriou
John Levy
Michael Memmler

(c) Remuneration of the Board Members

The Board members receive no remuneration for their services. This statement excludes which it is reasonable for the Club to expect, if dealing at arm's length in the same circumstances.

(d) Loans to Board Members

No loans have been made, guaranteed or secured by the Club to a Board Member or a related entity of a Board Member, during the year under review.

10 RELATED PARTY TRANSACTIONS (continued)

(e) Disclosure of Interest

In accordance with the requirements of section 31 of the Associations Incorporation Act 1985, the following disclosure of interest of Board Members of the West Adelaide Football Club Inc, in contracts with the Club for the year ended 31 October 2019, is made:

Lee Harradine (Harradine & Norris-Green) - Accounting Services - \$3,000.

Murray Forbes provided an interest free loan to the football club to assist with cash flow. The loan is repayable over a two year period.

11 GOING CONCERN

West Adelaide Football Club Inc has a net current asset surplus at 31 October 2019 of \$418,749 (2018: \$208,044).

The Club recorded a surplus for the year ended 31 October 2019 of \$123,800 (2018: surplus of \$230,227). The ability of the Club to continue as a going concern including the ability to pay its debts as when they fall due is dependent upon the continued support of its financiers, gate receipts, and other sources including the South Australian National Football League distributions and reducing operating costs.

The accounts have been prepared on the basis that the West Adelaide Football Club is a going concern as:

- * Cash surpluses have been budgeted for the 2020 financial years for the combined West Adelaide Football and Footballers Clubs, including the impact of reductions in expenditures and changes to some operations. It is noted a number of these strategies have already been implemented.

- * The Board of the West Adelaide Footballers Club Inc has agreed to continue to support the Football Club as required.

BOARD REPORT

In accordance with section 35(5) of the Associations Incorporation Act 1985 (SA), the Board of the West Adelaide

Football Club hereby states that during the financial year ending 31 October 2019:

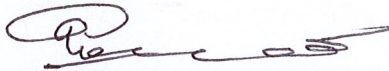
- (a) (i) no officer of the West Adelaide Football Club;
- (ii) no firm of which an officer is a member; and
- (iii) no body corporate in which an officer has a substantial financial interest;

Has received or become entitled to receive a benefit as a result of contract between the officer, firm or body corporate and the Association, except as shown in the Notes to the Financial Statements.

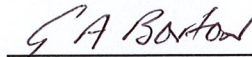
- (b) no officer of the West Adelaide Football Club has received directly or indirectly from the Association any or other benefit of a pecuniary value, except as shown in the Notes to the Financial Statements.

Members of the Board act in an honorary capacity and receive no remuneration or benefits from the Club for acting in that capacity.

This report is made in accordance with a resolution of the Board



Murray Forbes
President



Graeme Barton
Vice - President

Dated this 25th day of January 2020

STATEMENT BY MEMBERS OF THE BOARD

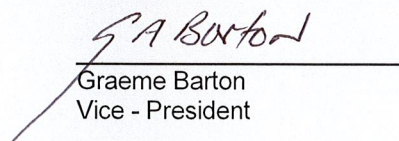
In the opinion of the Board of the West Adelaide Football Club Inc. the accompanying financial report for the year ended 31 October, 2019:

1. Presents a true and fair view of the financial position of West Adelaide Football Club Inc. as at 31 October 2019 and its performance for the year ended on that date.
2. As at the date of this statement, there are reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

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



Murray Forbes
President



Graeme Barton
Vice - President

Dated this 25th day of January 2020



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST ADELAIDE FOOTBALL CLUB INC.

Report on the Audit of the Financial Report

Opinion

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

In our opinion the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 31 October 2019 and of its financial performance and cash flows for the year then ended in accordance with the *Associations Incorporation Act 1985 (SA)*.

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 entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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.

Emphasis of Matter

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the entity's financial reporting responsibilities under the *Associations Incorporation Act 1985 (SA)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Board's Responsibility for the Financial Report

The board is responsible for the preparation of the financial report that gives a true and fair view, have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Act 1985 (SA), and is appropriate to meet the needs of members. The board's responsibility also includes such internal control as the board determines is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so. The board is responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WEST ADELAIDE FOOTBALL CLUB INC. (CONTINUED)**

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 the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MGI Assurance (SA) Pty Ltd
Chartered Accountants

A handwritten signature in black ink, consisting of a large, stylized capital 'C' followed by a series of loops and a horizontal line extending to the right.

Clayton Lawrence
Director

Eastwood, South Australia
29 January 2020