
WEST ADELAIDE FOOTBALLERS 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		
Bar Activities	541,268	554,239
Commission Income	65,583	62,393
Function Room Income	461,272	377,308
Gaming Machine Income	743,465	758,450
Match Day Bar, BBQ & Catering	224,000	158,319
Sundry Income	27,775	26,812
Rent Received	67,340	86,493
	<u>2,130,703</u>	<u>2,024,014</u>
EXPENDITURE		
Administration & Office Expenses	754,302	753,782
Bar Purchases & Expenses	575,467	417,239
Borrowing Costs (Interest)	11,388	15,621
Depreciation of Property, Plant & Equipment	71,197	74,794
Function Room Expenses	276,783	352,150
Gaming Machine Costs	74,668	75,175
Insurance	40,642	40,495
Bad Debts Written Off	5,625	-
Rent & Occupancy	326,427	325,165
	<u>2,136,499</u>	<u>2,054,421</u>
Net (deficit) for the year	<u>(5,796)</u>	<u>(30,407)</u>
Other comprehensive income		
Revaluation of GME's	(45,521)	(38,325)
Total comprehensive income	<u><u>(51,317)</u></u>	<u><u>(68,732)</u></u>

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

	NOTES	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	4	49,807	48,602
Receivables		20,457	48,214
Inventories		33,445	17,803
TOTAL CURRENT ASSETS		103,708	114,619
NON-CURRENT ASSETS			
Loan to West Adelaide Football Club		138,809	148,408
Property, plant & equipment	5	199,375	192,817
Intangible assets		464,479	510,000
TOTAL NON-CURRENT ASSETS		802,664	851,225
TOTAL ASSETS		906,372	965,844
CURRENT LIABILITIES			
Bank overdraft	4	57,167	49,576
Payables		271,387	244,738
Interest bearing liabilities		63,361	56,798
Provision for employee benefits		6,684	32,565
TOTAL CURRENT LIABILITIES		398,599	383,677
NON-CURRENT LIABILITIES			
Interest bearing liabilities		35,266	58,343
TOTAL NON-CURRENT LIABILITIES		35,266	58,343
TOTAL LIABILITIES		433,866	442,020
NET ASSETS		472,507	523,824
EQUITY			
Retained surplus		8,028	13,824
Asset revaluation reserve	7	464,479	510,000
TOTAL EQUITY		472,507	523,824

STATEMENT OF CHANGES IN EQUITY
AS AT 31 OCTOBER 2019

	Notes	Retained Surplus \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 November 2017		344,215	548,325	892,540
Prior year adjustment	2	(299,984)	-	(299,984)
Surplus for the year		(30,407)	-	(30,407)
Revaluation of GME's		-	(38,325)	(38,325)
Balance at 31 October 2018		13,824	510,000	523,824
Surplus for the year		(5,796)	-	(5,796)
Revaluation of GME's		-	(45,521)	(45,521)
Balance at 31 October 2019		8,028	464,479	472,507

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2019**

	NOTE	2019 \$	2018 \$
Cash Flows From Operating Activities			
Receipts from customers		2,484,746	1,998,890
Payments to suppliers and employees		(2,395,704)	(1,966,775)
Interest paid		(10,758)	(15,621)
Net cash provided by Operating Activities	9	78,284	16,494
 Cash Flows from Investing Activities			
Payments for property, plant & equipment		(6,558)	(783)
Payment for Wolfpack Units		-	-
Proceeds from property, plant & equipment		(71,197)	-
Repayment of borrowings		(16,514)	-
Net cash provided by (used in) Investing Activities		(94,269)	(783)
 Cash Flows from Financing Activities			
Funds advanced to West Adelaide Football Club		9,599	37,768
Proceeds / (repayment) of finance leases		-	(64,296)
Net cash provided by Financing Activities Activities		9,599	(26,528)
 Net increase in cash held		(6,386)	(10,817)
Cash and cash equivalents at the beginning of the year		(974)	9,843
Cash and cash equivalents at the end of the year	4	(7,360)	(974)

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) Intangible assets

Intangible assets represent gaming machine entitlements (GME's). GME's are reviewed for impairment annual and when gaming machine licences are sold the full value of the proceeds are reflected in income and the asset revaluation reserve is reduced to reflect the portion of the revaluation reserve applicable to the GME's sold.

1 Summary of Significant Accounting Policies (continued)

(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.

(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.

1 Summary of Significant Accounting Policies (continued)

(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	-	86,493
Total Income	1,971,741	2,024,014
Oval and property expenses	172,761	325,165
Total Expenses	1,892,898	2,054,421
Net Surplus (Deficit)	78,843	(30,407)
Balance Sheet		
Loan - West Adelaide Footballers' Club Inc	557,642	148,408
Total Assets	1,395,311	965,844
Retained Surplus	423,058	13,824
Total Equity	933,058	523,824

	2019 \$	2018 \$
3 REMUNERATION OF AUDITOR		
Audit Services	7,100	7,080
Other Services	-	-
	7,100	7,080

4 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents	49,807	68,834
Bank overdraft	(57,167)	(69,808)
	(7,360)	(974)

5 PROPERTY, PLANT & EQUIPMENT		
Leasehold Improvements	29,688	29,688
Accumulated depreciation	(5,938)	(5,938)
	23,751	23,751
Motor vehicles	31,903	31,903
Accumulated depreciation	(14,468)	(9,682)
	17,435	22,221
Plant & equipment	1,414,247	1,279,554
Accumulated depreciation	(1,256,058)	(1,132,708)
	158,189	146,846
Total Property, Plant and Equipment	199,375	192,817

	Leasehold Improvement \$	Motor vehicles \$	Plant & equipment \$	TOTAL \$
Balance at the beginning of the year	23,751	22,221	146,846	192,817
Additions	-	-	77,454	77,454
Disposals	-	-	301	301
Depreciation expense	-	(4,785)	(66,412)	(71,197)
Carrying amount at the end of the year	23,751	17,436	158,189	199,375

5 INTANGIBLES

The intangibles assets revalued in the accounts for \$464,479 represents the value of the 35 Gaming Machine Entitlements (GME's) held by West Adelaide Footballers Club Inc.

6 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.

	2019 \$	2018 \$
7 ASSET REVALUATION RESERVE		
Opening Balance	510,000	548,325
Less GME's Sold	-	-
Add: GME Revaluation	(45,521)	(38,325)
Closing Balance	464,479	510,000

8 CAPITAL AND LEASING COMMITMENTS

Hire purchase commitments payable		
- not later than 1 year	67,802	56,798
- later than 1 year and not later than 5 years	37,284	67,825
Minimum HP loan payments	105,086	124,623
less: Future finance charges	(6,459)	(9,482)
	98,627	115,141

Representaed by:

Current liability	63,361	56,798
Non-current liability	35,266	58,343
	98,627	115,141

9 CASH FLOW INFORMATION

RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET SURPLUS

Net surplus for the year	(5,796)	(30,407)
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Non-cash flows in profit:

- depreciation	71,197	74,794
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Change in assets and liabilities, net of the effects of purchases of subsidiaries:

Decrease / (increase) in receivables	27,757	(25,123)
(Increase) / decrease in payables	26,649	(15,374)
(Decrease) / increase in provisions	(25,881)	10,794
(Increase) / decrease in inventories	(15,642)	1,810
Cash flows from operations	78,284	16,494

10 CONTINGENT LIABILITIES

- a) The West Adelaide Football Club Inc. guarantees the bank overdraft of the West Adelaide Footballers' Club Inc.

11 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
Marteine 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.

- (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

12 GOING CONCERN

West Adelaide Footballers Club Inc. has a net current asset deficit at 31 October 2019 of \$294,891 (2018: \$269,059).

The Club recorded a deficit for the year ended 31 October 2019 of \$5,796 (2018: deficit of \$30,407)

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 Footballers Club is a going concern as:

* Cash surpluses have been budgeted for the 2020 financial year 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.

BOARD REPORT

In accordance with section 35(5) of the Associations Incorporation Act 1985 (SA), the Board of the West Adelaide Footballers Club hereby states that during the financial year ending 31 October 2019:

- (a) (i) no officer of the West Adelaide Footballers 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.

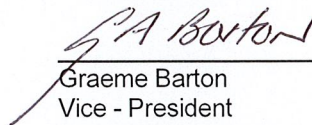
- (b) no officer of the West Adelaide Footballers Club has received directly or indirectly from the Association any or other benefit of a pecuniary value, except as shown in the Notes to the Financial Statements.

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

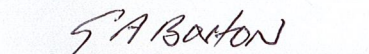
In the opinion of the Board of the West Adelaide Footballers Club Inc. the accompanying financial report for the year ended 31 October, 2019:

1. Presents a true and fair view of the financial position of West Adelaide Footballers 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



MGI Assurance (SA) Pty Ltd
ABN 31 118 195 547
212 Greenhill Road, Eastwood 5063
PO Box 96, Fullarton SA 5063
Tel: 08 8299 8888
Fax: 08 8373 1451
Website: www.mgiadelaide.com.au

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the West Adelaide Footballers 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.

Material Uncertainty Related to Going Concern

We further draw attention to Note 12 in the financial report, which indicates that the Club's current liabilities exceeded its current assets by \$294,891. This condition, along with other matters as set forth in Note 12, indicate an existence of a material uncertainty that may cast significant doubt about the Club's ability to continue as a going concern and therefore, the Club may be unable to realise its assets and discharge its liabilities in the normal course of business. 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.



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

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 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, appearing to read 'Clayton Lawrence', with a long horizontal stroke extending to the right.

Clayton Lawrence
Director
Eastwood, South Australia
29 January 2020