

West Adelaide Football Club

Financial Statements

For the Year Ended 31 October 2022

West Adelaide Football Club

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For the Year Ended 31 October 2022

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West Adelaide Football Club

Committee's Report

31 October 2022

The committee members submit the financial report of the Club for the financial year ended 31 October 2022.

1. General information

Committee members

The names of committee members throughout the year and at the date of this report are:

Murray Forbes

Mark Goddard

Bradley Abraham

Martine Edwards

Tiandra Tamiaans

Derek Bonner

Alison Surjan

Emma Grigson Greer

Troy Abbott

Chris Schmidt

Commenced 23 March 2022

Commenced 22 September 2022

Resigned 31 January 2022

Commenced 23 March 2022

Principal activities

The principal activities of the Club during the financial year were to promote football activities.

Significant changes

No significant change in the nature of these activities occurred during the year.

Benefits as a result of contracts

During the financial year, there were no benefits received or entitled to be received as a result of a contract between an officer, firm or body corporate and the Club.

Payments and other benefits

No payments or benefits of a pecuniary value were received by any officers of the Club during the financial year.

2. Operating results and review of operations for the year

Operating result

The profit of the Club for the financial year after providing for income tax amounted to \$ (222,732)(2021: \$189,883).

Signed in accordance with a resolution of the Members of the Committee:

President:

Murray Forbes

Committee member:

Mark Goddard

Dated 31 January 2023

West Adelaide Football Club

Statement of Profit or Loss For the Year Ended 31 October 2022

	Note	2022 \$	2021 \$
Income			
SANFL and match day income		663,007	642,051
Player transfer income		44,722	48,243
Sponsorship income		598,489	511,543
Payroll tax rebate		33,000	60,000
Land divestment income		300,000	350,000
Insurance recoveries		9,337	25,271
State government funding		-	318,500
Membership		88,504	104,263
Interest		49	19
Other income		299,036	236,382
Interentity rent		120,000	120,000
Total income		2,156,144	2,416,272
Administration and office expenses		(465,439)	(363,592)
Female development, recruiting & playing costs		(131,752)	(66,817)
Junior development, recruiting & playing costs		(310,076)	(192,445)
Player costs & coaching fees		(336,243)	(441,278)
Senior development, recruiting & playing costs		(490,010)	(506,909)
Bad debts		(880)	(486)
Interest expenses		(26,328)	(32,607)
Oval and property expenses		(103,373)	(101,250)
Match day expenses		(97,979)	(55,202)
Depreciation		(96,683)	(106,873)
Employee expenses		(14,593)	(10,637)
Other expenses		(305,520)	(348,292)
Total expenses		(2,378,876)	(2,226,388)
Profit at the end of the year		(222,732)	189,884

The accompanying notes form part of these financial statements.

West Adelaide Football Club

Statement of Assets and Liabilities

As At 31 October 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	59,552	209,431
Trade and other receivables	4	350,333	38,397
Inventories	5	13,688	1,738
TOTAL CURRENT ASSETS		423,573	249,566
NON-CURRENT ASSETS			
Plant and equipment	6	2,002,147	2,051,528
WAFC Memorabilia Collection		459,069	459,069
TOTAL NON-CURRENT ASSETS		2,461,216	2,510,597
TOTAL ASSETS		2,884,789	2,760,163
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	308,584	141,302
Provisions	10	55,129	21,850
Deferred income	9	96,250	55,000
Lease liabilities		5,000	5,000
Borrowings	8	390,063	279,066
TOTAL CURRENT LIABILITIES		855,026	502,218
NON-CURRENT LIABILITIES			
Lease liabilities		64,929	69,929
Borrowings	8	300,000	300,000
TOTAL NON-CURRENT LIABILITIES		364,929	369,929
TOTAL LIABILITIES		1,219,955	872,147
NET ASSETS		1,664,834	1,888,016
MEMBERS' FUNDS			
Retained profits		582,924	806,106
Asset revaluation reserve		1,081,910	1,081,910
TOTAL MEMBERS' FUNDS		1,664,834	1,888,016

The accompanying notes form part of these financial statements.

West Adelaide Football Club

Statement of Changes in Equity For the Year Ended 31 October 2022

2022

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 November 2021	806,106	1,081,910	1,888,016
Loss for the year	(222,732)	-	(222,732)
Adjustment to match GL	(450)	-	(450)
Balance at 31 October 2022	582,924	1,081,910	1,664,834

2021

	Retained Earnings	Asset Revaluation Reserve	Total
Note	\$	\$	\$
Balance at 1 November 2020	616,222	1,081,910	1,698,132
Profit for the year	189,884	-	189,884
Balance at 31 October 2021	806,106	1,081,910	1,888,016

The accompanying notes form part of these financial statements.

West Adelaide Football Club

Statement of Cash Flows

For the Year Ended 31 October 2022

	Note	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from members, SANFL, public etc		1,840,835	1,529,447
Payments to suppliers and employees		(2,021,664)	(1,437,927)
Receipts from ATO - Jobkeeper & cash flow boost		-	403,700
Interest received		49	19
Interest paid		(26,328)	(32,607)
Net cash provided by/(used in) operating activities	13	(207,108)	462,632
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(48,768)	(11,446)
Net cash provided by/(used in) investing activities		(48,768)	(11,446)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayments of borrowings		-	(355,000)
Funding from West Adelaide Footballers Club		110,997	(28,927)
Repayment of finance leases		(5,000)	(3,375)
Net cash provided by/(used in) financing activities		105,997	(387,302)
Net increase/(decrease) in cash and cash equivalents held		(149,879)	63,884
Cash and cash equivalents at beginning of year		209,431	145,547
Cash and cash equivalents at end of financial year	3	59,552	209,431

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 October 2022

The financial statements cover West Adelaide Football Club as an individual entity. West Adelaide Football Club is a not-for-profit Club incorporated in South Australia under the *Associations Incorporation Act (SA) 1985* ('the Act').

The principal activities of the Club for the year ended 31 October 2022 were to promote football activities.

The functional and presentation currency of West Adelaide Football Club is Australian dollars.

1 Basis of Preparation

In the opinion of the Committee of Management, the Club is not a reporting entity since there are unlikely to exist users of the financial statements who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Club is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Club and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Revenue is recognised when the Club is entitled to it.

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

Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Interest revenue

Interest is recognised using the effective interest method.

Subscriptions

Revenue from memberships are recognised on a straight line basis over the financial year.

Notes to the Financial Statements

For the Year Ended 31 October 2022

2 Summary of Significant Accounting Policies

(b) Revenue and other income

Grant revenue

Grants are recognised at fair value where there is reasonable assurance that the grant will be received and can be reliably measured. Grants that contain sufficiently specific performance obligations are recorded as liabilities on the statement of financial position and the revenue is recognised as the performance obligations are met.

Other income

Other income is recognised on an accruals basis when the Club is entitled to it.

(c) Leases

At inception of a contract, the Club assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Club has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

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

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

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

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

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

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

Notes to the Financial Statements

For the Year Ended 31 October 2022

2 Summary of Significant Accounting Policies

(c) Leases

Exceptions to lease accounting

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

(d) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). 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 statement of financial position are shown inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(f) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of assets and liabilities.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the weighted average costs basis and is net of any rebates and discounts received.

Net realisable value represents the estimated selling price for inventories.

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost, unless otherwise stated.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Notes to the Financial Statements

For the Year Ended 31 October 2022

2 Summary of Significant Accounting Policies

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Club, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

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

Fixed asset class	Depreciation rate
Buildings	2.5
Leased plant and equipment	2.5 - 10
Motor Vehicles	3.2
Office Equipment	2 - 25

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(i) Impairment of assets

At the end of each reporting period, the Club assesses whether there is any indication that an asset may be impaired. The assessment will consider both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of that asset, being the higher of the asset's fair value less costs of disposal and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Club estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Employee benefits

Provision is made for the Club's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employees who have not reached the eligible length of service have not been included in the provision.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

(k) Adoption of new and revised accounting standards

The Club has adopted all standards which became effective for the first time at 31 October 2022, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Club.

Notes to the Financial Statements

For the Year Ended 31 October 2022

2 Summary of Significant Accounting Policies

(I) Going concern

West Adelaide Football Club has a current net asset deficiency at 31 October 2022 of \$431,453 (2021: \$252,652). The Club recorded a deficit for the year ended 31 October 2022 of (\$222,732) (2021: surplus of \$189,884).

The ability of the Club to continue as a going concern, including the ability to pay its debts as and 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 additional agreed funding.

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

3 Cash and Cash Equivalents

	2022	2021
	\$	\$
Cash at bank and in hand	59,552	209,431

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of assets and liabilities as follows:

Cash and cash equivalents	59,552	209,431
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4 Trade and Other Receivables

CURRENT

Trade receivables	50,333	38,397
Land divestment receivable	300,000	-
Total current trade and other receivables	350,333	38,397

5 Inventories

Inventory - Merchandise	13,688	1,738
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Notes to the Financial Statements

For the Year Ended 31 October 2022

6 Property, plant and equipment

	2022 \$	2021 \$
Freehold land		
At 2017 valuation	485,000	485,000
Buildings		
At 1999 valuation	2,025,916	2,025,916
Accumulated depreciation	(1,135,596)	(1,084,949)
Total buildings	<u>890,320</u>	<u>940,967</u>
Plant and equipment		
At cost	390,670	350,537
Accumulated depreciation	(325,522)	(309,061)
Total plant and equipment	<u>65,148</u>	<u>41,476</u>
Motor vehicles		
At cost	29,995	29,995
Accumulated depreciation	(24,576)	(23,620)
Total motor vehicles	<u>5,419</u>	<u>6,375</u>
Leasehold Improvements		
At cost	787,377	778,741
Accumulated amortisation	(231,117)	(201,031)
Total leasehold improvements	<u>556,260</u>	<u>577,710</u>
Total property, plant and equipment	<u>2,002,147</u>	<u>2,051,528</u>

7 Trade and Other Payables

CURRENT		
Trade payables	181,044	85,489
GST payable	71,708	39,418
Accrued expenses	15,750	-
Other payables	40,082	16,395
	<u>308,584</u>	<u>141,302</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

West Adelaide Football Club

Notes to the Financial Statements For the Year Ended 31 October 2022

8 Borrowings

	2022	2021
	\$	\$
CURRENT		
Loan - NAB	350,000	350,000
Loan - West Adelaide Footballers Club	40,063	(70,934)
Total current borrowings	390,063	279,066
NON-CURRENT		
Loan - NAB	300,000	300,000

9 Other Liabilities

CURRENT		
Deferred income	96,250	55,000

10 Provisions

Current liabilities		
Provision for annual leave	55,129	22,698
Provision for FBT	-	(848)
	55,129	21,850

11 Auditors' Remuneration

Remuneration of the auditor Bentleys SA Audit Partnership, for:		
- auditing or reviewing the financial statements	7,500	7,100

12 Contingencies

In the opinion of the Committee of Management, the Club did not have any contingencies at 31 October 2022 (31 October 2021:None).

Notes to the Financial Statements

For the Year Ended 31 October 2022

13 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2022	2021
	\$	\$
Profit for the year	(222,732)	189,883
Non-cash flows in profit:		
- depreciation	98,150	106,873
- bad debts written off	-	486
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(318,793)	71,680
- (increase)/decrease in inventories	(11,950)	15,122
- increase/(decrease) in income in advance	41,250	55,000
- increase/(decrease) in trade and other payables	173,688	19,249
- increase/(decrease) in provisions	33,279	4,339
Cashflows from operations	<u>(207,108)</u>	<u>462,632</u>

14 Events after the end of the Reporting Period

The financial report was authorised for issue on 31 January 2023 by the Committee of Management.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in future financial years.

15 Statutory Information

The registered office and principal place of business of the Club is:

West Adelaide Football Club
57 Milner Road
Richmond SA 5033

Statement by Members of the Committee

The committee has determined that the Club is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 2 to 13:

1. Presents fairly the results of the operations of West Adelaide Football Club as at 31 October 2022 and the state of its affairs for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that West Adelaide Football 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 committee and is signed for and on behalf of the committee by:

President 

Treasurer 

Dated 31 JANUARY 2023

Bentleys SA Audit Partnership

Level 5
63 Pirie Street
Adelaide SA 5000

GPO Box 939
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900
F +61 8 8372 7999

admin@adel.bentleys.com.au
bentleys.com.au

Independent Audit Report to the members of West Adelaide Football Club Inc

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of West Adelaide Football Club Inc, 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, and notes to the financial statements, including a summary of significant accounting policies and the statement by the members of the board.

In our opinion, the financial report gives a true and fair view of the financial position of West Adelaide Football Club Inc as of 31 October 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting policies described in Note 1 to the financial statements and the *Associations Incorporation Act (SA) 1985*.

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 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 - Basis of Accounting

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

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

Management is responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of the *Associations Incorporation Act (SA) 1985*, and for such internal control as the Board and management 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, management is 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 management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

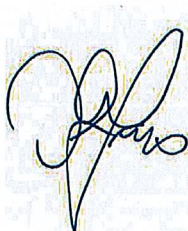
Those charged with governance are responsible for overseeing the entity's financial reporting process.

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 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 the financial report is located at the Auditing and Assurance Standards Board website at <http://www.auasb.gov.au/Home.aspx>. This description forms part of our auditor's report.

BENTLEYS SA AUDIT PARTNERSHIP



DAVID FRANCIS
PARTNER

Dated at Adelaide this 31st day of January 2023.