

WEST ADELAIDE FOOTBALL CLUB
A.B.N. 73 350 884 161

ANNUAL REPORT

YEAR ENDED 31 OCTOBER 2023

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WEST ADELAIDE FOOTBALL CLUB
A.B.N. 73 350 884 161

STATEMENT BY THE COMMITTEE
FOR THE YEAR ENDED 31 OCTOBER 2023

In the opinion of the Committee the accompanying financial statements, as set out on pages 3 to 9:


- (a) Present fairly the financial position of the Club as at 31 October 2023 and the result of its operations for the year then ended; and
- (b) Have been prepared and presented in accordance with the applicable accounting standards.

The Committee has reasonable grounds to believe that the Club will be able to pay its debts as and when they fall due.

The Committee hereby states that during the financial year ended 31 October 2023:

- (a)
 - (i) No officer of the Club;
 - (ii) No firm of which an officer is a member; and
 - (iii) No body Corporate in which an officer has a substantial financial interesthas received, or become entitled to receive, a benefit outside of normal trading terms as a result of a contract between the officer, firm or body corporate and the Club; and
- (b) No officer of the Club has received directly or indirectly from the Club any payment or other benefit of a pecuniary value .

The above statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Club by:



President



Committee Member

Dated: at Richmond, this 19th day of January 2024

WEST ADELAIDE FOOTBALL CLUB
A.B.N. 73 350 884 161

INCOME STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2023

	2023	2022
	\$	\$
INCOME		
SANFL and match day income	905,772	663,006
Player transfer income	17,000	44,723
Sponsorship income	592,663	598,489
Payroll tax rebate	30,000	33,000
Land Divestment Income	-	300,000
Insurance Recoveries	14,734	9,337
Membership	98,049	88,504
Interest	1,440	49
Other Income	352,821	299,035
Interentity charges	180,000	120,000
	<u>2,192,479</u>	<u>2,156,143</u>
EXPENDITURE		
Administration and office expenses	544,326	465,439
Female development, recruiting and playing costs	153,149	131,753
Junior development, recruiting and playing costs	299,668	310,076
Player costs and coaching fees	242,342	336,241
Senior development, recruiting and playing costs	456,250	490,010
Bad debts	13,945	880
Interest expenses	34,810	26,328
Oval and property expenses	143,989	103,374
Match day expenses	77,885	97,978
Depreciation	105,245	96,683
Employee expenses	32,144	14,593
Other expenses	315,725	305,971
Total expenditure	<u>2,419,478</u>	<u>2,379,325</u>
Net surplus for the year	<u>(226,999)</u>	<u>(223,181)</u>

The above income statement should be read in conjunction with the accompanying notes.

WEST ADELAIDE FOOTBALL CLUB
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STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023

	Note	2023 \$	2022 \$
ACCUMULATED FUNDS			
Accumulated funds brought forward		582,925	806,106
Net profit/(loss) for the year		(226,999)	(223,181)
Accumulated funds carried forward		355,926	582,925
Asset Revaluation Reserve brought forward		1,081,910	1,081,910
Revaluation of Leasehold Land and Buildings		-	-
Asset Revaluation Reserve carried forward		1,081,910	1,081,910
TOTAL MEMBER FUNDS		1,437,836	1,664,835
This is represented by:			
ASSETS			
CURRENT ASSETS			
Cash & cash equivalents	2	100,945	59,553
Trade receivables	3	22,930	350,333
Inventories	4	25,743	13,688
TOTAL CURRENT ASSETS		149,618	423,574
NON-CURRENT ASSETS			
Property, plant and equipment	5	2,360,736	2,461,217
TOTAL NON-CURRENT ASSETS		2,360,736	2,461,217
TOTAL ASSETS		2,510,354	2,884,790
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	6	228,640	321,460
Borrowings	7	221,101	390,063
Provisions	8	62,773	55,129
Other liabilities	9	110,000	96,250
Lease Liability		5,000	5,000
TOTAL CURRENT LIABILITIES		627,514	867,902
NON-CURRENT LIABILITIES			
Trade and other payables	6	92,950	-
Borrowings	7	300,000	300,000
Lease Liability		52,054	52,054
TOTAL NON-CURRENT LIABILITIES		445,004	352,054
TOTAL LIABILITIES		1,072,518	1,219,956
NET ASSETS		1,437,836	1,664,834

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

WEST ADELAIDE FOOTBALL CLUB
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2023

	Note	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, SANFL, public etc		2,532,192	1,840,835
Payments to suppliers and employees		(2,283,674)	(2,021,663)
Interest received		1,440	49
Interest paid		(34,810)	(26,328)
Net cash provided by operating activities		<u>215,148</u>	<u>(207,107)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(4,794)	(48,768)
Net cash used in provided by investing activities		<u>(4,794)</u>	<u>(48,768)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(300,000)	-
Funding from West Adelaide Footballers Club		131,038	110,997
Payment of finance lease		-	(5,000)
Net cash used in financing activities		<u>(168,962)</u>	<u>105,997</u>
Net increase / (decrease) in cash held		41,392	(149,878)
Cash at beginning of year		<u>59,553</u>	<u>209,431</u>
Cash at end of year	2	<u><u>100,945</u></u>	<u><u>59,553</u></u>

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

WEST ADELAIDE FOOTBALL CLUB
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023**

Note 1: Statement of Significant Accounting Policies

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

Basis of Preparation

The financial statements are special purpose financial statements prepared to satisfy the financial report preparation requirements of the Associations Incorporation Act (SA) 1985. The Committee have determined that the association (the Club) is not a reporting entity.

No Australian Accounting Standards have mandatory applicability and Australian Accounting Interpretations are also not applicable.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Income Tax

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

Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Property, Plant and Equipment

Property, plant and equipment are measured on the cost basis unless otherwise stated. Property, plant and equipment, excluding freehold land, are carried at cost less accumulated depreciation and any accumulated impairment losses. In the event that 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 recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of the recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the Club includes the cost of materials, direct labour and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Club and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets, excluding leasehold land and buildings, are depreciated on a straight-line or diminishing value basis over the asset's useful life to the Club commencing from the time the asset is held ready for the use.

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

Buildings 2.5%
Plant and Equipment - 2.5% to 10%
Motor Vehicles - 33%
Office Equipment - 2 to 25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

Gains and losses are determined by comparing net proceeds with the carrying amount. These gains and losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated funds.

WEST ADELAIDE FOOTBALL CLUB
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023

Note 1: Statement of Significant Accounting Policies (cont'd)

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Club are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased asset or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Impairment of non-financial assets

At the end of the reporting period, the Club assesses where there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over the recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard.

When 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.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for the class of asset.

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.

Accounts receivable and other debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Revenue and other income

Sale of goods

Revenue from the sales of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in these goods.

Grant Revenue

Grant revenue is recognised in profit or loss when the incorporated association satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the incorporated association is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

In Kind

West Adelaide Football Club Inc. receives non-reciprocal contributions of assets from other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in the income statement.

Donations

Donations and bequests are recognised as revenue when received.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023

Note 1: Statement of Significant Accounting Policies (cont'd)

Revenue and other income (cont'd)

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably measured the revenue is recognised to the extent of expenses recognised that are recoverable.

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

Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

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 recoverable from, or payable to, the ATO is classified as an operating cash flow.

Accounts payable and other payables

Accounts payable and other payables represent the liabilities outstanding at the end of the reporting period for goods and services received by the Club during the reporting period that remain unpaid. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

Provision for Long Service Leave and Annual Leave

Long service leave is accrued for all employees who have completed five years service with the Club, and calculated on the basis of the relevant Award or State Act and the probability of leave being paid out.

Annual Leave is accrued on the basis of the relevant Award or State Act.

Going Concern

The West Adelaide Football Club has a current net asset deficiency at 31 October 2023 of \$477,896 (2022: \$444,328). The Club recorded a deficit for the year ended 31 October 2023 of \$226,999 (2022: deficit of 223,181).

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 SANFL distributions and additional agreed funding. The Committee of the West Adelaide Footballers Club Inc has agreed to continue to support the Club as required.

	2023 \$	2022 \$
Note 2: Cash & Cash Equivalents		
Cash at bank and on hand	100,945	59,553
	<u>100,945</u>	<u>59,553</u>
Note 3: Trade and Other Receivables		
Trade receivables	22,930	50,333
Land Divestment Receivable	-	300,000
	<u>22,930</u>	<u>350,333</u>
Note 4: Inventories		
Inventory	25,743	13,688
	<u>25,743</u>	<u>13,688</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2023

	2023 \$	2022 \$
Note 5: Property, Plant and Equipment		
Freehold land at 2017 valuation	485,000	485,000
Buildings at 1999 valuation	2,025,916	2,025,916
Less: accumulated depreciation	<u>(1,186,244)</u>	<u>(1,135,596)</u>
	<u>839,672</u>	<u>890,319</u>
Plant and equipment at cost	395,434	390,670
Less: accumulated depreciation	<u>(349,067)</u>	<u>(325,522)</u>
	<u>46,367</u>	<u>65,149</u>
Motor vehicles at cost	29,995	29,995
Less: accumulated depreciation	<u>(25,389)</u>	<u>(24,576)</u>
	<u>4,606</u>	<u>5,419</u>
Leasehold Improvements at cost	787,377	787,377
Less: accumulated depreciation	<u>(261,355)</u>	<u>(231,117)</u>
	<u>526,022</u>	<u>556,261</u>
WAFC Memorabilia Collection	459,069	459,069
	<u>2,360,736</u>	<u>2,461,217</u>
Note 6: Trade and Other Payables		
Current:		
Trade payables	123,267	181,044
GST & PAYG Payable	48,000	71,708
Accrued expenses	13,260	15,750
Other payables	<u>44,113</u>	<u>52,957</u>
	<u>228,640</u>	<u>321,460</u>
Non Current:		
GST & PAYG Payable	<u>92,950</u>	<u>-</u>
	<u>92,950</u>	<u>-</u>
Note 7: Borrowings		
Current:		
Loan - NAB	50,000	350,000
Loan - West Adelaide Footballers Club	<u>171,101</u>	<u>40,063</u>
	<u>221,101</u>	<u>390,063</u>
Non Current:		
Loan - NAB	<u>300,000</u>	<u>300,000</u>
	<u>300,000</u>	<u>300,000</u>
Note 8: Provisions		
Current:		
Employee Benefits	<u>62,773</u>	<u>55,129</u>
	<u>62,773</u>	<u>55,129</u>
Note 9: Other Liabilities		
Deferred Income	<u>110,000</u>	<u>96,250</u>
	<u>110,000</u>	<u>96,250</u>
Note 11: Contingent Liabilities		
In the opinion of the Committee, the association did not have contingent liabilities as at 31 October 2023.		
Note 12: Events after the end of the reporting period		
No matters or circumstances have arisen since the end of the financial year ended 31 October 2023 which significantly affected or may significantly affect the operations of the association, the results of those operations or the state of affairs of the entity in future financial years.		

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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 2023, 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 2023, 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.

Material Uncertainty related to Going Concern

We draw attention to the disclosure in Note 1 to the financial statements, which indicates the Club recorded deficits for the past two years and has a net current asset deficiency of \$477,896. This indicates a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 19th day of January 2024.