

Copy of financial statements and reports

Company details

Company name

AUSTRALIAN FOOTBALL LEAGUE

ACN

004 155 211

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial
year ends

Financial year end date

31-10-2023

Auditor's report

Were the financial statements audited?

Yes

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

No

Details of current auditor or auditors

Current auditor

Date of appointment **12-09-1991**

Name of auditor

KPMG

Address

**'TOWER TWO COLLINS SQUARE'
727 COLLINS STREET**

MELBOURNE VIC 3000

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.

Yes

Signature

Select the capacity in which you are lodging the form

Secretary

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.

Yes

Authentication

This form has been submitted by

Name Stephen Gerard MEADE

Date 03-04-2024

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**AUSTRALIAN FOOTBALL LEAGUE
AND ITS CONTROLLED ENTITIES**

ANNUAL FINANCIAL REPORT

31 OCTOBER 2023

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AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The Directors present their report together with the financial report of the Australian Football League ("the Company") and Consolidated Entity, being the Company and its controlled entities, for the year ended 31 October 2023 and the auditor's report thereon.

Directors

The Directors of the Company for the financial year are:

Mr R J Goyder, AO	Chairman – Appointed Commissioner 21 st November 2011 Chairman from March 2017 Chairman of Remuneration Committee Member of Audit and Risk Committee
Qualifications:	Bachelor of Commerce (The University of Western Australia)
Experience:	Chair, Woodside Chair, Qantas Airways Chair, Channel 7 Telethon Trust Chair, West Australian Symphony Orchestra Former Director, Wesfarmers Ltd Former Director, Fremantle Football Club
Mr G A McLachlan	Chief Executive Officer – Appointed 5 th June 2014 until 2 nd October 2023
Qualifications:	Bachelor of Laws (Hons.) (The University of Melbourne) Bachelor of Commerce (The University of Adelaide)
Experience:	AFL Deputy CEO 2012-2014 AFL Chief Operating Officer 2008-2012 AFL General Manager Broadcasting & Major Projects 2006-2008 AFL General Manager Commercial Operations 2003-2006 Patron, Children's Cancer Foundation
Mr A J Dillon	Chief Executive Officer – appointed 2 nd October 2023
Qualifications:	Bachelor of Commerce and Laws (The University of Melbourne)
Experience:	Executive General Manager, Football Operations, 2021-2023 Executive General Manager, Game Development, 2017-2021 General Counsel, AFL, 2004-2023 Director, Bachar Houli Foundation Ltd Director, Michael Long Foundation Director, Cure For MND Foundation INC
Mr P M Bassat	Non-Executive Commissioner – Appointed 20 th February 2012 Member of Remuneration Committee
Qualifications:	Bachelor of Laws (The University of Melbourne) Bachelor of Commerce (The University of Melbourne)
Experience:	Co-founder and former CEO, SEEK Ltd 1997-2011 Director, Square Peg Capital Pty Ltd Director, Zeller Holdings Pty Ltd Advisory Board Member, Evans & Partners Global Disruption Fund Member, Mount Scopus College Foundation Director, Athena Financial Pty Ltd Alternate Director, ROKT Pte Ltd

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Ms S L Wilkie, AO	Non-Executive Commissioner – Appointed 25 th March 2015 Member of Remuneration Committee Member of Community Relief Fund Governance Committee Member, AFL Competition Committee Chair, AFLW Competition Committee Member, Nominations Committee
Qualifications:	Bachelor of Human Resource Management (University of New England) Graduate Diploma of Telecommunications Systems Management (Swinburne University of Technology) Graduate Diploma of Strategic Studies (Deakin University) Master of Defence Studies (University of Canberra) Advanced Management Program (Harvard Business School)
Experience:	35 years service in the Army Director, AFL SportsReady - Resigned October 2023 Director, The Beaufort Group Senior Advisor, Boston Consulting Group
Mr P A Newbold	Non-Executive Commissioner – Appointed 17 th March 2016 Chairman of Audit and Risk Committee
Qualifications	Bachelor of Laws (Monash University) Bachelor of Economics (Monash University)
Experience	Director, Supra Capital Limited Chairman, Althea Group Holdings Limited President, Hawthorn Football Club 2012-2016 Life Member, Hawthorn Football Club
Ms G M Trainor, AO	Non-Executive Commissioner – Appointed 17 th March 2016 Member of Audit and Risk Committee Member of Aboriginal & Torres Strait Islander Advisory Council
Qualifications:	Bachelor of Laws (The University of Melbourne) Master of Arts in Cultural & Creative Practice (Western Sydney University) Fellow, Australian Institute of Company Directors
Experience:	Chair, Infrastructure Australia Co-chair, Buildskills Australia Director, Built Group Holdings Pty Ltd Director, WAM Global Ltd Chair, Construction Industry Culture Taskforce Director, Commercial Travellers Association of NSW Board Member, Western Parklands City Authority Director, Western Sydney University Foundation Trustee, Charlie Perkins Trust Chair, Construction Industry Culture Taskforce Member, Australian Institute of Aboriginal & Torres Strait Islander Studies Foundation Former Director, AFL NSW/ACT Commission Former Director, Western Sydney Football Club Limited (GWS Giants)

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Mr R M Bishop	Non-Executive Commissioner – Appointed 21 st April 2017 Member of Audit and Risk Committee Member of Remuneration Committee
Qualifications:	Bachelor of Laws (Hons.) (The University of Melbourne) Bachelor of Commerce (The University of Melbourne) Bachelor of Arts (The University of Melbourne)
Experience:	Managing Partner and Founder, BGH Capital Non-Executive Director, Burnet Institute Member, Takeovers Panel
Prof H M Milroy, AM	Non-Executive Commissioner – Appointed 14 th March 2019
Qualifications:	Bachelor of Medicine, Bachelor of Surgery (The University of Western Australia) FRANZCP: CATCAP
Experience:	Stan Perron Professor Child Psychiatry, Perth Children's Hospital and University of Western Australia Honourary Research Fellow, Telethon Kids Institute Board Member, Beyond Blue
Mr M J de Boer	Non-Executive Commissioner – Appointed 25 th September 2023
Qualifications:	Bachelor of Commerce (The University of Western Australia) Graduate, Australian Institute of Company Directors
Experience:	Co-founder, Athletic Ventures Player, GWS GIANTS Football Club, 2016 – 2022 Player, Fremantle Football Club, 2008 – 2016
Mr A Ireland	Non-Executive Commissioner – Appointed 25 th September 2023
Qualifications:	Bachelor of Science (La Trobe University)
Experience:	Director, Redcape Hotel Group Pty Ltd Director, Talentid.com.au trading as Six Point Consulting Deputy Chairman, Australian Sports Commission Former Director, Sydney Swans Football Club, 2015 – 2023 Chief Executive Officer, Sydney Swans Football Club, 2009 – 2018 General Manager – Football, Sydney Swans Football Club, 2002 – 2009 Chief Executive Officer, Brisbane Lions Football Club, 1990 – 2001 Player, Collingwood Football Club, 1975 - 1980

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Directors' Meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

Director	Directors' Meetings		Audit and Risk Committee Meetings		Remuneration Committee Meetings	
	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held*	No. of meetings attended	No. of meetings held
Mr R J Goyder, AO	10	10	3	4	2	2
Mr G A McLachlan	9	9	4	4	1	1
Mr A J Dillon	1	1	-	1	-	-
Mr P M Bassat	9	10	-	4	2	2
Ms S L Wilkie, AO	10	10	-	4	2	2
Mr P A Newbold	8	10	3	4	-	-
Ms G M Trainor, AO	10	10	3	4	-	-
Mr R M Bishop	9	10	3	4	1	1
Prof H M Milroy	9	10	-	4	-	-
Mr M J de Boer	1	1	-	1	-	-
Mr A Ireland	1	1	-	1	-	-

* Reflects the number of meetings held during the time the Director held office during the year.

The role of the Audit and Risk Committee is to give the Commission assurance regarding the preparation and integrity of financial reports, internal controls, policies and procedures that are used to identify and manage business risks and compliance with legal and regulatory requirements. The AFL's Integrity and Security function also reports to the Audit and Risk Committee on a periodic basis.

The role of the Remuneration Committee is to review the remuneration packages and policies applicable to Senior Executives of the Company.

As well as the above meetings, the Directors also attended numerous other meetings including meetings with the Presidents of all Australian Football League (AFL) clubs.

Objectives

The Company's objective is to promote and encourage Australian Football throughout Australia and to a limited extent outside Australia.

Strategy and performance

The major strategic initiatives of the Consolidated Entity include:

- (i) To manage competitions at all levels to ensure that they remain the most exciting in Australian sport.
- (ii) To build a stronger relationship with the supporters at all levels of the game.
- (iii) To progress the game to be accessible and inclusive to all.
- (iv) To help ensure that AFL clubs are financially secure and competitive.
- (v) To provide the best possible benefits for AFL players and to drive the next generation of elite athletes to choose our game.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Principal Activities

The principal activities of the Consolidated Entity during the course of the financial year have been to promote, control, manage and encourage Australian Football. There were no significant changes in the nature of the activities of the Consolidated Entity during the year.

Review and results of operations

The Consolidated Entity recorded an underlying operating profit of \$27.7 million, compared with an underlying operating profit of \$20.7 million in 2022. The Consolidated Entity's statutory profit includes grant income from the Victorian State Government for the redevelopment of Marvel Stadium and the surrounding precinct.

	2023 \$'000	2022 \$'000
Underlying operating profit/(loss)	27,698	20,714
Add back: profit/(loss) from non-controlling interests	(3,468)	4,564
Add back: government grants for the redevelopment of Marvel Stadium	102,630	87,999
Statutory operating profit/(loss)	<u>126,860</u>	<u>113,277</u>

The result includes a profit of \$3.9 million by AFL Stadia Pty Ltd upon consolidation (2022: profit of \$8.6 million).

State of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year. The Directors have a reasonable expectation that the Consolidated Entity has adequate resources to adopt the going concern basis of accounting in preparing the financial statements.

Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

Likely developments

At the time of preparation of this financial report the Directors are not aware of any major changes in the basis of operations of the Consolidated Entity that could impact the future results of those operations in subsequent financial years.

Insurance premiums

Since the end of the previous financial year the Company has paid insurance premiums on insurance contracts in respect of Directors' and Officers' liability and legal expenses, which include cover for current officers, including Executive Officers of the Company. The insurance premiums in respect of the officers of the Company relate to:

- costs and expenses that may be incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Directors' benefit

Since the end of the previous financial year no Director of the Company has received or become entitled to receive any benefit (other than the fixed salary of a full time employee of the Company or of a related body corporate) by reason of a contract made by the Company, its controlled entities, or a related body corporate with a Director or with a firm of which a Director is a member, or with an entity in which a Director has a substantial interest other than as disclosed in Notes 18 and 20 of the annual financial report.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Lead Auditor's Independence Declaration under Section 307C of The Corporations Act 2001

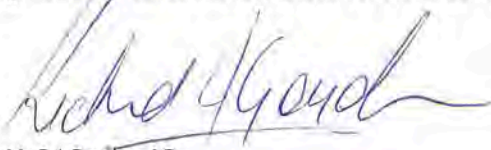
The Lead Auditor's Independence Declaration is set out on Page 9 and forms part of the Directors' report for the year ended 31 October 2023.

Rounding off

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Melbourne this 5th day of February 2024.

Signed in accordance with a resolution of the Directors:



Mr R J Goyder, AO

Chairman



Mr A Dillon

Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Australian Football League

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Football League for the financial year ended 31 October 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten version of the KPMG logo in blue ink, appearing as 'KPMG' with a slight shadow effect.

A handwritten signature in blue ink, which appears to read 'Dean Waters'.

KPMG

Dean Waters

Partner

Melbourne

5 February 2024

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2023

	Note	2023 \$'000	2022 \$'000
Revenue	3	1,063,547	944,370
Expenses from operating activities	4	(932,277)	(825,202)
Finance income		4,161	1,482
Finance costs		(6,442)	(5,455)
Profit from operating activities before related income tax expense		128,989	115,195
Less Income tax expense relating to operating activities	6	2,129	1,918
Profit for the year		126,860	113,277
Other comprehensive income for the year		-	-
Total comprehensive income for the year		126,860	113,277
Profit/(loss) attributable to:			
Owners of the Company		128,629	110,949
Non-controlling interests		(1,769)	2,328
Profit for the year		126,860	113,277
Total comprehensive income/(loss) attributable to:			
Owners of the Company		128,629	110,949
Non-controlling interests		(1,769)	2,328
Total comprehensive income for the year		126,860	113,277

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the financial statements set out on pages 14 to 36.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023

	Note	2023 \$'000	2022 \$'000
Assets			
Cash and cash equivalents	15(a)	163,997	178,214
Restricted cash	15(a)	11,746	77,918
Trade and other receivables	7	59,797	82,099
Other assets		6,465	7,494
Total current assets		<u>242,005</u>	<u>345,725</u>
Trade and other receivables	7	17,439	23,418
Property, plant and equipment	10	450,287	366,373
Intangible assets	10	8,015	11,822
Other assets		7,256	7,256
Total non-current assets		<u>482,997</u>	<u>408,869</u>
Total assets		<u>725,002</u>	<u>754,594</u>
Liabilities			
Trade and other payables	8	80,238	170,616
Deferred income	11	42,010	127,293
Provisions	12	25,013	29,759
Lease Liabilities		6,141	5,630
Total current liabilities		<u>153,402</u>	<u>333,298</u>
Deferred income	11	25,779	13,470
Provisions	12	33,689	22,479
Lease Liabilities		71,033	71,108
Total non-current liabilities		<u>130,501</u>	<u>107,057</u>
Total liabilities		<u>283,903</u>	<u>440,355</u>
Net assets		<u>441,099</u>	<u>314,239</u>
Equity			
Reserves	14	30,000	10,000
Retained earnings	13	401,966	293,337
Total equity attributable to equity holders of the Company		<u>431,966</u>	<u>303,337</u>
Non-controlling interest	13	9,133	10,902
Total equity		<u>441,099</u>	<u>314,239</u>

The Statement of Financial Position is to be read in conjunction with the notes to the financial statements set out on pages 14 to 36.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 OCTOBER 2023

	Retained Earnings \$'000	Reserves \$'000	Total Equity \$'000
Balance at 1 November 2021	200,962	-	200,962
Total comprehensive income			
Profit for the period	113,277	-	113,277
Total comprehensive income for the period	113,277	-	113,277
Transactions with owners of the Company			
Transfers to reserves	(10,000)	10,000	-
Balance at 31 October 2022	304,239	10,000	314,239
Total comprehensive income			
Profit for the period	126,860	-	126,860
Total comprehensive income for the period	126,860	-	126,860
Transactions with owners of the Company			
Transfers to reserves	(20,000)	20,000	-
Total transactions with owners of the Company	(20,000)	20,000	-
Balance at 31 October 2023	411,099	30,000	441,099

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 14 to 36.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2023**

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Cash receipts in the course of operations		1,079,856	875,314
Cash payments in the course of operations		<u>(1,073,870)</u>	<u>(826,486)</u>
Net cash from operating activities	15(b)	<u>5,986</u>	<u>48,828</u>
Cash flows from investing activities			
Interest received		4,161	1,482
Proceeds from Stadium Redevelopment grants		28,750	122,954
Payments for property, plant and equipment		<u>(102,700)</u>	<u>(105,300)</u>
Net cash (used in) / from investing activities		<u>(69,789)</u>	<u>19,136</u>
Cash flows from financing activities			
Interest paid		(6,442)	(5,455)
Repayments of external borrowings		-	(90,000)
Payment of lease liabilities		<u>(10,144)</u>	<u>(9,276)</u>
Net cash used in financing activities		<u>(16,586)</u>	<u>(104,731)</u>
Net decrease in cash and cash equivalents		(80,389)	(36,767)
Cash and cash equivalents at the beginning of the financial year		<u>256,132</u>	<u>292,899</u>
Cash and cash equivalents at the end of the financial year	15(a)	<u>175,743</u>	<u>256,132</u>

The Statement of Cash Flows is to be read in conjunction with the notes to the financial statements set out on pages 14 to 36.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

1. Statement of significant accounting policies

The Australian Football League ("the Company") is a not-for-profit company domiciled in Australia and is a company limited by guarantee. The consolidated financial report of the Company for the financial year ended 31 October 2023 comprises the Company and its subsidiaries (together referred to as the "Consolidated Entity").

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' report.

2. Basis of preparation

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards adopted by the International Accounting Standards Board. The financial report was authorised for issue by the Directors on 5th February 2024.

The financial report is presented in Australian dollars, which is the Company's functional currency and the functional currency of each entity in the Consolidated Entity.

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Instrument, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

The financial report has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of assets.

The financial report has been prepared on an accruals basis.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These accounting policies have been consistently applied by each entity in the Consolidated Entity and are consistent with those of the previous year.

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

3. Revenue

	2023 \$'000	2022 \$'000
Revenue from operating activities		
Broadcasting and AFL media	444,238	396,543
Commercial operations	415,298	350,652
Football operations	16,580	15,075
Game development	33,210	28,752
Stadium redevelopment grant revenue	102,630	87,999
Other revenue	35,591	49,349
Contra advertising revenue	16,000	16,000
	<u>1,063,547</u>	<u>944,370</u>

Revenues are recognised at the value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues. Exchanges of goods or services that are not of the same nature are recognised as revenue and expenses at the notional fair value of the goods or services.

Trading Operations

Sales Revenue

Sales revenue comprises revenue earned from Broadcasting and AFL media, Commercial operations, Football operations, Game development and Other revenue (net of returns, discounts and allowances) for the provision of products or services to entities outside the economic entity. Sales revenue is recognised based on the consideration specified in a contract with a customer. The Consolidated Entity recognises revenue when it transfers control over a good or service to a customer.

Government grants

Government grants comprises Game Development and Stadium redevelopment grant revenue. The Consolidated Entity assesses each grant agreement as to whether it is a donation and falls under the scope of AASB 1058 Income of Not-for-Profit Entities or is a contract with a customer under AASB 1058.

Government grants arising from the contribution of an asset are measured at the fair value of the contributions received or receivable when the entity obtains the control of the contribution or right to receive the contribution, it is probable the economic benefits comprising the contribution will flow to the entity and the amount of the contribution can be measured reliably.

Government grants which contain reciprocal transfers are initially recognised as deferred income at fair value where there is reasonable assurance that they will be received and the Consolidated Entity and the Company will comply with the conditions associated with the grant. These are then recognised as other revenue on a stage of completion basis.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

4. Expenses from operating activities

	2023	2022
	\$'000	\$'000
(a) Expenses from operating activities		
<u>Operating expenditure</u>		
Broadcasting and AFL media	27,341	29,752
Commercial operations	123,411	113,288
Football operations	76,219	85,269
Game development	79,952	53,982
Finance and administration	91,883	103,865
Marketing expenditure	28,785	21,630
Shared services expenditure	13,969	11,276
Other expenditure	30,479	16,614
<u>Distributions</u>		
Distributions to AFL clubs	393,757	337,523
Distributions to the AFLPA*	41,496	27,144
Elite facilities and stadia	6,500	10,500
Development grants	9,736	6,814
Community facilities	7,893	6,889
Donations	856	656
	<u>932,277</u>	<u>825,202</u>

*AFL Players Association

(b) Profit from operating activities before income tax has been arrived at after charging the following items:

Bad and doubtful debts	1,631	673
Depreciation of leasehold improvements	256	257
Depreciation of property, plant and equipment	24,259	25,931
Amortisation of intangibles	3,807	3,628
Operating lease rental expense	5,381	4,955

Grants and distributions to clubs

Grants and distributions are made periodically to participating clubs of the AFL to enable the clubs to carry out the promotion, management and development of Australian Football and are brought to account as an expense when paid or accrued.

Goods and services tax

Revenues, 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

5. Personnel expenses

Wages and salaries	107,517	99,557
Superannuation expense	12,551	9,648
Annual leave expense	1,164	1,262
Long service leave expense	1,081	961
	<u>122,313</u>	<u>111,428</u>

Superannuation Fund

Contributions to employee superannuation funds are expensed as they are incurred.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

6. Taxation

	2023 \$'000	2022 \$'000
Prima facie tax expense calculated at 30% on profit from activities	41,228	29,097
Exemption from income tax	<u>(39,099)</u>	<u>(27,179)</u>
Income tax expense relating to operating activities	<u>2,129</u>	<u>1,918</u>

Deferred tax assets of \$72.0 million at 31 October 2023 (2022: \$76.8 million) have not been recognised in respect of tax losses accumulated within the AFL Stadia Pty Ltd tax-consolidated group because it is not probable that future taxable profit will be available against which the AFL Stadia Pty Ltd tax-consolidated group can substantially use the benefits therefrom.

The Company and most of its fully owned controlled entities are exempt from income tax under Section 50-45 of the *Income Tax Assessment Act 1997* as amended, as the activities are solely the promotion, administration and development of Australian Football.

AFL Stadia Pty Ltd, a fully-owned subsidiary, is subject to income tax based on the applicable income tax rate for Australia, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. AFL Stadia Pty Ltd is the parent entity of the tax-consolidated group. The tax sharing agreement entered requires each company to make contributions to the head of the tax-consolidated group for tax liabilities and deferred tax balances arising from transactions occurring after the implementation of tax consolidation excluding intercompany dividends. The contributions are calculated as a percentage of the tax-consolidated group's current tax liability.

Champion Data, a 49% owned subsidiary, is subject to income tax based on the applicable income tax rate for Australia, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the tax-consolidated group and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

7. Trade and other receivables

	2023	2022
	\$'000	\$'000
Current		
Trade and other receivables	55,411	83,192
Receivables due from AFL clubs (i)	7,110	-
	<u>62,521</u>	<u>83,192</u>
Less: allowance for expected credit losses	<u>(2,724)</u>	<u>(1,093)</u>
	<u>59,797</u>	<u>82,099</u>
Non-current		
Loans due from AFL clubs (i)	17,439	23,418

- (i) Loans due and receivables from AFL clubs are presented net of amounts owing to AFL clubs. Given the AFL's ability to manage club debt through its variable funding model, there is no impairment loss on these amounts.

Receivables

Trade and other receivables are stated at their amortised cost less impairment loss. The ability to collect debts is assessed at reporting date and specific provision is made for any doubtful accounts.

On initial recognition of trade and other receivables an assessment of lifetime expected credit losses is performed based on historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. Amounts are then provided for where required with the impairment charge recognised in profit or loss. These lifetime expected credit losses are then assessed on an ongoing basis. Balances are written off when the AFL has stopped pursuing the recovery. If the amount to be written off is greater than the amount provided for, the difference will first be treated as an increase in the provision that is applied against the gross carrying amount. Any subsequent recoveries are credited to profit or loss.

8. Trade and other payables

Trade payables	65,685	157,504
Other payables	12,845	10,309
Payables due to AFL clubs	-	372
State of Origin for Bushfire Relief	1,708	2,431
Carrying amount at end of year	<u>80,238</u>	<u>170,616</u>

Payables

Payables are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are non-interest bearing and are normally settled within 30 days.

Goods and services tax

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

State of Origin for Bushfire Relief

The Company in February 2020 raised \$6.4 million for Bushfire Relief through a combination of the State of Origin double header event and contributions from the AFL, AFL clubs and the AFL Players Association. These funds are distributed exclusively to community football clubs and leagues in bushfire affected areas. The Company has distributed \$4.7 million to 31 October 2023.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

9. Financial instruments, fair values and risk management

The Consolidated Entity's financial assets & liabilities include cash and cash equivalents, restricted cash, trade and other receivables, trade and other payables, lease liabilities and deferred income. With the exception of lease liabilities and derivatives, these assets and liabilities are not measured at fair value in accordance with accounting policies. Carrying amounts are a reasonable approximation of fair value.

Finance lease liabilities are recognised as interest-bearing liabilities and are classified as a level 2 fair value liability. Finance lease liabilities are valued at fair value using a discounted cash flows valuation technique.

Recognition, initial measurement and derecognition

Financial assets and liabilities are recognised when the Consolidated Entity becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expires, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows;
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Consolidated Entity's cash and cash equivalents, trade and other receivables fall into this category of financial instrument.

On initial recognition of an equity investment that is not held for trading, the Consolidated Entity may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Consolidated Entity may irrevocably designate a financial asset that otherwise meets the requirements to be at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Consolidated Entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within interest expenses or interest income.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

9. Financial instruments, fair values and risk management (continued)

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets of the Consolidated Entity which have been recognised on the statement of financial position is the carrying amount net of any provision for expected credit losses.

The majority of the Consolidated Entity's credit exposures are to AFL clubs, its subsidiaries and corporate partners. The Consolidated Entity monitors these exposures on a regular basis to assess recoverability of amounts owing. For receivables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

As at 31 October 2023, \$14.5 million of the Consolidated Entity's trade and other receivables are past due (2022: \$19.4 million). The AFL Commission have assessed the recoverability of past due receivables and are satisfied as to the collectability of these amounts. The ageing of trade receivables at reporting date is:

	2023 \$'000	2023 \$'000	2022 \$'000	2022 \$'000
	Gross	Impairment	Gross	Impairment
Current	48,020	-	63,779	(3)
Past due 31-60 days	4,219	-	10,171	-
Past due 61-90 days	2,358	-	3,696	-
Past due 91 + days	7,924	(2,724)	5,546	(1,090)
	<u>62,521</u>	<u>(2,724)</u>	<u>83,192</u>	<u>(1,093)</u>

The carrying amount of the Consolidated Entity's financial assets represent the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

	2023 \$'000	2022 \$'000
Total cash and cash equivalents (including restricted cash)	175,743	256,132
Trade and other receivables (net of provision)	59,797	82,099
Loans due from AFL Clubs	17,439	23,418
	<u>252,979</u>	<u>361,649</u>

The Consolidated Entity's policy is to provide financial guarantees on behalf of some AFL clubs and AFL Affiliated associates.

Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses.

The Consolidated Entity also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables. At 31 October 2023 the cash outflows from trade and other payables due within 60 days were \$80.2 million (2022: \$170.7 million).

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

9. Financial instruments, fair values and risk management (continued)

Interest rate risk

The Consolidated Entity's major financial assets are short term deposits set on a floating interest rate basis and non-interest-bearing receivables. The Consolidated Entity's major financial liabilities are lease liabilities.

Cash flow sensitivity analysis for variable rate financial assets

At reporting date, the interest rate profile of the Consolidated Entity's interest-bearing financial instruments was:

	2023 \$'000	2022 \$'000
Floating rate instruments		
Financial assets	175,743	256,132
Financial liabilities	(77,174)	(76,738)
Net financial assets	<u>98,569</u>	<u>179,394</u>

An increase/(decrease) of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit for the Consolidated Entity by \$0.9 million (2022: \$1.8 million).

Foreign exchange risk

The Consolidated Entity is not exposed to any material foreign exchange risk as it operates within Australia and all material transactions are undertaken in Australian dollars.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

10. Property, plant and equipment and intangible assets

	2023 \$'000	2022 \$'000
<i>Property, plant and equipment</i>		
AFL House – Docklands at cost	8,507	8,507
Less accumulated depreciation	<u>(8,507)</u>	<u>(8,399)</u>
	<u>–</u>	<u>108</u>
Furniture and fittings at cost	8,046	6,653
Less accumulated depreciation	<u>(3,678)</u>	<u>(3,298)</u>
	<u>4,368</u>	<u>3,355</u>
IT equipment at cost	28,441	25,697
Less accumulated depreciation	<u>(22,243)</u>	<u>(20,118)</u>
	<u>6,198</u>	<u>5,579</u>
Leasehold improvements at cost	20,787	20,764
Less accumulated depreciation	<u>(19,009)</u>	<u>(18,753)</u>
	<u>1,778</u>	<u>2,011</u>
Paintings at cost	415	415
Stadium redevelopment in progress	218,513	128,030
Plant and equipment at cost	29,534	29,319
Less accumulated depreciation	<u>(24,991)</u>	<u>(24,789)</u>
	<u>4,543</u>	<u>4,530</u>
Motor vehicles at cost	991	991
Less accumulated depreciation	<u>(787)</u>	<u>(720)</u>
	<u>204</u>	<u>271</u>
Marvel Stadium at cost	286,400	279,694
Less accumulated depreciation	<u>(150,272)</u>	<u>(132,505)</u>
	<u>136,128</u>	<u>147,189</u>
Right of use assets	84,323	77,802
Less accumulated depreciation	<u>(6,183)</u>	<u>(2,917)</u>
	<u>78,140</u>	<u>74,885</u>
	<u>450,287</u>	<u>366,373</u>

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

10 Property, plant and equipment and intangible assets (continued)

<i>Intangible assets</i>	2023 \$'000	2022 \$'000
Medallion Club licences		
Carrying amount at beginning of year	10,926	14,321
Cost of licences sold	(3,558)	(3,395)
Carrying amount at end of year	<u>7,368</u>	<u>10,926</u>
Stadium supplier relationships		
Carrying amount at beginning of year	896	1,129
Amortisation	(249)	(233)
Carrying amount at end of year	<u>647</u>	<u>896</u>
	<u>8,015</u>	<u>11,822</u>
Property, plant and equipment reconciliations		
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:		
AFL House - Docklands		
Carrying amount at beginning of year	108	2,941
Additions	-	-
Depreciation	(108)	(2,833)
Carrying amount at end of year	<u>-</u>	<u>108</u>
Furniture and fittings		
Carrying amount at beginning of year	3,355	27
Additions	1,392	3,386
Depreciation	(379)	(58)
Carrying amount at end of year	<u>4,368</u>	<u>3,355</u>
IT equipment		
Carrying amount at beginning of year	5,579	5,945
Additions	3,079	1,929
Depreciation	(2,460)	(2,295)
Carrying amount at end of year	<u>6,198</u>	<u>5,579</u>
Leasehold improvements		
Carrying amount at beginning of year	2,011	2,268
Reclassifications	23	-
Depreciation	(256)	(257)
Carrying amount at end of year	<u>1,778</u>	<u>2,011</u>

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

10 Property, plant and equipment and intangible assets (continued)

Property, plant and equipment reconciliations (continued)

	2023 \$'000	2022 \$'000
Paintings		
Carrying amount at beginning of year	415	415
Stadium redevelopment in progress		
Carrying amount at beginning of year	128,030	27,885
Additions	90,483	100,145
Carrying amount at end of year	<u>218,513</u>	<u>128,030</u>
Plant and equipment		
Carrying amount at beginning of year	4,530	4,340
Additions	1,041	1,461
Reclassifications	(817)	-
Disposals	-	(1,075)
Depreciation	(211)	(196)
Carrying amount at end of year	<u>4,543</u>	<u>4,530</u>
Motor vehicles		
Carrying amount at beginning of year	271	183
Additions	-	130
Depreciation	(67)	(42)
Carrying amount at end of year	<u>204</u>	<u>271</u>
Marvel Stadium		
Carrying amount at beginning of year	147,189	138,984
Additions	6,707	25,795
Depreciation	(17,768)	(17,590)
Carrying amount at end of year	<u>136,128</u>	<u>147,189</u>
Right of use asset		
Carrying amount at beginning of year	74,885	75,065
Modification of lease	6,521	2,737
Depreciation	(3,266)	(2,917)
Carrying amount at end of year	<u>78,140</u>	<u>74,885</u>

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

10. Property, plant and equipment and intangible assets (continued)

Acquisition of assets

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred that are probable and can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation and impairment losses.

Leased assets

Leases of property, plant and equipment under which the Company or its controlled entities assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating. Refer to Note 26 for the impact of Lease accounting on Financial Statements.

Depreciation

Items of buildings and leasehold property but excluding freehold land, are depreciated on a straight-line basis over their estimated useful lives.

The depreciation rates used for each class of asset (including Marvel Stadium assets), for the current and previous financial years are as follows:

	2023	2022
Buildings	2.5%	2.5%
Furniture and fittings	10%	10%
IT equipment	33%	33%
Leasehold improvement	2.5%	2.5%
Paintings	0%	0%
Plant and equipment	10%	10%
Motor vehicles	20%	20%
Marvel Stadium	2.5%	2.5%
Right of use asset	Lease term	Lease term

Stadium-related rights

Stadium-related rights relating to Marvel Stadium, including Medallion Club licences, Marvel Stadium naming rights and supplier relationships that are acquired by the Consolidated Entity and have finite useful lives are measured at fair value less accumulated amortisation and any accumulated impairment losses.

Stadium-related rights are expensed/amortised as follows:

- Each Medallion Club licence is expensed over a period of nine years.
- Supplier relationships are amortised over the term of the sub-lease of nine years.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

11. Deferred income

	2023 \$'000	2022 \$'000
Current		
Stadium redevelopment funding (i)	2,783	75,478
Other deferred income (ii)	39,227	51,815
	<u>42,010</u>	<u>127,293</u>
Non-current		
Other deferred income (ii)	25,779	13,470

- (i) The Company announced in April 2018 it had reached an agreement with the Victorian Government to invest \$225 million into redeveloping Marvel Stadium and the surrounding precinct. The Victorian Government has paid \$219.7 million to the Company to date and \$216.9 million of expenditure has been incurred.
- (ii) The Consolidated Entity and the Company receives a number of government grants as contributions towards the promotion and development of sporting programs and facilities across Australia. These grants have varying conditions to fulfil and are initially recognised as deferred income when received and are then recognised as other revenue on a stage of completion basis. Melbourne Stadiums Limited has also received revenue in advance from commercial arrangements.

12. Provisions

Current		
Employee benefits	13,575	13,795
Facilities development	11,224	13,864
Other	214	2,100
	<u>25,013</u>	<u>29,759</u>
Non-current		
Employee benefits	1,691	1,667
Facilities development	31,998	20,812
	<u>33,689</u>	<u>22,479</u>

A provision is recognised in the statement of financial position when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Wages, Salaries and Annual Leave

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at the reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Long Service Leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employee's services provided to reporting date.

Facilities development provisions

Facilities development provisions are recognised in the statement of financial position where the Consolidated Entity commits to contributing to a facility redevelopment for Elite and Community clubs.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

13. Retained earnings

	2023	2022
	\$'000	\$'000
Retained earnings at the beginning of year attributable to owners of the Company	293,337	192,388
Transfer to reserves	(20,000)	(10,000)
Net profit for the year attributable to the owners of the Company	128,629	110,949
Retained earnings at end of year attributable to owners of the Company	<u>401,966</u>	<u>293,337</u>
Retained earnings at beginning of year attributable to non-controlling interest	10,902	8,574
Net profit for the year attributable to non-controlling interest	(1,769)	2,328
Retained earnings at end of year attributable to non-controlling interest	<u>9,133</u>	<u>10,902</u>
Total retained earnings at the end of the year	<u><u>411,099</u></u>	<u><u>304,239</u></u>

The Company is a company limited by guarantee to the extent of \$0.10 for each member. As at 31 October 2023, there were 321 members (including 313 life members). The Constitution prevents the distribution of retained profits or payment of dividends to members.

14. Reserves

Amount at beginning of year	10,000	-
Current year allocation	20,000	10,000
Carrying amount at end of year	<u>30,000</u>	<u>10,000</u>

The reserves represent surpluses transferred to separate reserves to strengthen the Group's balance sheet and allocate funds for long-term programs to be expended over a number of years. Monies are allocated on an annual basis from retained earnings directly to the applicable reserve and payments made to these programs are expensed to the profit and loss as incurred.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

15. Cash and cash equivalents

	2023 \$'000	2022 \$'000
(a) Reconciliation of cash		
Cash at bank	33,402	49,532
Cash on deposit	130,595	128,682
Total available cash (i)	163,997	178,214
Restricted cash (ii)	11,746	77,918
Total cash	175,743	256,132

- (i) Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Consolidated Entity in the management of its short-term commitments. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities are classified as operating cash flows.
- (ii) The Consolidated Entity has received \$219.7 million from the Victorian Government as at 31 October 2023 as part of the redevelopment of Marvel Stadium and the surrounding precinct. These funds are held in a separate interest-bearing bank account until expended in accordance with the Funding deed.

(b) Reconciliation of profit from operating activities after income tax to net cash provided by operating activities

Profit from operating income activities after income tax	126,860	113,277
Add/(less) items classified as investing/financing activities:		
Interest paid	6,442	5,455
Interest received	(4,161)	(1,482)
Adjustments for:		
Loss on sale of non-current assets	-	1,075
Payment of leases	10,577	6,011
AASB16 lease modification	(5,726)	(2,737)
Accounting from Stadium Redevelopment grant	(28,750)	(135,100)
Gifted assets	-	(15,400)
Depreciation and amortisation	28,322	29,816
Bad debts (written off) / provided for	1,631	673
Cash provided by operating activities before change in assets and liabilities	135,195	1,588
Change in assets and liabilities:		
(Increase)/decrease in prepayments and other assets	1,029	2,649
(Increase)/decrease in trade debtors	20,671	(36,433)
(Increase)/decrease in other debtors	5,979	5,149
Increase/(decrease) in deferred income	(72,974)	19,495
Increase/(decrease) in payables	(90,378)	48,889
Increase/(decrease) in provisions	6,464	7,491
Net cash from operating activities	5,986	48,828

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

16. Related parties

Directors

The names of each person holding the position of Director of the Company during the year are Mr R J Goyder AO, Mr G A McLachlan, Mr A J Dillon, Mr P M Bassat, Ms S L Wilkie AO, Mr P A Newbold, Ms G M Trainor AO, Mr R M Bishop, Prof H M Milroy, Mr M J de Boer and Mr A Ireland.

The names of each person holding the position of Executive Officer of the Company during the year are Mr G A McLachlan, Mr A J Dillon, Mr R A Auld, Mr T J Auld, Ms T L Hosch, Mr W J Lee, Ms S E Fair, Ms K S Rogers, Mr B F Walsh, Ms L A Kane, Mr M B Chun and Mr S G Meade.

Details of Directors' and Executive Officers' remuneration are set out in Note 18.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company or the Consolidated Entity since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

The Company does, in the ordinary course of business, engage in operating transactions with entities of which AFL Directors may be a Director. In these circumstances the relevant Director's conflict is noted, and the AFL Director is excluded from the discussions and approval of this matter.

Other transactions with the Company or its controlled entities

The Consolidated Entity provided a grant of \$600,000 to AFL SportsReady (2022: \$411,500), an organisation that Ms S L Wilkie AO, a Director of the Company, had an interest as a Director. This grant has been in operation since 1994.

The Consolidated Entity engaged CyberCX Pty Ltd to provide cyber security services totalling \$1,154,284 (2022: \$674,144), an organisation that Mr R M Bishop, a Director of the Company, has an interest as a Director.

The Consolidated Entity engaged Champion Data Pty Ltd to provide statistical services totalling \$4,305,392 (2022: \$3,576,569), an organisation that Mr A J Dillon and Mr W J Lee have an interest as Directors. The Consolidated Entity also received dividends of \$1,670,000 from Champion Data Pty Ltd in the financial year ended 31 October 2023.

The Consolidated Entity received a grant of \$550,000 from Australian Sports Commission (2022: \$134,950), an organisation that Mr A Ireland, a Director of the Company, has an interest as a Director.

During the year the Company received rent and commercial revenue totalling \$29.6 million from the Marvel Stadium group of companies, being AFL Stadia Pty Ltd, AFL Stadia (Docklands) Pty Ltd, AFL Developments Pty Ltd, Stadium Operations Limited, Melbourne Stadiums Limited and Medallion Club (Melbourne) Pty Ltd (2022: \$28.5 million). The Company also spent \$6.7 million on capital expenditure for the Marvel Stadium group of companies (2022: \$25.8 million).

During the year the Company provided grants totalling \$31.5 million to controlled AFL state entities (2022: \$30.3 million).

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

17. Parent entity disclosures

As at, and throughout, the financial year ended 31 October 2023 the parent entity of the Consolidated Entity was Australian Football League.

	2023	2022
	\$'000	\$'000
<i>Result of the parent entity</i>		
Revenue for the period	935,808	838,667
Finance income	12,875	6,696
Finance costs	(6,442)	(5,455)
Expenses from operating activities	<u>(808,488)</u>	<u>(731,739)</u>
Profit/ (loss) for the period	133,753	108,169
Other comprehensive income	-	-
Total comprehensive income / (loss)	<u>133,753</u>	<u>108,169</u>
<i>Financial position of the parent entity at year end</i>		
Current assets	<u>188,716</u>	<u>278,790</u>
Total assets	<u>737,140</u>	<u>758,719</u>
Current liabilities	<u>102,905</u>	<u>281,804</u>
Total liabilities	<u>220,080</u>	<u>375,412</u>
<i>Total equity of the parent entity</i>		
Retained earnings	487,060	373,307
Reserves	30,000	10,000

Parent entity contingent liabilities

Refer to Note 20 for a full list of contingent liabilities held by the parent entity.

18. Directors' and Executive Officers' remuneration

Details of the nature and amount of each major element of remuneration of the Directors of the Company and the Company Executives is as follows:

Directors and Executive Officers' remuneration

Short-term employee benefits	13,399	11,623
Post-employment benefits	253	220
	<u>13,652</u>	<u>11,843</u>

The 2023 Directors' and Executive Officers' remuneration reflects CEO and Executive changes made in 2023.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

19. Deed of Cross Guarantee

Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*, the wholly-owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgements of financial reports, and Directors' reports.

It is a condition of the Instrument that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- AFL Stadia Pty Ltd
- AFL Stadia (Docklands) Pty Ltd
- AFL Developments Pty Ltd
- Stadium Operations Limited
- Melbourne Stadiums Limited
- Medallion Club (Melbourne) Pty Ltd

The above companies represent a 'closed group' for the purposes of the Instrument, and as there are no other parties to the Deed of Cross Guarantee that are controlled by the Company, they also represent the 'extended closed group'.

These entities became a party to the Deed on 24 May 2021, by virtue of a Deed of Assumption. A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, for the year ended 31 October 2023 is set out as follows:

Statement of profit or loss and other comprehensive income

	2023	2022
	\$'000	\$'000
Revenue	929,413	855,559
Net financing income/(expense)	(2,549)	(3,973)
Expenses from operating activities	<u>(797,042)</u>	<u>(745,023)</u>
Profit/ (loss) from operating activities before related income tax expense	129,822	106,563
Income tax relating to operating activities	-	-
Profit/ (loss) for the year	<u>129,822</u>	<u>106,563</u>
Other comprehensive income/ (loss) for the year	-	-
Total comprehensive income/ (loss)	<u>129,822</u>	<u>106,563</u>

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

19. Deed of Cross Guarantee (continued)

Statement of financial position

	2023 \$'000	2022 \$'000
Assets		
Cash and cash equivalents	141,971	157,384
Restricted cash	11,746	77,918
Trade and other receivables	50,048	69,575
Other assets	6,213	7,149
Total current assets	<u>209,978</u>	<u>312,026</u>
Non-current assets		
Trade and other receivables	17,439	23,418
Property, plant and equipment	444,996	362,538
Intangible assets	8,015	11,822
Other assets	7,250	7,250
Total non-current assets	<u>477,700</u>	<u>405,028</u>
Total assets	<u>687,678</u>	<u>717,054</u>
Liabilities		
Trade and other payables	71,566	162,789
Deferred income	39,006	122,076
Interest-bearing loans and borrowings	6,022	5,454
Provisions	22,565	25,673
Total current liabilities	<u>139,159</u>	<u>315,992</u>
Non-current liabilities		
Deferred income	25,779	13,470
Interest-bearing loans and borrowings	71,033	71,108
Loans to parent entity	6,380	12,110
Provisions	33,610	22,479
Total non-current liabilities	<u>136,802</u>	<u>119,167</u>
Total liabilities	<u>275,961</u>	<u>435,159</u>
Net assets	<u>411,717</u>	<u>281,895</u>
Equity		
Retained earnings	381,717	271,895
Reserves	30,000	10,000
Total equity attributable to equity holders of the Company	<u>411,717</u>	<u>281,895</u>

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

20. Consolidated entities ⁽¹⁾

	2023	2022
	%	%
<u>Parent entity</u>		
Australian Football League ⁽²⁾	100	100
<u>Subsidiaries</u>		
AFL (NSW/ACT) Commission Limited	100	100
AFL Queensland Limited	100	100
AFL Northern Territory Limited	100	100
AFL Cape York Limited	100	100
AFL Greater Sydney Juniors Inc.	100	100
Australian Football League (Victoria) Limited	100	100
Football Tasmania Limited	100	100
Champion Data Pty Ltd	49	49
AFL Stadia Pty Ltd ⁽³⁾	100	100
AFL Stadia (Docklands) Pty Ltd	100	100
AFL Developments Pty Ltd	100	100
Stadium Operations Limited	100	100
Melbourne Stadiums Limited	100	100
Medallion Club (Melbourne) Pty Ltd	100	100

(1) All incorporated in Australia.

(2) A company limited by guarantee. Registered office: AFL House, 140 Harbour Esplanade, Docklands, Victoria, 3008.

(3) AFL Stadia Pty Ltd was formed as part of the acquisition of Stadium Operations Limited on 2 November 2016. AFL Stadia Pty Ltd acts as the head of the Tax Consolidated Group that owns Stadium Operations Limited. AFL Stadia Pty Ltd acts as the parent entity to the entities listed below it in the above table.

21. Auditor's remuneration

Audit services

Audit and review of financial reports		
KPMG Australia	334,000	299,080
Taxation, legal and other assurance services		
KPMG Australia	133,875	88,066

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

22. Contingent liabilities

Collective Bargaining Agreement Obligations

The Company entered into an agreement with the AFL Players' Association Inc. for a period of five years from 1 November 2022 to 31 October 2027 whereby the Company has an obligation to assume liability for all amounts due to players of a club where the club has lost its licence to compete in the AFL Competition and is suspended from or loses its right to representation in the League. The amounts payable in these circumstances will be offset by any amounts payable to the players in respect of future employment as a player.

Legal Proceedings

On 16 March 2023, the Company was served with a Generally Indorsed Writ filed in the Supreme Court of Victoria in respect of class action proceedings brought against it for personal injury damages allegedly suffered by current and former AFL players and asserted to have arisen from concussion or other head trauma sustained in their playing careers. The Company has also been named as a defendant in five other legal proceedings, including a further class action proceeding, for personal injury damages allegedly suffered by current or former AFL players and asserted to have arisen from concussion or other head trauma. Whilst the further class action proceeding has been issued in the Supreme Court of Victoria, lawyers for the plaintiffs of that class action have sought Court approval to discontinue the class action proceeding. The Company anticipates that only the first class action will proceed and is currently undertaking steps in preparation for the advancement of that class action proceeding in the coming year. The Company is also undertaking steps as required by the Courts in respect of the other legal proceedings.

On 15 January 2024, the Company was served with a Generally Indorsed Writ filed in the Supreme Court of Victoria in respect of class action proceedings brought against it for personal injury damages allegedly suffered by Aboriginal and Torres Strait Islander people and/or people of colour who, between 1975 and 2022, were football players, or employed or engaged by the Company as umpires, officials or other staff and who experienced racism, racial vilification, racial discrimination, racial abuse and/or victimisation in the course of their involvement in playing, or employment or engagement by the Company, in the VFL and/or AFL competitions. The Company is currently undertaking steps in preparation for the advancement of that class action proceeding in the coming year. These legal proceedings have no financial impact on the Consolidated Financial Statements for the year ended 31 October 2023. These are contingent liabilities subject to the uncertain outcome of the legal proceedings which may, or may not, result in an obligation. The potential financial impact of any possible obligation, if any, is unable to be reliably measured.

From time to time the AFL is subject to claims and litigation during the normal course of business. The Directors have given consideration to such matters, which are or may be subject to litigation at year end and, subject to specific provisions raised and contingent liabilities described above, no other material contingent liability exists.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

23. Contingent Liabilities (continued)

Bank Guarantees

The Company has entered into a number of agreements with banks, whereby the Company guarantees the financial obligations of AFL clubs. As at 31 October 2023, the Company has provided guarantees as follows:

Borrower	Bank	Amount	Expiry
Essendon Football Club	NAB	\$2.50 million	30 November 2024
Port Adelaide Football Club	Bank SA	\$5.00 million	31 October 2024
GCFC Limited	NAB	\$1.19 million	30 April 2024
Western Sydney Football Club Limited	NAB	\$1.57 million	30 April 2024
Sydney Swans Limited	NAB	\$1.71 million	30 April 2024
North Melbourne Football Club	Westpac	\$3.00 million	31 December 2024
St Kilda Football Club	Westpac	\$6.75 million	31 December 2024
Footscray Football Club	Westpac	\$1.50 million	31 December 2024
Brisbane Bears-Fitzroy Football Club	Westpac	\$8.00 million	31 December 2024

24. Events subsequent to balance date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

25. Other significant accounting policies

Economic dependency

The Company derives a significant portion of its total revenue from television broadcasting rights.

Impairment

The carrying amounts of the Consolidated Entity's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated and an impairment loss recognised in the income statement.

Business combinations

The Company accounts for business combinations using the acquisition method when control is transferred. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or goodwill that arises upon the acquisition of business combinations is included in intangible assets.

AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

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

25. Other significant accounting policies (continued)

Subsidiaries

Subsidiaries are entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated.

Leases

The Consolidated Entity recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently amortised using the straight-line method from the commencement date to the end of the lease term. The lease liability is subsequently measured at amortised cost using the effective interest rate method. The nature of expenses related to these leases will now change because the Consolidated Entity will recognise an amortisation charge for the right-of-use asset and interest expense on lease liabilities.

Right-of-use assets

Right-of-use assets are presented as property, plant and equipment (see Note 10).

	2023 \$'000
Balance at 1 November 2022	74,885
Lease modification for the year ended 31 October 2023	6,521
Depreciation	(3,266)
	78,140

Lease liabilities

Lease liabilities are presented as interest-bearing liabilities.

Maturity analysis – undiscounted cash flows

Less than one year	10,173
One to five years	46,610
More than five years	54,029
Total undiscounted lease liabilities at 31 October 2023	110,812
Lease liabilities included in the Statement of Financial Position at 31 October 2023	77,174

Amounts recognised in profit & loss

Interest on lease liabilities	4,116
Depreciation charge on right-of-use asset	3,266
	7,382

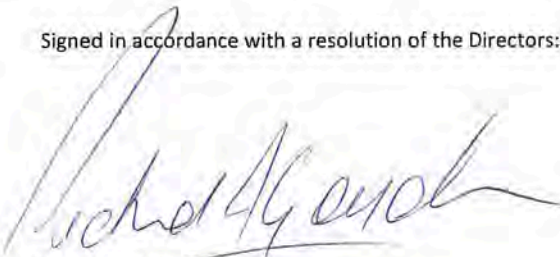
AUSTRALIAN FOOTBALL LEAGUE AND ITS CONTROLLED ENTITIES

DIRECTORS' DECLARATION

1. In the opinion of the Directors of the Australian Football League:
- (a) The Consolidated Entity's financial statements and notes, set out on pages 10 to 36 are drawn up in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 31 October 2023 and of their performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;
 - (b) there are reasonable grounds to believe that the Company and the Consolidated Entity will be able to pay its debts as and when they become due and payable;
 - (c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 19 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 19.

Dated at Melbourne this 5th day of February 2024.

Signed in accordance with a resolution of the Directors:



Mr R J Goyder, AO

Chairman



Mr A J Dillon

Director



Independent Auditor's Report

To the members of Australian Football League

Opinion

We have audited the **Financial Report** of Australian Football League (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 October 2023 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 October 2023;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The **Group** consists of Australian Football League (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code)* that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

Other Information is financial and non-financial information in Australian Football League's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.



In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*;
- implementing necessary internal control 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; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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/ar3.pdf. This description forms part of our Auditor's Report.

KPMG

Dean Waters

Partner

Melbourne

5 February 2024