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Corporations Act 2001

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Corporations Regulations

1.0.08

Copy of financial statements and reports

Company details

Company name

WESTERN SYDNEY FOOTBALL CLUB LIMITED

ACN

130 190 242

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

31-10-2021

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 **08-10-2010**

Name of auditor

KPMG

Address

'TOWER THREE' LEVEL 38

300 BARANGAROO AVENUE
SYDNEY NSW 2000

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	James David AVERY
Date	22-04-2022

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2021 FINANCIAL REPORT

31 October 2021

Western Sydney Football Club Limited
ABN 15 130 190 242

GIANTS

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DIRECTORS' REPORT

The directors present their report together with the financial report of Western Sydney Football Club Limited ("the Company" or "the Club") for the year ended 31 October 2021 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the financial year are:

Mr Anthony Shepherd AO — **Appointed 25 August 2011**

Anthony Shepherd AO is Chair of VenuesNSW, Infrastructure SA and Bingo Industries Pty Ltd, a Director of EnviroPacific, Virgin Australia International Holdings Pty Ltd, Racing NSW and Snowy Hydro Limited. Past President of the Business Council of Australia (2011-2014). Past Chair of Sydney Cricket Ground (2014-2020), Transfield Services Ltd (2005-2013), EastLink Motorway Group (2004-2011), ASTRA Subscription TV (2013-2017), Chair of Macquarie Specialised Asset Management Limited (2014/2021), the National Commission of Audit (2013 - May 2014), WestConnex Delivery Authority in NSW (2013–2015) and Sydney Motorway Corporation (2015–2015). Trustee of Sydney Cricket Ground (2002-2013).

Ms Christine Cawsey AM — **Appointed 25 August 2011, Resigned 4 March 2021**

Christine Cawsey AM is the Principal of Rooty Hill High School and a Past President of NSW Secondary Principal's Council, Member of the Board of The Smith Family; member of the Educational Advisory Board Teachers Mutual Bank; Member of the Project Management Board for the COAG and AESOC sponsored Online Formative Assessment Initiative.

Mr Peter Taylor — **Appointed 25 August 2011, Resigned 4 March 2021**

Peter Taylor is the CEO of AUTOCO Group, Executive /Chairman of the Barlens and Executive /Chairman of Appravo Construction Group.

Mr Andrew Stevens — **Appointed 26 November 2012**

Andrew Stevens is a Non-Executive Director and is the Chairman of the Board of Industry Innovation and Science Australia, and the Data Standards Body for the Consumer Data Right implementation in Australia. He is a Director of Stockland Group Limited, Ooh! Media Limited and The Champions of Change Institute Limited. Andrew is Chair of the GIANTS Audit and Risk Committee.

Mr Michael Costello AO — **Appointed 4 December 2013**

Michael Costello AO FAICD BA LLB (Melb), principal of Michael Costello Associates, is an independent director, strategist and ADR practitioner. He has two decades experience in the private sector as CEO of the energy utility ActewAGL (2008-2018), CEO of the water utility ACTEW (2003-2008), and Head of Strategy and Deputy Chief Executive of the Australian Stock Exchange (1996-1998). Earlier, as a public servant and diplomat, Michael served as Secretary of the Department of Industrial Relations, Secretary of the Department of Foreign Affairs and Trade (DFAT), Ambassador to the United Nations, Deputy Head of Current Intelligence at the Office of National Assessments (ONA) and as a director of the Export Finance and Insurance Corporation (EFIC). Michael is Chair of the GIANTS Integrity Committee.

Mr Adrian Fonseca — **Appointed 12 August 2016**

Born in India and raised in Western Sydney, Adrian Fonseca attended the University of Melbourne completing a Bachelor of Laws (Hons) and Bachelor of Commerce. Adrian practised as a banking and finance lawyer at global firms Allens and Ashurst before spending 17 years in investment banking in Sydney, Singapore and London with Macquarie Bank, Deutsche Bank and Barclays Bank.

DIRECTORS' REPORT (CONT'D)

Adrian is the Founder and Managing Director of Oxanda Education - a large early learning centre owner/operator with centres across NSW (including Western Sydney), Victoria and Queensland. Adrian is also a Director and Chair of the Audit and Risk Committee of ASX and NZX listed early learning centre operator Evolve Education Group. In addition Adrian is a Director of Child Care Search Provider Toddle Enterprises Group Pty Ltd. Adrian is married with three children and very passionate about the early education needs of children and is heavily involved in community groups relating to children. Adrian is Chair of the GIANTS Revenue Committee, Deputy Chairman of the GIANTS Foundation and member of the GIANTS Audit and Risk Committee.

Mrs Melissa Doyle AM **Appointed 5 March 2018**

Melissa Doyle is an award-wining journalist with more than 30 years' experience in the Australian media, having hosted programs including Sunrise, Sunday Night and the 6pm news. She hosts the weekend breakfast shift on Smooth FM and has authored two best-selling books. Melissa is an ambassador for World Vision, the Alannah and Madeleine Foundation, Make A Wish, the Children's Hospital Westmead, Adopt Change and the Australian War Memorial. Melissa has a BA in Communications from Charles Sturt University. Melissa is a member of the GIANTS Revenue Committee.

Mr Jimmy Bartel **Appointed 18 December 2018**

Jimmy Bartel had a long and distinguished AFL career as a player spanning 15 years. He holds a range of directorships and ambassadorial roles, including Touchstone Executive Search. He continues to be an investor in a host of leading start-ups as well as high-profile media roles across the Seven Network, Fairfax Media and several radio networks. Jimmy is a member of the GIANTS Football Committee.

Mr David Matthews **Appointed 1 July 2019**

David Matthews has been the GIANTS Chief Executive Officer since October 2011. Prior to joining the GIANTS, he was General Manager of National and International Development at the AFL.

Mr Chris Larsen **Appointed 20 October 2020**

Co-founder and Chief Executive of Ironbark Asset Management, Chris has more than two decades' experience across all fields of asset management, spanning retail and institutional distribution, marketing, product, platform, investment research and manager selection. Formerly the Head of Deutsche Bank's Asset Management business in Australia, Chris has held senior positions in the industry in Australia and New Zealand, including Credit Suisse Asset Management and Rothschild Asset Management. Chris is a member of the GIANTS Foundation, GIANTS Audit and Risk Committee and GIANTS Revenue Committee.

Mr Marc Seidner **Appointed 4 March 2021**

Marc is currently the global CIO Non-traditional Strategies and Managing Director and Head of Portfolio Management with PIMCO, one of the largest global investment firms in the world. He is also a generalist portfolio manager and a member of PIMCO's Investment Committee. Prior to joining PIMCO in 2009, Marc was a Managing Director and domestic Fixed Income Portfolio Manager at Harvard Management Company. Previously he was Director of Active Core Strategies at Standish Mellon Asset Management and a senior portfolio manager at Fidelity Management and Research. He has 34 years of investment experience and holds an undergraduate degree in economics from Boston College. While Marc has lived in America for many years, he was born in Sydney and maintains strong connections to our communities. He has and will continue to spend significant time both professionally and personally in Australia. As a significant supporter of the GIANTS, Marc has been a particularly strong advocate for the GIANTS AFLW program. Marc has personally led and invested in several community-focused initiatives in various regions across the United States.

DIRECTORS' REPORT (CONT'D)

Directors' meetings

There were 6 directors' meetings held during the year ended 31 October 2021. The number of meetings attended by each of the directors of the Company during the financial year were:

	Meetings Held	Meetings Attended
Mr Anthony Shepherd AO	6	6
Ms Christine Cawsey AM (Resigned 4 March 2021)	6	1
Mr Peter Taylor (Resigned 4 March 2021)	6	1
Mr Andrew Stevens	6	5
Mr Michael Costello AO	6	6
Mr Adrian Fonseca	6	6
Mrs Melissa Doyle	6	6
Mr Jimmy Bartel	6	4
Mr David Matthews	6	6
Mr Chris Larsen	6	6
Mr Marc Seidner (Appointed 4 March 2021)	6	4

Principal activities

The principal activities of the Club are to administer and manage the Greater Western Sydney Football Club.

The Club was incorporated on 17 March 2008. During the financial year, the Club competed in the Australian Football League (AFL), Australian Football League Women's (AFLW) and the Victorian Football League (VFL) competitions.

The Club aims to compete successfully on field, generate greater interest, participation and support for Australian Football within the New South Wales and ACT regions and positively contribute to the Greater Western Sydney community. The Club's strategy is to continue to build high performance teams that are competitive in the Australian Football League and the Australian Football League Women's, to grow commercial revenue and fan base, and to support community initiatives across Greater Western Sydney.

Operating and financial review

The profit of the Club for the year ended 31 October 2021 amounted to $68,826 (2020 net loss: $7,265,525). The Club derives its revenue mainly from corporate sponsorships, membership and ticket sales, hospitality and events as well as distributions received from the Australian Football League (AFL).

The Club's ability to derive these revenues was impacted by the continuation of COVID-19 and the Greater Sydney lockdowns during the financial year, which played a significant part in the financial result. Despite these challenges, the Club reached the finals of the AFL competition, successfully navigated ongoing hub environments as part of both the AFL and AFLW competitions, continued its comprehensive community outreach programming across Western Sydney and the ACT, and achieved a positive financial result.

Going concern

The directors note their decision to prepare the financial report on a going concern basis as is outlined in Note 1(c) of the notes to the financial statements for the year ended 31 October 2021.

State of affairs

For the period of the financial year under review, there were impacts to the Club's state of affairs as a direct result of COVID-19 and the Greater Sydney lockdowns during this period. This adversely impacted the Club's ability to derive revenues which in turn negatively impacted the Club's financial result for the financial year under review.

DIRECTORS' REPORT (CONT'D)

Events subsequent to balance date

There has been no material event between the end of the financial year and the date of this report any item, transaction or event in the opinion of the directors of the Club, to significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club in future financial years.

Likely developments

The directors do not anticipate any major changes in the basis of operations of the Club and the future results of those operations in subsequent financial years. However, the directors note that the external environment continues to be impacted by the COVID19 pandemic.

Directors' interests

Since incorporation, no director of the Club has received or became entitled to receive any benefit by reason of a contract made by the Club, or a related body corporate with a director. Various sponsorship agreements have however been entered into with companies of which a director of the Club is a director and/or has a substantial interest. These are listed in Note 18 – Related Parties.

Environmental regulations

The Club's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Directors' believe that the Club has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Club.

Indemnification and insurance of officers and auditors

Indemnification

Since the end of the previous financial year, the Club has not indemnified or made any relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Club or of a related body corporate, including costs and expenses in successfully defending legal proceedings.

Insurance premiums

During the financial year the Club has paid premiums in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings. The insurance contract insures against certain liability (subject to specific exclusions) persons who are or have been directors of officers of the Club or of a related body corporate from 1 November 2020.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on Page 5 and forms part of the directors' report for the financial year ended 31 October 2021.

Signed in accordance with a resolution of the directors.

Dated 2 February 2022.

Mr Anthony Shepherd AO
Director

Mr Andrew Stevens
Director

KPMG

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

To the Directors of Western Sydney Football Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Western Sydney Football Club Limited for the financial year ended 31 October 2021

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.

KPMG

KPMG

Paul Thomas

Partner

Sydney

2 February 2022

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STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	2021 $	2020 $
Revenue	3	42,035,167	28,633,927
Expenses			
Administration expenses		(3,467,319)	(4,000,209)
Depreciation		(1,324,580)	(914,968)
Football expenses		(26,624,096)	(22,605,559)
IT expenses		(325,885)	(346,436)
Life learning expenses		(559,242)	(350,782)
Marketing expenses		(6,129,162)	(5,268,800)
Membership expenses		(614,311)	(1,301,330)
Merchandise expenses		(320,029)	(121,664)
Other expenses		(579,639)	(599,083)
Occupancy expenses	4	(89,886)	(170,529)
Venue expenses		(1,932,192)	(220,092)
Profit/(Loss) for the year		68,826	(7,265,525)
Other Comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive profit/(loss) for year		68,826	(7,265,525)

The above Statement of Statement of Profit and Loss and Other Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 23.

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2021

	Note	2021 $	2020 $
Current assets			
Cash and cash equivalents	7	771,922	205,262
Trade and other receivables	8	508,933	2,153,093
Inventories		110,033	93,988
Other assets		93,122	119,037
Total current assets		**1,484,010**	**2,571,380**
Non-current assets			
Property plant and equipment	9	17,801,395	19,010,882
Total non-current assets		**17,801,395**	**19,010,882**
Total assets		**19,285,405**	**21,582,262**
Current liabilities			
Trade and other payables	10	1,587,928	3,173,934
Provisions	12	782,239	748,763
Lease liabilities	13	216,401	207,985
Total current liabilities		**2,586,568**	**4,130,682**
Non-current liabilities			
Provisions	12	295,508	261,835
Loan – AFL		9,349,033	9,514,205
Deferred Grant Income	11	3,827,587	4,458,320
Lease liabilities	13	2,951,623	3,010,960
Total non-current liabilities		**16,423,751**	**17,245,320**
Total liabilities		**19,010,319**	**21,376,002**
Net assets		**275,086**	**206,260**
Equity			
Member's contribution		12,480,248	12,480,248
Accumulated losses		(12,205,162)	(12,273,988)
Total equity	16	**275,086**	**206,260**

The above Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 23.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021

	Member's contribution $	Accumulated losses $	Total equity $
Balance at 1 November 2019	12,480,248	(5,008,463)	7,471,785
Total comprehensive income for the period			
Net profit/(loss) for the year	-	(7,265,525)	(7,265,525)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(7,265,525)	(7,265,525)
Balance at 31 October 2020	12,480,248	(12,273,988)	206,260
Balance at 1 November 2020	12,480,248	(12,273,988)	206,260
Total comprehensive income for the period			
Net profit/(loss) for the year	-	68,826	68,826
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	68,826	68,826
Balance at 31 October 2021	12,480,248	(12,205,162)	275,086

The above Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 23.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2021

	Note	2021 $	2020 $
Cash flows from operating activities			
Cash receipts from customers and supporters		**46,693,780**	36,079,031
Cash paid to suppliers		**(45,436,154)**	(37,583,565)
Net cash from/(used in) operating activities	7	**1,257,626**	(1,504,534)
Cash flows from investing activities			
Interest received		**875**	4,359
Acquisition of property, plant and equipment		**(327,930)**	(364,889)
Payments for leasehold properties		**(3,167)**	(3,963,578)
Net cash used in investing activities		**(330,222)**	(4,324,108)
Cash flows from financing activities			
Proceeds from borrowings		**(165,172)**	5,764,205
Lease payments		**(195,572)**	(177,369)
Net cash (used in)/from financing activities		**(360,744)**	5,586,836
Net increase/(decrease) in cash and cash equivalents		**566,660**	(241,806)
Cash and cash equivalents at 1 November		**205,262**	447,068
Cash and cash equivalents at 31 October	7	**771,922**	205,262

The above Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 10 to 23.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

1 Reporting entity

These financial statements comprise Western Sydney Football Club Limited (the "company" or the "club") and are as at and for the year ended 31 October 2021. The Company is a not-for-profit entity.

a) Basis of accounting

In the opinion of the directors, the Company is not publicly accountable. These financial statements are Tier 2 general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements adopted by the Australian Accounting Standards Board and the Corporations Act 2001. These financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements.

They were authorised for issue by the Board of Directors on 2 February 2022. Details of the Company's significant accounting policies are set out in Note 2.

b) Change in accounting policy

There have been no significant changes in accounting policy implemented during the financial year.

c) Going concern

The Company has reported a profit of $68,826 for the year ended 31 October 2021 (2020: loss of $7,265,525).

As at 31 October 2021 the Company has a net current asset deficiency of $1,102,147 (2020: $1,559,302). The ability of the Company to continue as a going concern including the ability to pay its debts as and when they fall due is dependent on the Company being able to successfully generate sufficient funds through membership, sponsorship, gate receipts and other sources, including the Australian Football League's ("AFL") contributions and government financial support when available. If the Company is unable to successfully generate sufficient funds from its revenue sources to continue to fund its ongoing operations, there is an uncertainty whether the Company will be able to continue as a going concern and be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements have been prepared on a going concern basis which assumes the Company will continue its operations and be able to meet its obligations as and when they become due and payable.

The directors note the following factors supporting the adoption of the going concern basis:

- The AFL's Competitive Balance policies aimed at supporting the objective of having all AFL Clubs being financially viable continue to apply. As a consequence of these policies the Company is expected to be the recipient of extra funding in future years to assist the Company to meet its financial obligations;
- The Company entered into a letter of financial support (which is not a guarantee) with the AFL which makes available funding that can be used to assist the Company to meet its obligations, if required, for the year ending 31 October 2022. Under the terms of the letter the AFL will not require repayment, except at such time as the Board of the Club determines that the Club is able to make that repayment and continue to pay its other debts as and when they fall due for payment;
- The Company has received formal notification of funding from the AFL for the 2022 financial year ($25.1m);
- The AFL implemented a policy in 2021 to significantly reduce the cap on football department spending, with this policy largely continuing into 2022. This has resulted in the Club restructuring its football operations and reducing associated costs with the attendant benefits to Company cashflow; and
- Management has prepared cash flow forecasts for 2022 that, after taking into account the above continued financial assistance, supports the preparation of the financial statements on a going concern basis; and
- As discussed in Note 19 the Company is economically dependent on the continual support of the AFL.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

d) Use of judgements and estimates

In preparing these financial statements, management has made certain judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

COVID-19 has vastly altered the AFL industry and continues to cause uncertainty for the Company's key estimates and judgements. The impact of COVID-19 has predominately affected the judgements relating to revenue recognition, including amounts of deferred income resulting from the restrictions imposed and reduced number of games played.

2 Significant accounting policies

(a) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the Australian Taxation Office (ATO). Revenue is recognised when it transfers control over a good or service to a customer.

Sales revenue

Sales revenue from football activities comprises revenue earned from the sales of memberships, corporate marketing, the sale of merchandise, gate receipts and AFL distributions. Membership, donations, corporate marketing and merchandise income are all recognised as earned, whilst gate receipts and AFL distributions are recognised as received.

AFL distribution and prize money

AFL distribution is recognised on a monthly basis in line with the relevant performance obligations. AFL prize money revenue is recognised as it is received.

Membership and match day revenue

Membership revenue is recognised throughout the duration of the AFL home and away season. Match day revenue is recognised at the conclusion of each AFL home game.

Merchandise revenue

Merchandise revenue is recognised as the merchandise is provided to the customer.

Sponsorship and marketing revenue

Sponsorship and marketing revenue is recognised in proportion to the stage of completion of the transaction at balance date in accordance with the terms and conditions of the sponsorship contract.

(b) Government grants

Government grants are included within accruals and deferred income in the statement of financial position and credited to the statement of profit and loss over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

(c) Taxation

The Company has been advised by the Australian Tax Office (ATO) that it is exempt from payment of income tax under the provisions of section 50 - 45 of the Income Tax Assessment Act 1997 providing the Company continues to conduct its business in accordance with its Constitution and providing there are no significant changes to the Constitution.

(d) Goods and services tax

Revenues, expenses and assets other than receivables 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.

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.

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 which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(e) Impairment

i) Financial assets

The Company recognises loss allowances at an amount equal to lifetime expected credit losses ("ECL") on financial assets. Lifetime ECLs are the ECLs that result from all possible default events that occur over the expected life of a financial asset.

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). The cashflows underlying the ECL are discounted at the effective interest rate of the financial asset.

All loss allowances are recognised in profit or loss.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories (see Note 2(g)), are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss. The recoverable amount of non-financial assets is calculated as the greater of the depreciated replacement cost of the asset and its fair value less costs to sell.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

(f) Property, plant and equipment

i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (see Note 2(e)). Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

ii) Subsequent expenditure

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in profit and loss as an expense as incurred.

iii) Depreciation

Depreciation is calculated to write off the cost of property plant and equipment less their estimated residual values using the straight -line basis over their estimated useful lives and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term.

The depreciation rates used for each class of asset are as follows:

	2021	2020
- Plant and equipment	20%	20%
- IT equipment	25% to 33%	25 to 33%
- Furniture and fittings	10%	10%

(g) Inventories

Inventories consist of merchandising items and liquor held for sale and/or promotional use. Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost is calculated using the average cost method and includes direct and allocated costs incurred in acquiring the inventories and bringing them to their present location and condition.

(h) Trade and other receivables

Trade and other receivables are stated at their amortised cost less impairment losses (see Note 2(d)).

(i) Trade payables

Trade and other payables are stated at their amortised cost.

(j) Employee entitlements

i) Wages, salaries, annual leave and non-monetary benefits

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 entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

(k) Employee entitlements (cont'd)

ii) 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.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to corporate bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

iii) Defined contribution superannuation fund

Obligations for contributions to defined contribution superannuation funds are recognised as an expense as they are incurred.

(l) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16.

This policy is applied to contracts entered into, on or after 1 November 2019.

i) As a lessee

At commencement or modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

The Company 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 the 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 depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company uses its incremental borrowing rate as the discount rate.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

(l) Leases (cont'd)

i) As a lessee (cont'd)

The Company determines its incremental borrowing rate by obtaining interest rates from various external sources and makes certain adjustments to reflect the terms of the lease and the type of asset leased. Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and;
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

ii) Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Other leases are operating leases and the leases are not recognised on the Company's Statement of Financial Position.

i) Operating lease payments

Payments made under operating leases are recognised in profit and loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss as an integral part of the total lease expense and spread over the lease term.

(m) Financial instruments

Interest rate risk

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

(m) Financial instruments (cont'd)

Foreign exchange risk

The Club is not exposed to any material foreign exchange risk as the Club operates within Australia and all material transactions undertaken are recorded in Australian dollars.

Liquidity risk

Liquidity risk is the risk that the Club will encounter difficulty in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligations will have to be settled in a manner disadvantageous to the Club. The Club minimises its exposure to liquidity risk by ensuring there is no concentration of liquidity risk to a particular counterparty or market.

Net fair values

The directors consider that the carrying amount of recognised financial assets and liabilities approximates their net fair values.

3 Revenue

	2021 $	2020 $
AFL distributions and match receipts	23,994,801	15,860,231
Community and development	717,813	787,148
Government grants	3,915,487	2,599,335
Interest received	875	4,359
Marketing and sponsorship	11,254,016	7,713,263
Membership and merchandise	2,152,175	1,669,591
	42,035,167	28,633,927

The Company qualified for and complied with the conditions to receive wage subsidiary grants from the Federal and State Governments during 2021. Grant income of $2,437,700 has been presented within Government grants, consisting of JobKeeper ($1,237,700) and JobSaver ($1,200,000).

4 Occupancy expenses

	2021 $	2020 $
Operating lease rentals & levies - SOPA	27,436	39,045
Operating lease rentals & levies - Other	13,370	5,000
Parking	49,080	96,484
	89,886	170,259

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

5 Employee expenses

	2021 $	2020 $
Wages and salaries	23,786,824	20,003,928
Superannuation expenses	1,590,927	1,338,909
Other personnel expenses	58,743	97,322
	25,436,494	21,440,159

6 Auditor's remuneration

	2021 $	2020 $
Audit services		
Audit of the financial statements	35,000	30,000
	35,000	30,000
Other services		
Assurance services	5,500	5,000
	5,500	5,000

7 Cash and cash equivalents

	2021 $	2020 $
Cash at bank and in hand	771,922	205,262
	771,992	205,262

Reconciliation of profit/(loss) for the year to net cash flow from operating activities

	2021 $	2020 $
Profit/(loss) for the year	68,826	(7,265,525)
Adjustments for:		
Depreciation and disposal of PPE	1,540,582	1,281,531
Net finance costs	143,896	141,714
Changes in:		
- Inventories	(16,044)	(43,008)
- Trade and other receivables	1,644,160	354,397
- Other assets	142,567	208,485
- Trade and other payables	(2,333,390)	3,695,984
- Provisions	67,029	121,888
Net cash provided from/ (used in) operating activities	1,257,626	(1,504,534)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

8 Trade and other receivables

	2021 $	2020 $
Trade receivables	465,759	1,200,026
Less: loss allowance	(31,579)	(81,866)
Other receivables	74,753	1,034,233
	508,933	2,153,093

9 Property, plant and equipment

	Buildings & Leasehold improvements $	Fixtures & fittings $	Football Equipment $	IT Equipment $	Capital works in progress $	Total $
Cost						
Balance at 1 November 2020	21,829,411	328,311	226,641	1,271,155	207,125	23,862,643
Additions	-	-	-	-	263,256	263,256
Disposals	-	(33,024)	(73,265)	(865,575)	(148,163)	(1,120,027)
Transfers in/(out)	3,167	14,608	8,500	41,566	(67,841)	-
Balance at 31 October 2021	21,832,578	309,895	161,876	447,146	254,377	23,005,872
Depreciation and impairment						
Balance at 1 November 2020	(3,580,065)	(136,450)	(122,655)	(1,012,591)	-	(4,851,761)
Depreciation charge for the year	(1,126,019)	(32,961)	(32,048)	(133,552)	-	(1,324,580)
Disposals	-	33,024	73,265	865,575	-	971,864
Balance at 31 October 2021	(4,706,084)	(136,387)	(81,438)	(280,568)	-	(5,204,477)
Carrying amounts						
At 1 November 2020	18,249,349	191,861	103,986	258,564	207,125	19,010,882
At 31 October 2021	**17,126,494**	**173,508**	**80,438**	**166,578**	**254,377**	**17,801,395**

10 Trade and other payables

	2021 $	2020 $
Trade payables	385,202	1,574,691
Other payables and accrued expenses	942,273	730,872
Prepaid income	260,453	868,371
	1,587,928	3,173,934

11 Deferred income

	2021 $	2020 $
Non-current		
Deferred grant income	3,827,587	4,458,320
	3,827,587	4,458,320

Deferred grant income relates to State Government funding used to upgrade the training and administration facility at Sydney Olympic Park and will be amortised over the useful life of the assets to which it relates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

12 Provisions

	2021 $	2020 $
Current		
Annual leave	515,309	490,897
Long service leave	266,930	257,865
	782,239	748,763
Non-current		
Long service leave	295,508	261,835
	295,508	261,835
Employee numbers (excluding players and casuals)	79	70

13 Lease liabilities

	2021 $	2020 $
Current		
Lease liabilities	216,401	207,985
	216,401	207,985
Non-current		
Lease liabilities	2,951,623	3,010,960
	2,951,623	3,010,960

14 Leases

The Company has the following operating lease commitments:

- the premises occupied by the Club's operations at Sydney Olympic Park that runs until 2042; and
- An office suite in Melbourne that runs until 2024.

The Company also leases IT equipment that are short-term and/or low value items. The Company elected not to recognise right-of-use-assets and lease liabilities for these leases.

a) Right of use assets

Right-of-use assets related to leased property are presented as property, plant and equipment (see Note 9).

	Buildings & leasehold improvements $
Balance at 1 November 2020	3,087,752
Additions to right-of-use assets	-
Depreciation charge for the year	(162,760)
Balance at 31 October 2021	2,924,992

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

Leases (cont'd)

b) Amounts recognised in profit and loss

	2021	2020
	$	$
Interest on lease liabilities	144,650	146,253
Depreciation charge for the year	162,760	162,309
Total amount recognised in profit and loss	307,410	308,562

Amounts recognised in statement of cash flows

	2021	2020
	$	$
Total cash outflow for leases	285,458	317,898
	285,458	317,898

15 Equity

	2021	2020
	$	$
Balance at 1 November	206,260	7,471,785
Net profit/(loss) for the year	68,826	(7,265,525)
Balance at 31 October	275,086	206,260

16 Commitments

Staff superannuation fund

The Company contributes to an accumulation fund in accordance with the Superannuation Guarantee Act and employees may make additional contributions to the fund. The employees are entitled to their balances in the fund on retirements, disability or death without any qualifying criteria.

17 Key management personnel compensation

The key management personnel compensation was $1,323,403 for the year ended 31 October 2021 (2020: $1,469,722).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

18 Related parties

Directors

No directors have received remuneration for their services as a director of the Club during 2021. The Chief Executive Officer was appointed as a director of the Company on 1 July 2019; however, no additional remuneration was or will be received in relation to the director role.

During the year several directors purchased Club membership packages, attended Club functions, made donations and contributed towards fundraising auctions. The terms and conditions of the transactions with the directors and their director related entities were no more favourable than those available, or which might be reasonably expected to be available, on similar transactions to non-director related entities on an arm's length basis.

Transactions with related parties

During the year, the Club received grant revenue of $20,683,562 from the AFL. No directors were employees of the AFL during the course of the year. $3,750,000 is owed to the AFL under loan agreements entered into during 2014, 2018 and 2019. In 2020 the Club borrowed an additional $5,764,205 under the COVID-19 Letter of Financial Support. Other services provided by the AFL are billed based on normal market rates for these services and were due and payable under normal payment terms.

A sponsorship agreement with Mashera Pty Ltd (trading as Barlens Hire) has been entered into in 2021 to the value of $131,818 contra in which a Director was also a Director of the Club until March 2021. Due to the COVID-19 pandemic, only contra to the value of $91,416 was utilised in 2021.

A sponsorship agreement with EFEX was entered into in 2021 to the value of $200,000 cash in which a Director of the Club is also the Chairman. Further, EFEX provided the Club with IT Services to the value of $397,865 during 2021.

An agreement to Sublease 1 Olympic Boulevard Sydney Olympic Park with Oxanda Childcare Pty Ltd (sublessee) was entered into on 15 December 2016 in which a Director of the Club is the Executive Director. In addition to this, a license agreement exists with Oxanda Childcare Pty Ltd for the trademark of Little Giants for which a quarterly fee is paid. A Director of the Club is the Executive Director.

A director in his capacity as a patron partner of the Club provided patronage funding to the Club to the value of $503,398 during 2021.

19 Economic dependence

The Club's operations are dependent upon the receipt of distributions from the AFL. For the year ending 31 October 2022 the AFL has confirmed funding of $25.1m.

20 Segment Reporting

The Club's activities are entirely the administration and promotion of Australian Rules Football and are confined to Australia.

21 Contingent liabilities

As at 31 October 2021 there were no contingent liabilities (2020: nil).

22 Financial instruments, fair values and risk management

The Company's financial assets and liabilities include cash and cash equivalents, trade and other receivables and trade and other payables. These assets and liabilities are not measured at fair value in accordance with the significant accounting policies in Note 2. Carrying amounts are a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

23 Financial instruments, fair values and risk management (cont'd)

(a) Exposure to credit risk

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2021 $	2020 $
Cash and cash equivalents	7	771,922	205,262
Trade and other receivables	8	508,933	2,153,093
		1,280,855	2,358,355

(b) Impairment losses

The company has trade receivables of $122,564 that are past due (2020: $889,627). The aging of trade receivables at reporting date was:

	2021		2020	
	Gross $	Impairment $	Gross $	Impairment $
Current	343,195	-	310,399	-
Past due 31 - 60 days	64,775	-	686,668	-
Past due 61 - 90 days	-	-	(5,255)	-
Past due 91+ days	57,789	31,579	208,214	81,166
	465,759	31,579	1,200,026	81,166

(c) Interest rate risk

The Club holds cash at floating interest rates. All other financial assets and liabilities are non-interest bearing. The Club does not enter into interest rate swaps, forward rate agreements or interest rate options to manage cash flow risks associated with the interest rates on borrowings.

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

Floating rate instruments	2021 $	2020 $
Financial assets	771,922	205,262
Financial liabilities	-	-
	771,922	205,262

Cash flow sensitivity analysis for variable rate financial assets

A change of 100 basis points in interest rates at the reporting date would have increased/decreased profit or loss by $7,719.

(d) Interest rate risk

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities over the next 30 days.

The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021

24 Events subsequent to the balance date

There has been no material event between the end of the financial year and the date of this report any item, transaction, or event in the opinion of the directors of the Club, to significantly affect the operations of the entity, the results of those operations, or the situation of the Club in future financial years.

25 Other information

The address of the Club's registered office is 1 Olympic Boulevard, Sydney Olympic Park NSW 2127.

Directors' declaration

In the opinion of the directors of Western Sydney Football Club Limited ('the Company'):

(a) the Company is not publicly accountable;

(b) the financial statements and notes that are set out on pages 6 to 23 are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Company's financial position as at 31 October 2021 and of its performance, for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime and the Corporations Regulations 2001; and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Dated 2 February 2022.

Mr Anthony Shepherd AO
Director

Mr Andrew Stevens
Director

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