

Form 388

Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
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

31-10-2023

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

ABN/ACN

33134022870

Company Name

BDO Audit Pty Ltd

Address

**Level 10
32 Smith Street
Parramatta NSW 2150
Australia**

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 Emma SMITH
Date 15-03-2024

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2023
FINANCIAL
REPORT

31 October 2023

Western Sydney Football Club Limited
ABN 15 130 190 242





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 2023 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, Resigned 18 October 2023

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).

Mr Michael Costello AO

Appointed 4 December 2013, Resigned 10 March 2023

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).

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. 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. Also in the early education industry, Adrian is Chair of Child Care Search Provider Care for Kids Group and a Director and Chair of the Audit and Risk Committee of ASX and NZX listed early learning centre operator Evolve Education Group. Adrian is a member of the Australian Ballet Foundation Board and the Gold Dinner Committee for Sydney Children's Hospital Foundation. 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 Deputy Chairman of the Club, Deputy Chairman of the GIANTS Foundation and also a member of the GIANTS Audit and Risk Committee.

Mrs Melissa Doyle AM

Appointed 5 March 2018

Melissa Doyle is an award-winning 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 This is Your Life on the Seven Network and has authored three books. Melissa is an ambassador for World Vision, the Alannah and Madeleine Foundation, Make A Wish and the Children's Hospital Westmead. Melissa has a BA in Communications from Charles Sturt University. Melissa is a member of the GIANTS Revenue Committee.



DIRECTORS' REPORT (CONT'D)

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, Nine Entertainment 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 the Chair of the Audit & Risk Committee, a member of the GIANTS Football Committee and a member of the GIANTS Foundation.

Mr Marc Seidner

Appointed 16 February 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.

Ms Nikki Warburton

Appointed 16 November 2021

Ms Warburton grew up in Western Sydney, attending Baulkham Hills High School and the University of Western Sydney. She has previously held chief customer and marketing officer roles across a range of industries including the automotive, advertising and media industries. Having most recently led the customer, product and marketing agenda for Audi Australia, Ms Warburton has over 20 years' experience in digital, retail and brand building. She is also on the Advisory Board at CVC Emerging Funds, a Strategic Advisor at AMS, an Executive Patron on the Taronga Zoo Foundation Board, and a Mentor for The Marketing Academy.

Mr Tim Reed

Appointed 1 November 2022

Mr Reed, the current President of the Business Council of Australia, a Non-Executive Director at Transurban, a \$50Bn publicly listed enterprise on the ASX, and Managing Director of Potentia Capital, a \$1Bn growth and private equity firm, and has previously been the Chief Executive Officer and Director of MYOB over a sixteen-year career at the organisation. Holding a Bachelor of Commerce degree with First Class Honors from the University of Melbourne and a Master of Business Administration from Harvard University, Mr Reed is also a graduate of the Australian Institute of Company Directors.



DIRECTORS' REPORT (CONT'D)

Mr Steve Tucker

Appointed 1 March 2023

Appointed as a Director of the Club and Chair of the GIANTS Foundation Board, Mr Tucker is an experienced Director and Chairman of large, successful Australian and international companies in a wide range of sectors, having worked as Chief Executive Officer and Managing Director of MLC as well as a Group Executive at MLC and NAB Wealth. He is the current co-founder and Chairman of Koda Capital, an independent private wealth partnership, as well as a non-executive Chairman at Ubris, Australia's leading urban planning, design and property advisory firm. Mr Tucker is also a non-executive Director at FNZ, a global technology provider to the financial services industry, as well as a Director of The Ethics Centre and NeuRA Foundation.

Ms Kath Toohey AM

Appointed 14 March 2023

Ms Toohey was appointed during the year as the Club's Canberra-based Director following a distinguished career with the Australian Defence Force, recently retiring from the Army as a Major General after completing thirty-six years of service. Her career with the Army included senior appointments in capability and training and active operational service in Cambodia. Some of Ms Toohey's appointments included a posting as an instructor at the Royal Military College and as the Aide-de-Camp to the Governor General of Australia and serving as the European Liaison Officer for the Capability Development Group, representing the Australian Defence Force at various multinational, NATO and European Union forums. In 2016, Ms Toohey was appointed Deputy Electoral Commissioner in the Australian Electoral Commission before being made a Member of the Order of Australia in 2017 for her service to the Australian Defence Force in the fields of capability development and education. She was also recently appointed a Director of Basketball ACT.

Directors' meetings

There were 7 directors' meetings held during the year ended 31 October 2023. 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	7	7
Mr Michael Costello AO (Resigned 10 February 2023)	7	2
Mr Adrian Fonseca	7	7
Mrs Melissa Doyle	7	6
Mr Jimmy Bartel	7	5
Mr David Matthews	7	7
Mr Chris Larsen	7	7
Mr Marc Seidner	7	2
Ms Nikki Warburton	7	6
Mr Tim Reed (Appointed 1 November 2022)	7	7
Mr Steve Tucker (Appointed 1 February 2023)	6	5
Ms Kathryn Toohey AM (Appointed 14 March 2023)	5	5

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



DIRECTORS' REPORT (CONT'D)

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 net loss of the Club for the year ended 31 October 2023 amounted to \$3,474,762 (2022 net loss: \$3,042,881). The Club derives its revenue mainly from corporate sponsorships, membership, match-day ticket sales, hospitality and events as well as distributions received from the Australian Football League (AFL).

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 2023.

State of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Club that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

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.

Directors' interests

Since incorporation, no director of the Club has received or become 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.



DIRECTORS' REPORT (CONT'D)

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 2022.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on Page 6 and forms part of the directors' report for the financial year ended 31 October 2023.

Signed in accordance with a resolution of the directors.
Dated 23 February 2024.

Mr Tim Reed
Director

Mr Chris Larsen
Director

DECLARATION OF INDEPENDENCE BY CLAYTON EVELEIGH TO THE DIRECTORS OF WESTERN SYDNEY FOOTBALL CLUB LIMITED

As lead auditor of Western Sydney Football Club Limited for the year ended 31 October 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Clayton Eveleigh
Director

BDO Audit Pty Ltd

Sydney, 23 February 2024



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

	Note	2023 \$	2022 \$
Revenue	3	51,099,179	46,149,998
Expenses			
Administration expenses		(3,225,202)	(3,397,290)
Depreciation		(1,290,137)	(1,328,504)
Finance Costs		(139,078)	(142,012)
Football expenses		(33,595,973)	(31,306,917)
IT expenses		(501,410)	(328,605)
Community expenses		(728,587)	(783,125)
Marketing expenses		(8,916,998)	(6,718,152)
Membership expenses		(1,916,418)	(922,498)
Merchandise expenses		(453,385)	(271,884)
Other expenses		(1,206,273)	(951,412)
Occupancy expenses	4	(247,146)	(171,661)
Venue expenses		(2,353,334)	(2,870,819)
Loss for the year		(3,474,762)	(3,042,881)
Other Comprehensive income			
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(3,474,762)	(3,042,881)

The above Statement of Statement of Profit or 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 11 to 23.



STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023

	Note	2023	2022
		\$	\$
Current assets			
Cash and cash equivalents	7	1,100,883	266,273
Trade and other receivables	8	1,531,380	878,900
Inventories		232,120	235,835
Other assets		540,037	298,912
Total current assets		3,404,420	1,679,920
Non-current assets			
Property, plant and equipment	14(a)	13,486,189	14,237,814
Right of use asset		2,600,373	2,762,682
Total non-current assets		16,086,562	17,000,496
Total assets		19,490,982	18,680,416
Current liabilities			
Trade and other payables	10	7,530,734	4,135,156
Provisions	12	898,712	776,932
Deferred grant income	11	820,804	-
Lease liabilities	13	200,184	210,483
Loan – AFL		9,349,033	9,349,033
Total current liabilities		18,799,467	14,471,604
Non-current liabilities			
Provisions	12	275,244	256,673
Lease liabilities	13	2,831,241	2,892,347
Total non-current liabilities		3,106,485	3,149,020
Total liabilities		21,905,952	17,620,624
Net (liabilities)/assets		(2,414,970)	1,059,792
Equity			
Members contribution – retained earnings		12,480,248	12,480,248
Accumulated losses		(14,895,218)	(11,420,456)
Total (deficiency in equity)/equity	15	(2,414,970)	1,059,792

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 11 to 23.



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2023**

	Members contribution	Accumulated losses	Total (deficiency in equity)/equity
	\$	\$	\$
Balance at 1 November 2021	12,480,248	(8,377,575)	4,102,673
Total comprehensive income for the period			
Net loss for the year	-	(3,042,881)	(3,042,881)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(3,042,881)	(3,042,881)
Balance at 31 October 2022	12,480,248	(11,420,456)	1,059,792
Balance at 1 November 2022	12,480,248	(11,420,456)	1,059,792
Total comprehensive income for the period			
Net loss for the year	-	(3,474,762)	(3,474,762)
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(3,474,762)	(3,474,762)
Balance at 31 October 2023	12,480,248	(14,895,218)	(2,414,970)

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 11 to 23.



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

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Cash receipts from customers and supporters		54,215,026	50,329,666
Cash paid to suppliers		(54,254,989)	(49,566,025)
Interest paid		(139,078)	(142,012)
Net cash from operating activities		(179,041)	621,629
Cash flows from investing activities			
Receipts for facility redevelopment		1,650,000	-
Interest received		29,701	7,753
Acquisition of property, plant and equipment		(171,104)	(786,966)
Payments for facility redevelopment		(246,522)	-
Payments for leasehold improvements		(37,941)	(140,860)
Net cash used in investing activities		1,224,134	(920,073)
Cash flows from financing activities			
Lease payments		(210,483)	(207,205)
Net cash used in financing activities		(210,483)	(207,205)
Net increase/(decrease) in cash and cash equivalents		834,610	(505,649)
Cash and cash equivalents at 1 November 2022		266,273	771,922
Cash and cash equivalents at 31 October 2023	7	1,100,883	266,273

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 11 to 23.



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

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 2023. 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 – Simplified Disclosures adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

They were authorised for issue by the Board of Directors on 23 February 2024. 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 loss of \$3,474,762 for the year ended 31 October 2023 (2022: loss of \$3,042,881). As at 31 October 2023 the Company has Accumulated losses of \$14,895,218 (2022: Accumulated losses of \$11,420,456), net current liabilities of \$15,395,047 (2022: \$12,791,684) and a net asset deficiency of \$2,414,970 (2022: \$1,059,792).

The above events and conditions give rise to a material uncertainty that may cast significant doubt on the entity’s ability to continue as a going concern. 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.

Notwithstanding the financial position, 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 holds a loan with the AFL to the value of \$9,349,033 and trade payables of \$2,710,648 as at 31 October 2023. These two balances form a significant portion of the net current liability position above. The loan is classified as a current liability (and has been amended as such in the prior year for consistency of presentation) under the formal terms of the arrangement, however as noted in the financial support letter, the Company does not expect to repay this amount within the next 12 months. The Company has obtained a letter of financial support (which is not a guarantee) from 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 2024. Under the terms of the letter, the AFL will not require repayment of the loan outstanding, 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 balance of trade payables with the AFL, are also able to be carried forward into 2024 as a part of the financial relief being provided by the AFL;
- The Company has received formal notification of funding from the AFL for the 2024 financial year of \$30,426,131;

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

Going concern (cont'd)

- The AFL implemented a policy in 2021 to significantly reduce the cap on football department spending, with this policy largely continuing into 2022 and 2023. This has resulted in the Club restructuring its football operations and reducing associated costs with the attendant benefits to Company cashflow;
- Management has prepared cash flow forecasts for 2024 that, after taking into account the above continued financial assistance from the AFL, 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 and the AFL has confirmed this economic support will continue for at least 12 months from the date of the financial report.

Should the Company be unable to successfully generate sufficient funds from its revenue sources and receive the financial support as detailed in the factors above, the company may not 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.

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.

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 in accordance with the satisfaction of the relevant performance obligations.

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 the performance obligations are satisfied, 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 aligned to the completion of the AFL season. AFL prize money revenue is recognised at the point in time the Club is entitled to the distribution.

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 a point in time, typically being the completion of each AFL home game.

Merchandise revenue

Merchandise revenue is recognised at a point in time, being the time of sale to the customer.



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

Sponsorship and marketing revenue

Sponsorship and marketing revenue is recognised over time, during the period the service is provided to the customer 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 grant income is recognised over time in the statement of profit or loss and other comprehensive income based on the percentage of completion of a project relative to the total construction costs incurred to date. If conditions are attached to the grant which must be satisfied and are sufficiently specific, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the company incurs an obligation to deliver economic value or construct a non-financial asset, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service or construction has been commenced by the company relative to the percentage of completion, otherwise the grant is recognised as revenue at a point in time on receipt.

(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.



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

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.

(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:

	2023	2022
- Plant and equipment	20%	20%
- IT equipment	25% to 33%	25 to 33%
- Furniture and fittings	10%	10%

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

(g) Inventories

Inventories consist of merchandising items 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 provisions for expected credit losses (Note 2(e)).

(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.

(j) 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.

(k) 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.



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

i) As a lessee

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.

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.



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

3 Revenue

	2023	2022
	\$	\$
AFL distributions and match receipts	32,179,423	29,496,499
Community and development	1,062,497	1,132,536
Government grants	2,871,029	2,323,981
Interest received	29,701	7,753
Marketing and sponsorship	12,675,588	11,232,851
Membership and merchandise	2,280,941	1,956,378
	<u>51,099,179</u>	<u>46,149,998</u>

4 Occupancy expenses

	2023	2022
	\$	\$
Rentals & levies – SOPA	32,566	30,592
Rentals & levies – Other	89,015	67,750
Parking	125,565	73,319
	<u>247,146</u>	<u>171,661</u>

5 Employee expenses

	2023	2022
	\$	\$
Wages and salaries	34,392,167	28,809,082
Superannuation expenses	2,226,548	1,948,839
Other personnel expenses	123,845	(39,249)
	<u>36,742,560</u>	<u>30,718,672</u>



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

6 Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd (2022: KPMG), the auditor of the company:

	2023	2022
	\$	\$
Audit of the financial statements	48,000	35,000
Other Assurance services	8,000	5,500
	<u>56,000</u>	<u>40,500</u>

7 Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank and in hand	1,100,883	266,273
	<u>1,100,883</u>	<u>266,273</u>

8 Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	1,529,210	840,884
Less: provision for expected credit losses	(129,276)	(31,844)
Other receivables	131,446	69,860
	<u>1,531,380</u>	<u>878,900</u>

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

9 Property, plant and equipment

	Buildings & Leasehold improvements	Fixtures & fittings	Plant & Equipment	IT Equipment	Capital works in progress	Work in Progress - Facility Upgrade	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
Balance at 1 November 2022	18,723,375	309,895	171,642	570,862	507,644	-	20,283,418
Additions	37,941	43,250	6,772	121,083	-	246,522	455,568
Disposals	-	-	-	-	(79,365)	-	(79,365)
Transfers in/(out)	-	-	-	-	(428,279)	428,279	-
Balance at 31 October 2023	18,761,316	353,145	178,414	691,945	-	674,801	20,659,621
Depreciation and impairment							
Balance at 1 November 2022	(5,360,804)	(167,052)	(109,073)	(408,675)	-	-	(6,045,604)
Depreciation charge for the year	(981,078)	(34,322)	(23,490)	(88,938)	-	-	(1,127,828)
Disposals	-	-	-	-	-	-	-
Balance at 31 October 2023	(6,341,882)	(201,374)	(132,563)	(497,613)	-	-	(7,173,432)
Carrying amounts							
At 1 November 2022	13,362,571	142,843	62,569	162,187	507,644	-	14,237,814
At 31 October 2023	12,419,434	151,771	45,851	194,332	-	674,801	13,486,189

10 Trade and other payables

	2023	2022
	\$	\$
Trade payables	5,989,364	2,702,328
Other payables and accrued expenses	1,438,274	1,280,005
Prepaid income	103,096	152,823
	<u>7,530,734</u>	<u>4,135,156</u>

11 Deferred grant income

	2023	2022
	\$	\$
Current		
Deferred grant income	820,804	-
	<u>820,804</u>	<u>-</u>



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

12 Provisions

	2023	2022
	\$	\$
Current		
Annual leave	420,964	404,840
Long Service Leave	404,406	315,257
Other Provisions	73,342	56,835
	<u>898,712</u>	<u>776,932</u>
Non-current		
Long service leave	275,244	256,673
	<u>1,173,956</u>	<u>1,033,605</u>
 Employee numbers (excluding players and casuals)	 96	 94

13 Lease liabilities

	2023	2022
	\$	\$
Current		
Lease liabilities	<u>200,184</u>	<u>210,483</u>
Non-current		
Lease liabilities	<u>2,831,240</u>	<u>2,892,347</u>
	<u>3,031,424</u>	<u>2,892,347</u>

14 Leases

The Company has the following leases:

- 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 viewable in the Statement of Financial Position.

	Right of Use Asset \$
Balance at 1 November 2022	2,762,683
Additions to right-of-use assets	-
Depreciation charge for the year	162,309
Balance at 31 October 2023	<u>2,600,374</u>

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

Leases (cont'd)**b) Amounts recognised in profit and loss**

	2023	2022
	\$	\$
Interest on lease liabilities	139,078	142,012
Depreciation charge for the year	162,309	162,309
Total amount recognised in profit and loss	<u>301,387</u>	<u>304,321</u>

Amounts recognised in statement of cash flows

	2023	2022
	\$	\$
Principal repayments for leases	210,483	207,205
Interest paid for leases	139,078	142,012
	<u>349,561</u>	<u>349,217</u>

15 Equity

	2023	2022
	\$	\$
Balance at 1 November 2022	1,059,792	4,102,673
Net loss for the year	(3,474,762)	(3,042,881)
Balance at 31 October 2023	<u>(2,414,970)</u>	<u>1,059,792</u>

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 \$1,871,486 for the year ended 31 October 2023 (2022: \$1,565,746).

18 Related parties**Directors**

No directors have received remuneration for their services as a director of the Club during 2023. 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.



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

Related parties (cont'd)

Transactions with related parties

During the year, the Club received distribution revenue of \$29,726,774 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 \$5,599,033 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. There is currently \$2,780,461 payable to the AFL within the trade payables amount disclosed in note 10.

A sponsorship agreement with EFEX was entered into in 2023 to the value of \$650,000 cash in which a Director of the Club is also a Director of EFEX. Further, EFEX provided the Club with IT Services to the value of \$494,905 during 2023.

19 Economic dependence

The Club's operations are dependent upon the receipt of distributions from the AFL. For the year ending 31 October 2024 the AFL has confirmed funding of \$30,426,131.

20 Contingent liabilities

As at 31 October 2023 there were no contingent liabilities (2022: nil).

21 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.

22 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 7 to 22 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 2023 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Simplified Disclosures Framework 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 23 February 2024.

Mr Tim Reed
Director

Mr Chris Larsen
Director

INDEPENDENT AUDITOR'S REPORT

To the members of Western Sydney Football Club Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Western Sydney Football Club Limited (the Company), which comprises the statement of financial position as at 31 October 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of Western Sydney Football Club Limited, is 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 2023 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosures and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 (c) in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The financial report of Western Sydney Football Club Limited, for the year ended 31 October 2022 was audited by another auditor who expressed an unmodified opinion on that report on 10 February 2023.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

BDO Audit Pty Ltd

BDO

Clayton Eveleigh
Director

Sydney, 23 February 2024

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