

Copy of financial statements and reports

Company details

Company name

GCFC LIMITED

ACN

144 555 822

Reason for lodgement of statement and reports

A public company limited by guarantee who qualifies under Tier 2

Dates on which financial
year ends

Financial year end date

31-10-2023

Auditor's report

Were the financial statements audited or reviewed?

Audited

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?

Yes

Details of current auditor or auditors

Current auditor

Date of appointment **19-01-2013**

Name of auditor

KPMG

Address

**'LEVEL 11 CNR BUNDALL RD &
SLATYER
AVENUE'**

**KPMG - GOLD COAST CORPORATE
CENTRE ONE
BUNDALL QLD 4217**

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 Michael Richard MALLINSON

Date 18-12-2023

For more help or information

Web www.asic.gov.au
Ask a question? www.asic.gov.au/question
Telephone 1300 300 630

GCFC Limited
ABN 47 144 555 822

Annual Financial Report

31 October 2023

Contents

Directors' Report	1
Lead Auditor's Independence Declaration	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flow	11
Notes to the Financial Statements	12
Directors' Declaration	27
Auditor's Report	28

Directors' report

The Directors present their report together with the financial report of GCFC Limited ('the Club') for the year ended 31 October 2023 and the auditor's report thereon.

Directors

The Directors of the Club at any time during or since the end of the year and to the date of the report are:

Mr Kerry Robert East (Chairman from 19th March 2023)
 Mr Simon Gordon Bennett
 Mr Martin Conway Rowland
 Mr Damien Guy Walker
 Ms Jessica Rose Elizabeth Mellor (appointed 19th April 2023)
 Mr Kurt Tippet (appointed 19th April 2023)
 Mr Mark Benedict Witheriff (appointed 19th April 2023)
 Ms Helen Ann Edwards (appointed 21st June 2023)
 Mr Paul Darren Scurrah (resigned 11th July 2023)
 Ms Leschen Leah Smaller (resigned 12th April 2023)
 Ms Samantha Linette Pearl Riley (resigned 10th April 2023)
 Mr Robert Brian Charter (resigned 29th March 2023)
 Mr Anthony John Cochrane (Former Chairman, resigned 18th March 2023)

Information on Directors

Mr Kerry Robert East	
Experience	Chairman appointed 19 th March 2023 Deputy Chairman & Director appointed 10 June 2010
Qualifications	Chair of Australia Venue Co Chair of Experience Co Chair of Cettire Limited Chair of Leisure Accommodation Collective Holds a Master of Business Administration
Special Responsibilities	Chairman of Board of Directors Member Commercial Committee
Mr Simon Gordon Bennett	
Experience	Director appointed 26 April 2016 Board member Gold Coast Community Fund
Qualifications	LLB (Hons), Dip Leg Prac, Accredited Specialist Property law (Qld)
Special Responsibilities	Chair of AFL Football Sub Committee Chair of AFLW Football Sub Committee
Mr Martin Conway Rowland	
Experience	Director appointed 26 April 2016 Director East Coast HDD Pty Ltd Director Bounce Civil Pty Ltd
Special Responsibilities	Member of Diversified Revenue Committee Member of Finance & Audit Committee

Directors' report

Mr Damien Guy Walker

Experience Director appointed 11 February 2022
 CEO of Department of the Premier & Cabinet South Australia Government
 Director Infrastructure SA
 Director Renewal SA
 Former Director-General Department of State Development, Infrastructure, Local Government and Planning with the Queensland government. Experienced executive with background in infrastructure planning and delivery, major event delivery, industry development and contract management.

Qualifications Bachelor of Arts and Bachelor Planning

Special Responsibilities Member Diversified Revenue Committee

Ms Jessica Rose Elizabeth Mellor

Experience Director appointed 19 April 2023
 Chief Executive Officer The Star Gold Coast
 Director Lifeline Narm Ltd
 Director at Beacon Group Australia
 Director Lifeline Canberra Inc
 Former Chief Operating Officer The Star Gold Coast
 Former Executive Director & CEO Aquis Entertainment

Qualifications Bachelor of Property and Sustainable Development
 Executive Masters in Business Administration

Special Responsibilities Chair of Integrity, Compliance & Legal Committee

Mr Kurt Tippett

Experience Director appointed 19 April 2023
 Former AFL player
 Student at Bond University QLD, Psychological Science

Qualifications Master of Commerce – Finance and Accounting

Special Responsibilities Member AFL Football Sub Committee

Mr Mark Benedict Witheriff

Experience Director appointed 19 April 2023
 Managing Director of CBRE Gold Coast
 Former Managing Director of Knight Frank
 Former Managing Director of CBRE Gold Coast
 Current Board member of Lacey Group
 Former Chairman of Broadbeach Alliance
 Deputy Chairman and Director Broadbeach Alliance

Special Responsibilities Member Diversified Revenue Committee

Ms Helen Ann Edwards

Experience Director appointed 21 June 2023
 Founder and Managing Director of Solitaire Audit Solutions
 Former Senior Audit Manager Crowe Australasia

Qualifications Bachelor of Business (Acc)
 Certified Fraud Examiner
 Registered Company Auditor
 Member, Chartered Accountants Australia and New Zealand

Special Responsibilities Chair Finance & Audit Committee

Directors' report

Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Club during the year are:

	Board Meetings	
	A	B
Mr Kerry Robert East	12	12
Mr Simon Gordon Bennett	12	11
Mr Martin Conway Rowland	12	9
Mr Damien Guy Walker	12	9
Ms Jessica Rose Elizabeth Mellor	8	5
Mr Kurt Tippett	8	8
Mr Mark Benedict Witheriff	9	9
Ms Helen Ann Edwards	7	6
Mr Paul Darren Scurrah	7	4
Ms Leschen Smaller	3	2
Ms Samantha Riley	3	2
Mr Robert Brian Charter	3	3
Mr Anthony Cochrane	3	3

A Number of meetings held during the time the Director held office during the year

B Number of meetings attended

Environmental regulations

As a result of information provided by management the Director's 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.

Directors' report

Principal activities and objectives

The principal activity of the Club is the promotion, administration and development of Australian Rules Football and management of the Gold Coast Football Club.

The Club's short-term objectives are to:

- Maintain a high performance male and female football program to deliver on-field success
- Conducting male and female Academy programs to grow and develop talent both in South East Queensland, North Queensland and the Northern Territory
- Grow the membership base and increase the supporter base of the Club
- Enhance and grow the level of commercial returns
- Continue to engage, invest and deliver quality outcomes within the community
- Develop and maintain a high performing workforce
- Maintain a commitment to policies and practices that ensure a high standard of corporate governance
- Maintain a commitment to the safety of our people and patrons of Heritage Bank Stadium
- Attract more events to Heritage Bank Stadium
- Growth of non-football diversified revenue streams

The Club's longer-term objectives are to:

- Maintain a high performance male and female football programs to deliver sustained on-field success
- Conducting male and female Academy programs to grow and develop talent both in South East Queensland, North Queensland and the Northern Territory
- Grow membership, supporter base and match day attendances
- Develop a platform for ongoing financial stability through maximising existing revenues and identifying new and alternate revenue streams
- Maximise returns from Heritage Bank Stadium through AFL and non-AFL events
- Continue to engage, invest and deliver quality outcomes within the community with a focus on key Gold Coast social issues, diversity and growing the game of AFL
- Growth of non-football diversified revenue streams

The Club continually monitors the performance of its objectives and strategies within its business plan.

Operating and financial review

The net loss of the Club for the year ended 31 October 2023 was (\$1,711,212) (2022 loss of: \$2,612,435).

The Club derived its revenue mainly from grants received from the Australian Football League, corporate sponsorships, corporate hospitality, membership and ticket sales.

The Club's strategy is to build high-performance teams that achieve on-field success in the Australian Football League. The Club also aims to assist in increasing participation and support for Australian Rules Football within the Queensland region.

Directors' report

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 year under review not otherwise disclosed in this report or the financial statements.

The Club will continue to be financially dependent upon the support of the AFL (Australian Football League) in the future.

Events subsequent to balance date

There are no matters or circumstances have arisen in the interval between the end of the year and the date of this report which significantly affected or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

Likely developments

The Club will continue to focus its efforts on achieving its short and long term objectives.

Directors' benefits & interests

During 2023, the Club purchased services from Australian Venue Co, of which Kerry East is Chairman. The Club also purchased services and has a sponsorship agreement with The Star Gold Coast, of which Jessica Mellor is Chief Executive Officer.

During 2022, the Club purchased a table at the Gold Coast Mayoress Ball, of which Leschen Smaller (former Director) was also a Director of the Gold Coast Mayoress Charity Foundation.

Amounts were billed based on normal market rates for these types of services and were due and payable under normal payment terms.

During this financial year, no other 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 or with a firm of which a Director is a member, or with an entity in which a Director has a substantial interest.

Members' Guarantee

The Club is a company limited by guarantee to the extent of \$2.00 for each member. As at 31 October 2023, there was 1 voting member.

Dividends

The constitution of the Club prohibits it from payment of dividends and accordingly no dividends were paid during the year.

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

The Lead Auditor's Independence Declaration is set out on Page 7 and forms part of the Directors' report for the year ended 31 October 2023.

Directors' report

Indemnification and insurance of officers and auditors

Indemnification

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

The Club has, in respect of any person who is or has been an officer or director of the Club, indemnified against a liability incurred as an officer or director, including costs and expenses in successfully defending legal proceedings, to the extent permitted by law and the prohibitions in section 199A of the *Corporations Act 2001*.

Insurance premiums

The insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts, for current and former Directors and Officers including executive officers of the Club and Directors have been paid by the Club.

Signed at Carrara this 13th day of December 2023.

Signed in accordance with a resolution of the Directors.



.....
Mr Kerry East
Chairman



.....
Ms Helen Edwards
Director



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

To the Directors of GCFC Limited

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

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

KPMG

Jeff Frazer
Partner
Gold Coast
13 December 2023

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

	Note	2023 \$	2022 \$
Revenue	2	51,617,980	45,672,681
Expenses			
Administration expenses		2,987,364	2,818,904
Cost of goods sold		283,613	202,471
Depreciation & amortisation expenses		2,526,612	2,646,221
Employee expenses	3	34,243,472	30,855,765
Football operations expenses		3,136,034	3,157,370
Advertising & promotion expenditure		805,348	499,755
Sponsor & match day activation		5,892,052	5,212,057
Travel expenses		1,070,399	780,594
Maintenance expenses		943,890	887,648
Net profit / (loss) before net finance income		(270,804)	(1,388,104)
Finance income	4	181,432	59,713
Finance expenses	4	(1,621,840)	(1,284,044)
Net finance income		(1,440,408)	(1,224,331)
Other comprehensive income for the year		-	-
Total comprehensive income / (loss) for the year		(1,711,212)	(2,612,435)

The 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 12 to 26.

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2023

	Note	2023 \$	2022 \$
Current Assets			
Cash and cash equivalents	5	4,826,559	3,131,256
Trade and other receivables	6	1,282,426	1,244,647
Inventory – Merchandise		91,548	55,883
Prepayments	9	564,196	595,224
Other assets	10	666,878	2,101,817
Total current assets		<u>7,431,607</u>	<u>7,128,827</u>
Non - current Assets			
Property, plant and equipment	7	1,475,716	1,133,698
Leasehold assets	8	17,986,922	21,491,409
Prepayments	9	257,090	644,487
Total non-current assets		<u>19,719,728</u>	<u>23,269,594</u>
Total assets		<u>27,151,335</u>	<u>30,398,421</u>
Current Liabilities			
Trade and other payables	11	4,237,423	3,479,524
Deferred income		1,582,430	1,560,530
Provisions	13	6,100,111	5,574,138
Total current liabilities		<u>11,919,964</u>	<u>10,614,192</u>
Non- current Liabilities			
Borrowings	12	1,590,000	1,590,000
Provisions	13	19,467,187	22,308,833
Total non-current liabilities		<u>21,057,187</u>	<u>23,898,833</u>
Total liabilities		<u>32,977,151</u>	<u>34,513,025</u>
Net assets / (liabilities)		<u>(5,825,816)</u>	<u>(4,114,604)</u>
Equity			
Accumulated losses		<u>(5,825,816)</u>	<u>(4,114,604)</u>
Total equity / (deficiency)		<u>(5,825,816)</u>	<u>(4,114,604)</u>

The 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 12 to 26.

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

	2023	2022
	\$	\$
Total equity at the beginning of the financial year	(4,114,604)	(1,502,169)
Total comprehensive loss for the year	(1,711,212)	(2,612,435)
Total equity at the end of the financial year	<u>(5,825,816)</u>	<u>(4,114,604)</u>

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 12 to 26.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2023

	2023	2022
	\$	\$
Cash flows from operating activities		
Cash receipts in the course of operations	55,570,700	50,201,066
Cash payments in the course of operations	(53,477,947)	(48,893,823)
Net cash provided by/(used in) operating activities	<u>2,092,753</u>	<u>1,307,243</u>
Cash flows from investing activities		
Payments for property plant and equipment	(578,882)	(500,030)
Interest received	181,432	59,713
Net cash provided by/(used in) investing activities	<u>(397,450)</u>	<u>(440,317)</u>
Cash flows from financing activities		
Repayments of borrowings	-	(400,000)
Net cash provided by financing activities	<u>-</u>	<u>(400,000)</u>
Net increase/(decrease) in cash and cash equivalents held	<u>1,695,303</u>	<u>466,926</u>
Cash and cash equivalents at the beginning of the financial period	<u>3,131,256</u>	<u>2,664,330</u>
Cash and cash equivalents at end of the financial period	<u>4,826,559</u>	<u>3,131,256</u>

The 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 12 to 26.

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

The financial report for GCFC Ltd (“the Club”), a not-for-profit entity, is for the year ended 31 October 2023 and the financial report was authorised for issue by the Board of Directors on 13th December 2023.

1 Statement of significant accounting policies

(a) Reporting entity

GCFC Ltd (the ‘Club’) is domiciled in Australia. The Company’s registered office is at 296 Nerang Broadbeach Road, Carrara QLD 4211.

The Club is a not-for-profit entity and is primarily involved in the promotion, administration and development of Australian Rules Football and management of the Gold Coast Football Club.

(b) Basis of preparation

These financial statements are general purpose financial statements for distribution to the members and for the purpose of fulfilling the requirements of the Corporations Act 2001. They have been prepared in accordance with Australian Accounting Standards — Simplified Disclosures made by the Australian Accounting Standards Board and the *Corporations Act 2001*.

These financial statements were authorised for issue by the Company's board of directors on 13th December 2023.

Details of the Group's accounting policies are included in this Note.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Club's functional currency.

(d) Use of judgements and estimates

In preparing these financial statements, management has made judgements, estimates that affect the application of the Club’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. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment are disclosed in the following notes:

- Note 1(f) – Going concern;
- Note 6 – measurements of ECL allowances for trade receivables: determining loss rates receivables (impairment losses);
- Note 8 – Leasehold Assets
- Note 13 – Provisions

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

1 Statement of significant accounting policies (continued)

(e) New and amended standards adopted by the Group

A number of new standards are effective from 1 November 2022 but they do not have a material effect on the Club's financial statements.

(f) Going Concern

The Club reported a loss of (\$1,711,212) for the year ended 31 October 2023 (2022 loss: \$2,612,435). As at 31 October 2023 the Club has a net current asset deficiency of \$4,488,357 (2022: deficiency of \$3,485,365) and accumulated losses of \$5,825,816 (2022: accumulated losses of \$4,114,604). The Club generated positive net cash from operations of \$2,092,753 (2022: \$1,307,243).

The ability of the Club to continue as a going concern, including the ability to pay its debts as and when they fall due is dependent on the Club being able to successfully generate sufficient funds through membership, sponsorship, fundraising, gate receipts and other sources, including the continued financial support of the Australian Football League's ('AFL').

Notwithstanding the deficiency in net assets, the financial statements have been prepared on a going concern basis which assumes the Club 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 Club has been provided with a Letter of Comfort from the AFL which makes available financial support that, if required, can be used to assist the Club to meet its obligations. Under the terms of the letter with the AFL, the Club is required to comply with various conditions and obligations, and the letter of comfort also states that it should not be relied upon as a guarantee or indemnity by the AFL of the obligations of the Club and its Directors;
- The Club's current trade and other payables include an amount of \$303,622 owing to the AFL. Whilst these amounts are due and payable on demand by the AFL, the Club expects that the AFL will continue to support the Club in accordance with its letter of financial support and will not demand repayment if the Club does not have sufficient available funds to pay;
- Management has prepared cash flow projections that, after taking into account the above continued financial assistance, support the preparation of the financial statements on a going concern basis; and
- As discussed in Note 17, the Club is economically dependent on the continual support of the AFL.

If the Club is unable to successfully generate sufficient funding from these sources to continue its ongoing operations, or continue to comply with the conditions and obligations as set out in the Letter of Comfort, there is a material uncertainty whether the Club 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.

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

1 Statement of significant accounting policies (continued)

(g) Revenue recognition

Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised when control of a promised good or service is passed to the customer at an amount which reflects the expected consideration. The customer for these contracts is the fund provider.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

Trading Operations

Sales revenue comprises revenue earned (net of returns, discounts and allowances) for the provision of products or services to entities outside the Club. Sales revenue in relation to products is recognised as control is transferred to customers. Sales revenue in relation to services is recognised over the period in which services are provided

AFL Grants

AFL grants are recognised as revenue in the income statement in accordance with the period to which the Club delivers the services specified under the AFL funding agreement. Where terms and conditions of grants are not considered to be sufficiently specific, they are recognised as other operating grants or capital grants (refer below for treatment under AASB 1058).

Revenue recognition policy for revenue streams which are either not enforceable or do not have sufficiently specific performance obligations (AASB 1058)

Other operating grants

Assets arising from grants in the scope of AASB 1058 are recognised at their fair value when the asset is received. These assets are generally cash but maybe property which has been donated or sold to the Club at significantly below its fair value. Once the asset has been recognised, the Club recognises any related liability amounts (e.g. provisions, financial liabilities). Once the assets and liabilities have been recognised then income is recognised for any difference between the recorded asset and liability.

Capital grants

Capital grants received under an enforceable agreement to enable the Club to acquire or construct an item of property, plant and equipment to identified specifications which will be controlled by the Club (once complete) are recognised as revenue as and when the obligation to construct or purchase is completed. For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin. For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Club.

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

1 Statement of significant accounting policies (continued)

(h) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The amount of GST recoverable from and payable to, the Australian Taxation Office (“ATO”) is included as a current asset and 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 that are recoverable from, or payable to, the ATO are classified as operating cash flows.

(i) Taxation

The Club is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997 as amended, as the activities are solely the promotion, administration and development of Australian Rules Football.

(j) Receivables

Trade and other receivables are stated at their amortised cost less any impairment loss.

(k) Property, plant and equipment

Recognition and measurement

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Club, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation and amortisation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Club will obtain ownership by the end of the lease term. Land is not depreciated.

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

1 Statement of significant accounting policies (continued)**(k) Property, plant and equipment (continued)**

The depreciation rates used for each class of asset, for the current and prior financial period are as follows:

Straight line method	
Plant and equipment	10% to 20%
Furniture and fittings	10%
Leasehold Improvements	5% to 20%

(l) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days.

(m) Contributed equity / retained earnings

The Club is a company limited by guarantee to the extent of \$2.00 for each member. As at 31 October 2023, there was 1 voting member.

The Memorandum of Association prevents the distribution of retained profits or payment of dividends to members.

(n) Employee benefits*Short-term employee benefits*

Short-term benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the club has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long term employee benefits

The Club's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit & loss in the period in which they arise.

Defined Contribution Superannuation fund

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(o) Financial instruments*Non-derivative financial assets**Recognition and initial measurement*

The Club initially recognises receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Club becomes a party to the contractual provisions of the instrument

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

1 Statement of significant accounting policies (continued)

(o) Financial instruments – (continued)

Non-derivative financial assets (continued)

The Club derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Club is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Club has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

Classification and subsequent measurement

Financial assets are not reclassified subsequent to their initial recognition unless the Club changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as fair value through profit or loss:

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

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Club may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Impairment of financial assets

The Club recognises expected credit losses ('ECLs') on:

- Financial assets measured at amortised cost;
The Club measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:
- Other debt securities and bank balances for which credit risk (i.e the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

1 Statement of significant accounting policies (continued)

(o) Financial instruments – (continued)

Non-derivative financial assets (continued)

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows the Club expects to receive).

At each reporting date, the Club assesses whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at fair value through other comprehensive income, the loss allowance is charged to profit or loss and is recognised in other comprehensive income.

The gross carrying amount of a financial asset is written off when the Club has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

Non-derivative financial liabilities

Financial liabilities are measured at amortised cost.

The Club initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognised initially on the trade date, which is the date that the Club becomes a party to the contractual provisions of the instrument.

The Club derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Other financial liabilities comprise loans and borrowings and trade and other payables.

(p) Inventory

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(q) Leases

At inception of a contract, the Club assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. This involves an assessment of whether: The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset. The Club has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use The Club has the right to direct the use of the asset i.e. decision-making rights in relation to changing how and for what purpose the asset is used. The Club has elected not to separate non-lease components from lease components have accounted for all leases as a single component.

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

1 Statement of significant accounting policies (continued)

(q) Leases – (continued)

At the lease commencement, the Club recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Club believes it is reasonably certain that the option will be exercised. The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy. The right-of-use asset is assessed for impairment indicators at each reporting date.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Club's incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Club's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Club has elected to apply the exceptions to lease accounting for leases of low-value assets and short-term leases. For these leases, the Club recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

There are minimum commitments in relation to maintenance, asset enhancement and asset replacement that are required outlined in the Venue Management Agreement. These amounts are met through a sinking fund for annual commitments not paid. Any outstanding balances are payable to the Stadium owner in the event of termination of the lease. The present value of the minimum commitments has been reflected as leasehold asset, with a lease related provision recognised the remaining amounts payable over the term of the agreement.

(r) Provisions

A provision is recognised if, as a result of a past event, the Club has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

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

		2023	2022
		\$	\$
2	Revenue		
	Grant income	28,859,440	27,033,547
	Sponsorship & supply rights income	9,138,729	8,512,928
	Membership & ticketing income	7,717,579	6,384,254
	Merchandise sales	472,816	353,815
	Other trading operations	5,429,416	3,388,137
		<u>51,617,980</u>	<u>45,672,681</u>
3	Employee expenses		
	Wages and salaries	31,813,475	28,677,996
	Superannuation expenses	2,228,910	1,946,412
	Annual leave expense	47,527	128,206
	Long service leave expense	153,560	103,151
		<u>34,243,472</u>	<u>30,855,765</u>
4	Finance income and expense		
	Finance income on bank deposits	181,432	59,713
	Finance expenses	(47,700)	(35,768)
	Lease related finance expenses (refer note 13)	(1,574,140)	(1,248,276)
		<u>(1,440,408)</u>	<u>(1,224,331)</u>
5	Cash and cash equivalents		
	Cash on hand	725	725
	Cash at bank	4,825,834	3,130,531
		<u>4,826,559</u>	<u>3,131,256</u>
6	Trade and other receivables		
	Trade receivables	678,850	807,465
	Less: provision for impairment losses	(26,136)	(110,234)
	Contract receivables	210,000	368,750
	Other trade receivables	419,712	178,666
		<u>1,282,426</u>	<u>1,244,647</u>

During the year the Director's assessed the recoverability of trade and other receivables and recorded impairment losses of \$26,136 in respect of debtors outstanding at 31 October 2023 (2022: \$110,234).

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

		2023	2022
		\$	\$
7	Property, plant and equipment		
	Plant and equipment		
	<i>At cost</i>	1,949,521	1,643,290
	<i>Less: accumulated depreciation</i>	<u>(1,567,139)</u>	<u>(1,473,667)</u>
	Net book value	<u>382,382</u>	<u>169,623</u>
	 Furniture and fittings		
	<i>At cost</i>	823,766	753,165
	<i>Less: accumulated depreciation</i>	<u>(735,176)</u>	<u>(687,987)</u>
	Net book value	<u>88,590</u>	<u>65,178</u>
	 Leasehold Improvements		
	<i>At cost</i>	1,278,844	2,864,957
	<i>Less: accumulated depreciation</i>	<u>(408,238)</u>	<u>(1,966,060)</u>
	Net book value	<u>870,606</u>	<u>898,897</u>
	 Work in Progress	<u>134,138</u>	<u>-</u>
	 Carrying amount at end of period	<u><u>1,475,716</u></u>	<u><u>1,133,698</u></u>

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

	2023	2022
	\$	\$
7 Property, plant and equipment (continued)		
Plant and equipment		
<i>Carrying amount at beginning of period</i>	169,623	111,949
<i>Additions</i>	306,231	162,647
<i>Disposals at cost</i>	-	-
<i>Write-back accumulated depreciation</i>	-	(476)
<i>Depreciation</i>	(93,472)	(104,497)
Carrying amount at end of period	<u>382,382</u>	<u>169,623</u>
Furniture and fittings		
<i>Carrying amount at beginning of period</i>	65,178	117,712
<i>Additions</i>	70,602	12,389
<i>Disposals at cost</i>	-	-
<i>Write-back accumulated depreciation</i>	-	-
<i>Depreciation</i>	(47,190)	(64,923)
Carrying amount at end of period	<u>88,590</u>	<u>65,178</u>
Leasehold Improvements		
<i>Carrying amount at beginning of period</i>	898,897	635,708
<i>Additions</i>	67,911	324,995
<i>Disposals at cost</i>	-	-
<i>Write-back accumulated depreciation</i>	-	132
<i>Depreciation</i>	(96,202)	(61,938)
Carrying amount at end of period	<u>870,606</u>	<u>898,897</u>
Work in Progress		
<i>Carrying amount at beginning of period</i>	-	-
<i>Additions</i>	134,138	-
<i>Disposals at cost</i>	-	-
<i>Write-back accumulated depreciation</i>	-	-
<i>Depreciation</i>	-	-
Carrying amount at end of period	<u>134,138</u>	<u>-</u>
	<u>1,475,716</u>	<u>1,133,698</u>

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

8	Leasehold Assets	2023	2022
		\$	\$
	Carrying amount at beginning of period	21,491,409	11,500,425
	<i>Additions</i>	-	-
	<i>Disposals</i>	-	-
	<i>Adjustments</i>	(1,214,738)	12,405,846
	Amortisation	(2,289,749)	(2,414,862)
	Carrying amount at end of period	<u>17,986,922</u>	<u>21,491,409</u>

During 2022 a lease modification of \$12,405,846 has been included to account for additional obligations under the terms of the Venue Management agreement under which the Club operates Heritage Bank Stadium for the AFL who hold the Head Lease with Stadiums Queensland. The increase in the commitments was reflected as an increase in the provisions (note 13) and related right of use asset. A further lease modification was conducted in 2023 to adjust the timing of projected payments for the additional obligations referenced above and to allow for the change in interest rates which impacted the discount rate used.

9	Prepayments	2023	2022
		\$	\$
	Current		
	Operational prepayments	235,178	282,537
	Stadium Infrastructure	<u>329,018</u>	<u>312,687</u>
		<u>564,196</u>	<u>595,224</u>
	Non-current		
	Stadium Infrastructure	<u>257,090</u>	<u>644,487</u>
		<u>821,286</u>	<u>1,239,711</u>
10	Other assets		
	Current		
	Stadium sinking fund bank account	<u>666,878</u>	<u>2,101,817</u>
	Non-current		
	Stadium sinking fund bank account	<u>-</u>	<u>-</u>

As outlined in Note 13, the Club is required to provide through a sinking fund for annual commitments not paid during the period as outlined in the Venue Management Agreement. This Other Asset represents funds deposited into a sinking fund account that will be required to satisfy the provision as detailed in Note 13.

As such, these funds are not considered part of the Club's working capital and will not be used for any other purpose other than to satisfy the Club's obligations under the Venue Management Agreement, which have been fully provided for at year end.

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

		2023	2022
		\$	\$
11	Trade and other payables		
	Trade payables	1,109,077	1,265,012
	GST payable	9,528	40,606
	Other payables and accruals	3,118,818	2,173,906
		4,237,423	3,479,524

Included within trade and other payables is an amount of \$303,622 (2022: \$309,499) owing to the AFL. Whilst these amounts are due and payable on demand by the AFL, the Club expects that the AFL will continue to support the Club and will not demand repayment if the Club does not have sufficient available funds to pay (refer to Note 1(f) Going Concern).

		2023	2022
		\$	\$
12	Borrowings		
	Non-current		
	Australian Football League	1,590,000	1,590,000
		1,590,000	1,590,000

During 2022 the club repaid \$400,000 of debt funding to the Australian Football League.

In 2021 the club received debt funding of \$1.59m from the Australian Football League and repaid the \$1.59m commercial corporate markets loan from the National Australia Bank. The \$1.59m loan is classified as non-current to reflect the terms of the loan agreement.

		2023	2022
		\$	\$
13	Provisions		
	Current		
	Provision for annual and long service leave	968,109	811,834
	Stadium sinking fund provision	626,933	1,905,353
	Lease related provision	4,505,069	2,856,951
		6,100,111	5,574,138
	Non-current		
	Provision for long service leave	334,645	289,834
	Stadium sinking fund provision	-	-
	Lease related provision	19,132,542	22,018,999
		19,467,187	22,308,833

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

13 Provisions (continued)

As venue manager of Heritage Bank Stadium, the Club is committed to provide through a sinking fund for annual commitments not paid during the period as outlined in the Venue Management Agreement which expires on 30 May 2031. The lease related provision represents at 31 October 2023 the present value of the remaining minimum lease commitments (Refer Note 8).

The unwinding of the time value of the provision resulted in finance cost of \$1,574,140 in the profit and loss (2022: \$1,248,276).

14 Member's Guarantee

The Club is limited by guarantee. The Club's constitution states that if the Club is wound up, the current members and those who have resigned within one year will be required to contribute a maximum of \$2.00 each towards meeting any outstanding obligations of the Club contracted before the time at which he or she ceased to be a member. At 31 October 2023 there was one voting member.

15 Key management personnel remuneration

Key management personnel of the Club include the Chief Executive Officer and other key management team members. During 2023 the Club has reassessed who is defined as key management personnel.

	2023	2022
	\$	\$
Total remuneration provided	1,546,806	3,029,211

16 Related parties

Directors' transactions with the Club

No directors have elected to receive any remuneration for their services as a director of the Club during the current or previous financial periods.

Transactions with related parties

During 2023, the Club purchased services from Australian Venue Co, of which Kerry East is Chairman. The amount paid was \$25,347, with nil outstanding at the 2023 year-end date.

The Club also purchased services and has a sponsorship agreement with The Star Gold Coast, of which Jessica Mellor is Chief Executive Officer. The amount paid for services was \$230,695 and the amount received under the sponsorship agreement was \$125,000, with nil outstanding at the 2023 year-end date.

During 2022, the Club purchased a table at the Gold Coast Mayoress Ball, of which Leschen Smaller was a Director of the Gold Coast Mayoress Charity Foundation. The amount paid was \$3,150, with nil outstanding at the 2022 year-end date.

Amounts both billed and received are based on normal market rates for these types of services and were due and payable under normal payment terms.

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

17 Economic dependency

The Club's ongoing operations are dependent upon the receipt of further funding from the AFL through receipts of distributions and other financial assistance. Refer Note 1 (f).

18 Lease Commitments

As venue manager of Heritage Bank Stadium, the Club is committed to stadium financial commitments over the period of the venue management agreement to 30 May 2031.

	2023	2022
	\$	\$
Leasehold		
Less than one year	4,505,068	2,856,951
Between one and five years	15,764,891	12,827,654
More than five years	8,351,527	12,181,623
	<u>28,621,486</u>	<u>27,866,228</u>

The present value of the commitments has been reflected as a lease-related provision and the associated leasehold asset in the balance sheet (refer note 8 and note 13).

19 Subsequent events

There were no matters or circumstances have arisen in the interval between the end of the year and the date of this report which significantly affected or may significantly affect the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

Directors' declaration

In the opinion of the directors of GCFC Limited ('the Club'):

- (a) the financial statements and notes, set out on pages 8 to 26 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of the Club 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 Disclosure Requirements and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

Dated at Carrara this 13th day of December 2023.

Signed in accordance with a resolution of the directors;



Mr Kerry East
Chairman



Ms Helen Edwards
Director



Independent Auditor's Report

To the members of GCFC Limited

Opinion

We have audited the **Financial Report** of GCFC Limited (the Company).

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

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

The **Financial Report** comprises:

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

Basis for opinion

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

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

We are independent of the 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* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of GCFC Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.



Material uncertainty related to going concern

We draw attention to Note 1(f), "Going Concern" in the financial report. The conditions disclosed in Note 1(f), indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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



Auditor's responsibilities for the audit of the Financial Report

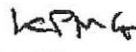
Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

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

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our Auditor's Report.


KPMG



Jeff Frazer
Partner

Gold Coast
14 December 2023