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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

ADELAIDE FOOTBALL CLUB LIMITED

ACN

008 101 568

Reason for lodgement of statement and reports

Dates on which financial year ends

A public company limited by guarantee who qualifies under Tier 2

Financial year end date

31-10-2022

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?

No

Details of current auditor or auditors

Current auditor

Date of appointment **01-10-2014**

Name of auditor

KPMG

Address

151 PIRIE STREET
ADELAIDE SA 5000

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	Patrick Michael CLIFTON
Date	03-07-2023

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ADELAIDE FOOTBALL CLUB

2022 ANNUAL FINANCIAL REPORT

31 OCTOBER 2022

WE FLY AS ONE

TOYOTA
MAJOR PARTNER

Adelaide Football Club Limited
& its controlled entities

ABN 48 008 101 568

Consolidated Annual Financial Report

31 October 2022

Contents

	Page
Directors’ report	2
Lead auditor’s independence declaration	10
Consolidated statement of profit or loss and other comprehensive income	11
Consolidated statement of financial position	12
Consolidated statement of changes in equity	13
Consolidated statement of cash flows	14
Notes to the consolidated financial statements	15
Directors' declaration	32
Independent audit report	33

Directors' report

For the year ended 31 October 2022

The directors present their report together with the consolidated financial statements of Adelaide Football Club Limited ("parent", "AFC") and its controlled entities ("the Club") for the financial year ended 31 October 2022 and the auditor's report thereon.

1. Directors

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

- Olsen AO, Hon John (Chair)
- Fellows, Linda (Deputy Chair)
- Berggren, Shanti
- Ellis, Kate
- Fennell, Richard
- Goodings, Graeme – appointed 1 March 2022
- Jameson, Rod
- Randall, Warren
- Ricciuto, Mark
- Roche, Stephen
- Takos, Nick – resigned 8 December 2021

For detailed information on directors, please see section 9.

Chief Executive Officer – Silvers, Timothy

Club Secretary – Smallacombe, Shane

2. Directors' meetings

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

Director	Directors' Meetings	
	A	B
Olsen AO, Hon John	15	15
Fellows, Linda	15	15
Berggren, Shanti	12	15
Ellis, Kate	14	15
Fennell, Richard	15	15
Goodings, Graeme	9	9
Jameson, Rod	14	15
Randall, Warren	13	15
Ricciuto, Mark	15	15
Roche, Stephen	14	15
Takos, Nick	3	3

A – number of meetings attended

B – number of meetings held during the time the director held office during the year

3. Principal activities and significant changes in the state of affairs

The principal activities of the Club during the course of the financial year were the playing and promotion of Australian Rules Football. The Club is a member of the Australian Football League, Australian Football League Women's and South Australian National Football League.

The Club continues to consolidate focus on the core football business. As a result, during the financial year the licence to operate the Legacy eSports team and the shares of META (High School e-League) were sold to external buyers.

There were no other significant changes in the principal operations of the Club.

4. Objectives and strategies

The Adelaide Football Club is amidst the largest transformation in its decorated history with changes taking place both on and off the field. The Club has a clear focus on bringing together people with talent, passion and good character, while fostering an environment where they can fulfil their potential and ultimately help deliver premiership success. It will strive to enhance and strengthen the connection that members have with the Club, as well as maximise the positive impact players, coaches, staff, members, and fans can have on the South Australian community. We will bring to life the Club's history and pay tribute to our people past and present, embrace innovation, investment, and sound decision-making with a goal of creating long-term financial stability. We also have a clear focus on finding the Club's future facility which will be the home of our growing supporter base.

5. Operating and financial review

The Club realised a profit from operating activities for the year ended 31 October 2022 of $5,353,076 (2021: $3,591,344). A total comprehensive profit of $2,634,157 (2021: $1,238,966) was generated for the year, after recognising depreciation, facility costs, the unwind of interest on deferred liabilities, the Club's distributions and contribution to the development of grassroots football in South Australia through the South Australian National Football League ("SANFL"), as well as a contribution to the Adelaide Crows Foundation.

A feature of 2022 was the extraordinary achievements of our women's team, which played two seasons in the one calendar year and claimed an historic third premiership. We saw continued improvement from the men's team which won eight games, while the SANFL team had its most successful season in the Club's history. Crowd restrictions were lifted which saw a 25% increase in average crowd size across our 11 men's team home games.

The FY22 results were driven by strong revenue growth across consumer and commercial, which was once again underpinned by strong support from members and corporate and hospitality partners, with maintained cost control measures resulting in the operating profit margin increasing to 9.7% from 7.4%. This ensures the Club can continue to invest in its football programs and future facility project.

We continue to strengthen the balance sheet to ensure the Club's long-term financial stability and to provide a strong footing for the future facility project. At 31 October 2022, the Club holds over $2.8m in cash and is debt free, paying down the $4.5m balance from the prior year.

Key items resulting in the FY22 financial performance are as follows:

- Total revenues increased by 14.3% to $55.0m (2021: $48.1m), operating profit margin increased to 9.7% (2021: 7.4%), while net profit margin grew to 4.8% (2021: 2.6%) following continued cost control measures. The Club continues to invest the maximum allowable amounts under Total Player Payment and Soft Cap limits into both AFL and AFL Women's programs.
- Growth in crowd numbers and continued support from the Club's 63,000 loyal members resulted in a $3.1m increase to $17.9m (2021: $14.8m) in ticket sales and membership revenue.
- Support from commercial sponsors increased sponsorship and fundraising revenue by $2.3m to $18.9m (2021: $16.6m).
- Pleasingly, a gain on the sale of the eSport operations was made and these funds will be reinvested into the Club's football operations.

Directors' report (continued)

For the year ended 31 October 2022

5. Operating and financial review (continued)

The Club continues to engage with the community through its programs in conjunction with the Adelaide Crows Foundation. Highlights for the 2022 year include, but are not limited to, an APY Lands trip involving a number of current players, STEM Footy program, Kuwa Circles mentorship program, an AFLW premiership cup tour and the Inclusive Academy.

6. Indemnification and insurance of officers and auditors

Since the end of the previous financial year, the Club has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Club.

During the financial year the Company has paid premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 31 October 2022. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Club.

7. Events subsequent to reporting date

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

8. Members' liabilities

The liability of all members is limited in the event of winding up. In the event the AFC is wound up, members must contribute to the AFC's property such monies and other assets necessary to:

(i) discharge the AFC's debts and liabilities at the date the AFC is wound up and costs, charges and expenses properly incurred in connection with the winding up; and

(ii) adjust the rights of the contributories among themselves.

Notwithstanding, no member need contribute more than an aggregate of 10 cents ($0.10) to the winding up of the AFC.

As at 31 October 2022, AFC has one voting member (2021: One member).

9. Director information

Hon John Olsen AO – Director & Chair

Tenure	Appointed 30 October 2020; current term expires February 2024
Committees	▪ Remuneration and Nominations (Chair) ▪ Facilities (Chair) ▪ Member Engagement Panel (Chair) ▪ Finance and Audit
Current directorships & business interests	▪ Chair, American Australian Association ▪ President, Federal Liberal Party ▪ Chair, Perth USAsia Centre, University of Western Australia ▪ Director, United States Studies Centre, The University of Sydney
Previous directorships & business interests:	▪ Chairman, Adelaide Oval Stadium Management Authority ▪ Chairman, SANFL ▪ Premier of South Australia ▪ President, Liberal Party SA Division ▪ Consul-General to Los Angeles and New York, USA

Directors' report (continued)

For the year ended 31 October 2022

9. Director information (continued)

Linda Fellows – Director & Deputy Chair

Tenure	Appointed 17 September 2015; current term expires February 2024
Committees	▪ Professional Standards and Integrity (Chair) ▪ Remuneration and Nominations
Current directorships & business interests	▪ Assistant Commissioner (Operations Support), SA Police ▪ Board Member, CrimeStoppers SA
Previous directorships & business interests:	▪ Assistant Commissioner, Human Resources ▪ Assistant Commissioner, Regional Operations Service ▪ Assistant Commissioner (Crime), SA Police ▪ Officer in Charge, Ethical & Professional Standards Branch ▪ Officer in Charge, Drug Investigation Branch ▪ Officer in Charge, Traffic Support Branch ▪ Deputy Member, SA Police Superannuation Board

Shanti Berggren – Director

Tenure	Appointed 24 March 2021; current term expires February 2024
Committees	▪ Governance, Risk and Legal (Chair) ▪ Remuneration and Nominations
Current directorships & business interests	▪ Head of Procurement, Optus ▪ Chair, Board of Governors, Wilderness School ▪ Non-Executive Director, Homestart Finance
Previous directorships & business interests:	▪ Deputy General Counsel, Optus ▪ Legal Counsel, Spike Pty Ltd ▪ General Counsel, One.Tel Pty Ltd ▪ Solicitor, Gilbert and Tobin

Kate Ellis – Director

Tenure	Appointed 5 April 2017; current term expires February 2024
Committees	▪ Diversity and Inclusion (Chair) ▪ Aboriginal & Torres Strait Islander Advisory Committee
Current directorships & business interests	▪ CEO, Raising Literacy Australia ▪ Director, Adelaide Crows Foundation ▪ Director, Rare Finds Foundation ▪ Director, Drinkwise Australia ▪ Director, Ambassador, Childhood Cancer Foundation
Previous directorships & business interests:	▪ Federal Minister for Sport ▪ Federal Member for Adelaide

Directors' report (continued)

For the year ended 31 October 2022

9. Director information (continued)

Richard Fennell – Director

Tenure	Appointed 5 April 2017; current term expires March 2025
Committees	▪ Finance and Audit (Chair)
Current directorships & business interests	▪ Chief Customer Officer Consumer Banking, Bendigo and Adelaide Bank ▪ Director, Helpmann Academy
Previous directorships & business interests:	▪ Director, Australia Cambodia Foundation ▪ Chief Financial Officer, Bendigo & Adelaide Bank ▪ Partner, PricewaterhouseCoopers

Graeme Goodings – Director

Tenure	Appointed 1 March 2022; current term expires February 2024
Committees	▪ Member Engagement Panel
Current directorships & business interests	▪ Casual announcer and news presenter, 5AA ▪ Media and Public Speaking Coach ▪ Number 1 ticket holder, Crows Supporters Group
Previous directorships & business interests:	▪ TV presenter, Channel 7 Adelaide ▪ Sports reporter and presenter, Eyewitness News

Rod Jameson – Director & AFC Life Member

Tenure	Appointed 26 February 2015; current term expires February 2023
Committees	▪ Past Players and Officials Pty Ltd (Chair) ▪ Football Strategy ▪ Hall of Fame
Current directorships & business interests	▪ National AFL Broadcast & SANFL Finals, ABC Radio ▪ Ambassador, Get Home Safe Foundation ▪ Sales Director, Sandstone Technology
Previous directorships & business interests:	▪ Player, Adelaide Football Club (153 games, 1997 premiership) ▪ Football Director, Glenelg Football Club ▪ Ambassador, Craniofacial Australia ▪ Ambassador, Neil Sachse Foundation ▪ Business Director, Westpac Sports and Entertainment ▪ Business Director, Childhood Cancer Association

Directors' report (continued)

For the year ended 31 October 2022

9. Director information (continued)

Warren Randall – Director

Tenure	Appointed 9 July 2020; current term expires February 2023
Committees	▪ Capital Campaign (Chair)
Current directorships & business interests	▪ Chair, The Randall Wine Group ▪ Director, Lark Distilling Co. ▪ Part owner, Star of Greece Restaurant ▪ Part owner, La Trattoria Restaurant ▪ Owner, Bridgewater Mill Restaurant ▪ Ambassador, South Australian Government Premium Food and Wine from Our Clean Environment Initiative (PIRSA)
Previous directorships & business interests:	

Mark Ricciuto – Director & AFC Life Member

Tenure	Appointed 1 July 2014; current term expires February 2025
Committees	▪ Football Strategy (Chair) ▪ List Management (Chair)
Current directorships & business interests	▪ Part owner, Alma Tavern, Hackney Hotel ▪ Part owner, Aruma River Resort ▪ Breakfast Announcer, Triple M ▪ Expert Opinion and Special Comments, Fox Footy ▪ Ambassador, Tool Kit Depot and Peter Kittle Toyota
Previous directorships & business interests:	▪ Captain, Adelaide Football Club (312 games, 1998 premiership, 2003 Brownlow medallist, 8x all-Australian) ▪ Part owner, Port Lincoln Hotel ▪ Part owner, Kensington Hotel

Stephen Roche – Director

Tenure	Appointed 3 March 2021; current term expires February 2024
Committees	▪ New Business (Chair) ▪ Finance and Audit ▪ Remuneration and Nominations
Current directorships & business interests	▪ Non-Executive Director, Myer Family Investments Pty Ltd ▪ Non-Executive Director, Baby Bunting Ltd ▪ Non-Executive Director, Blackmores Ltd ▪ Non-Executive Director, GWA Group Ltd
Previous directorships & business interests:	▪ Managing Director, Bridgestone Australia & New Zealand Ltd ▪ Deputy Chair, Bridgestone Asia Pacific Pte Ltd ▪ Managing Director, Australian Pharmaceutical Industries Ltd ▪ Founding Chair, The Priceline Sisterhood Foundation

Directors' report (continued)

For the year ended 31 October 2022

9. Director information (continued)

Nick Takos – Director

Tenure	Appointed 3 March 2021; resigned 8th December 2021
Former Committees	▪ Member Engagement Panel (Chair)
Current directorships & business interests	▪ Lecturer and Researcher, Division of Business, UniSA
Previous directorships & business interests:	▪ Board Director, Adelaide Football Club Past Players and Officials (Deputy Chair) ▪ Board Director, Triathlon South Australia ▪ Member of the Industry Advisory Committee, Torrens University ▪ Board Director, Mind Our Youth Foundation ▪ Committee Member, Hutt Street Centre

Timothy Silvers – Chief Executive Officer

Tenure	Appointed 18 March 2021
Committees	▪ Finance and Audit ▪ Governance, Risk and Legal ▪ Remuneration and Nominations ▪ Diversity and Inclusion ▪ Football Strategy ▪ List Management ▪ Facilities Committee ▪ Capital Campaign
Previous roles:	▪ Chief Operating Officer, Hawthorn Football Club

Shane Smallacombe – Club Secretary & Chief Operating Officer

Tenure	Appointed as Club Secretary August 2014; Appointed as Chief Operating Officer 7 March 2022
Committees	▪ Finance and Audit ▪ Governance, Risk and Legal ▪ Football Strategy ▪ List Management ▪ Facilities Committee
Previous roles	▪ Chief Financial Officer, Adelaide Football Club

Directors' report (continued)

For the year ended 31 October 2022

10. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 10 and forms part of the director's report for the financial year ended 31 October 2022.

This report is made in accordance with a resolution of the directors:

Hon. J W Olsen, AO
Chairman

Dated at Adelaide this 7th day of February 2023

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

To the Directors of Adelaide Football Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Adelaide Football Club Limited for the financial year ended 31 October 2022 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Paul Cenko

Partner

Adelaide

7 February 2023

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Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 October 2022

In AUD	*Note*	2022	2021
Football operations revenue	*4*	53,690,762	45,489,384
Net merchandise revenue	*5*	325,052	269,682
Grant revenue	*4*	482,000	1,467,280
Other revenue from operations	*4*	505,154	890,818
		55,002,968	**48,117,164**
Employee benefit expenses		(33,614,353)	(29,544,381)
Season ticket, membership and sponsorship expense		(8,739,241)	(8,218,254)
Other sporting expenses		(1,437,200)	(1,324,116)
Travel and training expenses		(1,536,548)	(1,019,225)
Administrative expenses		(2,305,313)	(2,215,210)
Marketing and advertising expenses		(1,238,230)	(1,088,638)
Other expenses from ordinary activities		(778,073)	(1,073,571)
Net finance expense	*6*	(934)	(42,425)
Net profit from operating activities		**5,353,076**	**3,591,344**
Depreciation expense	*10*	(876,196)	(1,076,787)
Facility project costs		(934,837)	(526,420)
Unwind of discount on deferred liabilities		(183,671)	(207,631)
SANFL charges:			
SANFL license fee		(458,152)	(225,477)
Adelaide Oval prepayment amortisation	*9*	(216,063)	(216,063)
Contribution to Adelaide Crows Foundation		(50,000)	(100,000)
Net profit for the year attributable to members of the Club		**2,634,157**	**1,238,966**
Other comprehensive income		-	-
Total comprehensive profit for the year		**2,634,157**	**1,238,966**

The notes on pages 15 to 31 are an integral part of these financial statements.

Consolidated statement of financial position

As at 31 October 2022

In AUD	*Note*	2022	2021
Assets			
Cash and cash equivalents	*7*	2,850,969	2,824,983
Investments	*7*	65,000	-
Trade and other receivables	*8*	1,549,746	592,765
Prepayments	*9*	234,299	241,772
Total current assets		**4,700,014**	**3,659,520**
Property, plant and equipment	*10*	17,830,430	18,633,541
Prepayments	*9*	2,160,623	2,376,687
Total non-current assets		**19,991,053**	**21,010,228**
Total assets		**24,691,067**	**24,669,748**
Liabilities			
Trade and other payables	*11*	5,925,033	4,577,708
Provisions	*14*	1,415,840	1,298,361
Unearned income	*12*	4,110,170	3,027,224
Lease liability	*15*	20,122	21,651
Total current liabilities		**11,471,165**	**8,924,944**
Trade and other payables	*11*	3,460,229	4,091,883
Provisions	*14*	138,828	155,892
Loans and borrowings	*13*	1	4,500,000
Lease liability	*15*	2,205	12,547
Total non-current liabilities		**3,601,263**	**8,760,322**
Total liabilities		**15,072,428**	**17,685,266**
Net assets		**9,618,639**	**6,984,482**
Equity			
Reserves	*16*	371,617	371,617
Retained earnings		9,247,022	6,612,865
Total equity attributable to members of the Club		**9,618,639**	**6,984,482**

The notes on pages 15 to 31 are an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 31 October 2022

In AUD	Reserves	Retained Earnings	Total Equity
Balance at 1 November 2020	371,617	5,373,899	5,745,516
Total comprehensive profit for the year			
Profit for the year	-	1,238,966	1,238,966
Total comprehensive profit for the year	**-**	**1,238,966**	**1,238,966**
Balance at 31 October 2021	**371,617**	**6,612,865**	**6,984,482**
Balance at 1 November 2021	371,617	6,612,865	6,984,482
Total comprehensive profit for the year			
Profit for the year	-	2,634,157	2,634,157
Total comprehensive profit for the year	**-**	**2,634,157**	**2,634,157**
Balance at 31 October 2022	**371,617**	**9,247,022**	**9,618,639**

The notes on pages 15 to 31 are an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 31 October 2022

In AUD	*Note*	2022	2021
Cash flows from operating activities			
Cash receipts from customers		58,773,217	49,866,287
Cash paid to suppliers and employees		(53,377,196)	(47,641,037)
Interest received		6,204	714
Interest paid		(5,910)	(43,139)
Net cash provided by operating activities		**5,396,315**	**2,182,825**
Cash flows from investing activities			
Acquisition of property, plant and equipment		(92,536)	(132,175)
Proceeds from sales of assets		115,000	-
Purchase of investments		(65,000)	-
Game Development Grant – SANFL		(799,649)	(768,431)
Net cash used in investing activities		**(842,185)**	**(900,606)**
Cash flows from financing activities			
Repayment of borrowings		(4,499,999)	(710)
Repayment of lease liability		(28,145)	(93,253)
Net cash used in financing activities		**(4,528,144)**	**(93,963)**
Net increase in cash and cash equivalents		25,986	1,188,256
Cash and cash equivalents at beginning of year		2,824,983	1,636,727
Cash and cash equivalents at end of year	*7*	**2,850,969**	**2,824,983**

The notes on pages 15 to 31 are an integral part of these financial statements.

Notes to the consolidated financial statements

For the year ended 31 October 2022

1 Parent entity

Adelaide Football Club Limited (the Company) is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia. The address of the Company's registered office is 105 West Lakes Boulevard, West Lakes SA 5021. The consolidated financial statements, comprising the Company and its controlled entities (together "the Club") are as at and for the year ended 31 October 2022.

The principal activities of the Club during the course of the financial year were the playing and promotion of Australian Rules Football. The Club is a member of the Australian Football League, Australian Football League Women's and South Australian National Football League.

2 Basis of preparation

(a) Statement of compliance

These consolidated 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 consolidated financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards — Simplified Disclosures. In the prior year the consolidated financial statements were general purpose financial statements prepared in accordance with Australian Accounting Standards — Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the Consolidated statement of financial position, Consolidated statement profit and loss and other comprehensive income and Consolidated statement of cash flows of the Club as a result of the change in the basis of preparation.

Details of the Club's accounting policies are included in Note 3.

The consolidated financial statements were authorised for issue by the Board of Directors on 7 February 2023.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Adelaide Football Club Limited and its controlled entities as at the period end and at any time during the period. Refer to Note 22 for a list of controlled entities.

Controlled entities are those entities over which the Club has the power to govern the financial and operating policies so as to obtain the benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Club controls another entity.

The financial statements of the controlled entities are prepared from the date of their inception, for the period ended 31 October 2022, using accounting policies consistent with those of the Club. In preparing the consolidated financial statements, all intercompany balances, transactions and unrealised gains and losses resulting from intra-club transactions have been eliminated in full.

Controlled entities are fully consolidated from the date on which control was obtained by the Club and will cease to be consolidated from the date on which control is transferred out of the Club.

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

2 Basis of preparation (continued)

(d) Functional and presentation currency

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

(e) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of 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 in the period in which the estimate is revised and in any future periods affected.

There are no judgements made by management in the application of Australian Accounting Standards that have a significant effect on the financial report.

There are no assumptions or estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year.

(f) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

The Club generated a consolidated profit of $2,634,157 for the year ended 31 October 2022 (2021: $1,238,966) and derived cash inflows from operating activities of $5,396,315 for the year (2021: inflows $2,182,825). As at 31 October 2022, the Club had a current asset deficiency of $6,771,151 (2021: $5,265,424).

The deficiency in current assets is primarily due to the timing of membership and season tickets cash flows. Subsequent to year end, membership and season ticket sales have generated positive cash flows which have contributed to the remediation of the working capital deficiency.

The Directors have prepared a cash flow forecast for the Club for the period to March 2024 which indicates that the Club will have sufficient funds available to continue as a going concern. This plan considers the use of the Club's available borrowing facility with Bendigo and Adelaide Bank. The Club has a strong relationship with its banker Bendigo and Adelaide Bank, and is in constant communication with regards to ensuring that its finance facilities are adequate to support the working capital requirements of the business.

For the above reasons, Directors have prepared the financial report on a going concern basis.

(g) New and amended standards adopted by the Club

The group has initially adopted *AASB 1060 General Purpose Financial Statements – Simplified Disclosure for For-Profit and Not-for-Profit Tier 2 En*tities from 1 November 2021.

The above standard did not have any impact on the amounts recognised in the prior periods and is not expected to significantly affect the current or future periods. The new standard has not resulted in a significant increase or decrease to the level of disclosures made.

The Club has assessed the impact of new and changed Australian Accounting Board Standards and Interpretations effective for annual periods beginning after 31 October 2022. None are expected to have a significant impact on the Club's financial statements in the period of initial application.

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Club.

(a) Financial instruments

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

Subsequent measurement of financial assets and financial liabilities are described below.

(i) Non-derivative financial assets

The Club initially recognises loans and receivables and deposits on the date that they are originated.

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 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 on a net basis or to realise the asset and settle the liability simultaneously.

The Club has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Club in the management of its short-term commitments.

(ii) Non-derivative financial liabilities

The Club initially recognises debt securities issued and subordinated liabilities on the date that they are originated.

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

The Club classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

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

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

3 Significant accounting policies (continued)

(b) Property, plant and equipment

(i) Recognition and measurement

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

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any costs directly attributable to bringing the assets to a working condition for the intended use;
- when the Club has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Assets obtained by grant or donation are recorded at the fair value of the future benefits to be derived based on a commercial value assessment.

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.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Club. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is recognised in profit or loss. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Land is not depreciated.

The estimated depreciation rates for the current and comparative years of significant items of property, plant and equipment are as follows:

▪ Plant and equipment	10 – 34%	Straight line
▪ Buildings on leasehold land	1.7 – 20%	Straight line
▪ Buildings	2.5 - 5%	Straight line
▪ Player facilities	2.5%	Straight line

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3 Significant accounting policies (continued)

(c) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Club on terms that the Club would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults.

The Club considers evidence of impairment for financial assets measured at amortised cost (loans and receivables) at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics.

In assessing collective impairment the Club uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non- financial assets

The carrying amounts of the Club's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or cash-generating unit is the greater of its fair value less costs to sell and value in use, being the depreciated replacement cost of the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's 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.

3 Significant accounting policies (continued)

(d) Employee benefits

(i) Short-term employee benefits

Short-term employee 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.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(iii) 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, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on high quality corporate bonds that have maturity dates approximating the terms of the Club's obligations in which the benefits are expected to be paid.

In 2003 the AFL announced an agreed Player Long Service Leave policy which was ratified by the AFL Players Association and the Industrial Relations Commission. AFL Players will have an annual long service leave entitlement built into the end of season break, based on the number of years service. An AFL Player with greater than 4 years continuous service, but less than 8 years will be entitled to 1 week additional entitlement and a player with greater than 8 years continuous service will be entitled to 2 weeks.

(e) Revenue received in advance

Income received in advance is recognised in line with the terms of specific contracts. Sponsorship income and membership income received in advance is recognised as revenue in line with the sponsorship contracts or membership subscription period and the respective performance obligations of the Club.

(f) Revenue

Revenue from contracts with customers, including sponsorship, membership and match day

Revenue from sale of goods or services is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Revenue is recognised as or when each performance obligation is satisfied at the amount of the transaction price allocated to that performance obligation.

For each contract with a customer, the Club: identifies the contract with a member/customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the member/customer of the goods or services promised.

If the consideration in the contract includes a variable amount, the amount of consideration to which the entity is entitled in exchange for transferring the goods or services to the customer is estimated. The estimated variable consideration is constrained such that it is highly probable that a significant reversal of revenue will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

All revenue is stated at net of the amount of Goods and Services Tax (GST).

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

3 Significant accounting policies (continued)

The timing in which the entity typically satisfies it's performance obligations for each major revenue stream is as follows.

Merchandise revenue

Sale of merchandise is made via the Club's merchandise partner, the Club acts as an agent in the transaction. Net merchandise revenue is recognised at a point in time when the Club is entitled to receive a commission for arranging merchandise goods be provided by the Club's merchandise partner to customers.

Membership and daily ticket income

Membership income is recognised over time throughout the duration of the AFL Home and Away season. Match day income is recognised at a point in time at the conclusion of each AFL home game.

Sponsorship income

Sponsorship income is recognised at a point in time a specific sponsorship benefit has been provided to the sponsor in accordance with the terms and conditions of the sponsorship contract.

Income for Not-for-Profit Entities, including AFL distributions and prize money.

AFL distribution and prize money income is recognised as it is received.

(g) Government grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Capital grants relating to the construction or acquisition of assets are initially deferred as unearned revenue and are recognised as revenue in the period in which all grant conditions are met and the benefit arising from the asset is realised.

(h) Interest income and interest expenses

Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

(i) Tax

No income tax is payable as the Club is an exempt sporting organisation in accordance with Section 50-45 of the Income Tax Assessment Act 1997.

3 Significant accounting policies (continued)

(j) Leases

At inception of a contract, the Club assess 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.

(i) As a lessee

The Club 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.

For leases with significantly below-market terms which are principally for the Club to further its objectives, the Club measures right-of-use assets at either fair value or cost on a class by class basis.

The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

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 Club's incremental borrowing rate. Generally, the Club uses its incremental borrowing rate as the discount rate.

The Club determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

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 or if the Club changes its assessment of whether it will exercise a purchase, extension or termination option.

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.

Short-term leases and leases of low-value assets

The Club 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 Club recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

In AUD	2022	2021
4 Revenue		
Football operations revenue		
Season ticket sales and AFL membership	17,866,369	14,777,645
Sponsorship and fundraising	18,939,821	16,555,356
AFL sourced revenue	15,098,625	12,406,511
Corporate boxes and reserved seating	1,785,947	1,749,872
	53,690,762	**45,489,384**
Grant revenue from operations		
Government Grants	482,000	1,467,280
	482,000	**1,467,280**
Other revenue from operations		
Sundry income	505,154	890,818
	505,154	**890,818**
5 Net merchandise revenue		
Net revenue from in-store, match day, online, auction and licensing merchandise sales	325,052	269,682
6 Net Interest expense		
Interest income	(6,204)	(714)
Interest expense on finance facilities	7,138	43,139
	934	**42,425**
7 Cash and cash equivalents		
Bank balances	2,840,399	2,814,412
Cash on hand	10,570	10,571
Cash and cash equivalents in the consolidated statement of cash flows	**2,850,969**	**2,824,983**
Current investments		
Term deposits	65,000	-

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

In AUD	2022	2021

8 Trade and other receivables

Trade receivables	1,134,351	651,487
Expected credit loss provision	(130,433)	(140,236)
Accrued revenue	545,828	81,514
	1,549,746	**592,765**
Receivables due from related parties which are included in trade receivables	*268,119*	-

The movement in the expected credit loss provision in respect of receivables during the year was as follows:

Balance at 1 November	140,236	53,707
Impairment loss recognised	34,377	124,608
Amounts written-off	(44,180)	(38,079)
Balance at 31 October	**130,433**	**140,236**

9 Prepayments

Current

Prepayments	216,063	220,652
Prepaid deposits	18,236	21,120
	234,299	**241,772**

Non-current

Prepayments	2,160,623	2,376,687
	2,160,623	**2,376,687**

Adelaide Oval Prepayment

In March 2014, the Club entered an agreement with the SANFL to facilitate the relocation of football from AAMI Stadium to Adelaide Oval. The fees paid up to 2018 serve as a prepayment to play home games at Adelaide Oval until 2033 with $2,376,686 recorded within prepayments at 31 October 2022 (2021: $2,592,749). There are no further cash payments to be made.

During the year, an amortisation expense of $216,063 was recognised in profit or loss (2021: $216,063). As a result of the Adelaide Oval prepayment described above, the annual expense will remain consistent at $216,063 in 2023 and ongoing until 2033.

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

In AUD	2022	2021
10 Property, plant and equipment		
Land at cost	145,455	145,455
Less accumulated depreciation	-	-
Carrying value of land	**145,455**	**145,455**
Buildings on leasehold land at cost	3,035,647	3,562,112
Less accumulated depreciation	(2,566,423)	(2,989,449)
Carrying value of buildings on leasehold land	**469,224**	**572,663**
Buildings at cost	475,410	475,410
Less accumulated depreciation	(340,570)	(317,945)
Carrying value of buildings	**134,840**	**157,465**
Player facility at cost	20,061,772	20,061,772
Less accumulated depreciation	(6,522,825)	(6,021,280)
Carrying value of player facility	**13,538,947**	**14,040,492**
Plant and equipment at cost	5,840,707	5,937,398
Less accumulated depreciation	(5,563,087)	(5,520,441)
Carrying value of plant and equipment	**277,620**	**416,957**
Right of use asset at cost	3,759,695	3,881,402
Less accumulated depreciation	(549,451)	(592,971)
Carrying value of right of use asset	**3,210,244**	3,288,431
Capital work in progress	54,100	12,078
Total property, plant and equipment	**17,830,430**	**18,633,541**

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

10 Property, plant and equipment (continued)

In AUD	Land	Buildings on leasehold land	Buildings	Player facility	Plant and equipment	Right of Use Assets	Capital work in progress	Total
Carrying value								
Opening balance	145,455	572,663	157,465	14,040,492	416,957	3,288,431	12,078	18,633,541
Additions	-	-	-	-	38,436	12,876	54,100	105,412
Transfers	-	-	-	-	12,078	-	(12,078)	-
Disposals	-	-	-	-	(34,497)	-	-	(34,497)
Remeasurements	-	-	-	-	-	2,170	-	2,170
Depreciation	-	(103,439)	(22,625)	(501,545)	(155,354)	(93,233)	-	(876,196)
Closing balance	**145,455**	**469,224**	**134,840**	**13,538,947**	**277,620**	**3,210,244**	**54,100**	**17,830,430**

The Club leases the land on which the Administration Building and Player Facility are situated from the SANFL, this lease is due to expire in 2048.

The Club has exclusive rights to certain assets at Adelaide Oval for a period expected to be not less than 60 years (2014 to 2073).

In AUD	2022	2021
11 Trade and other payables		
Current		
Trade payables	1,269,227	1,152,026
Accrued expenses	3,046,572	2,180,425
Goods and services tax	809,757	461,456
SANFL game development grant liability[(i)]	799,477	783,801
	5,925,033	**4,577,708**
Non-current		
SANFL game development grant liability[(i)]	3,460,229	4,091,883
Payables due to related parties include in trade payables	*287,210*	-

(i) In March 2014, the Club committed to support the development of football in South Australia through a Game Development Grant payable to the SANFL, ending 2028. The liability for these future payments is recognised at its net present value.

12 Unearned income

Current		
Income received in advance	4,110,170	3,027,224

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

In AUD		2022	2021
13	**Loans and borrowings**		
	Non-current		
	Commercial bills	1	4,500,000

Loan facilities available to the Club are $7,750,000 (2021: $10,000,000) with Bendigo and Adelaide Bank which provides the Club with the financial stability to remain a financially independent unassisted club with the AFL. The loan facility imposes financial covenants over the Clubs performance, the Club was in compliance with all covenants at 31 October 2022. The effective interest rate on borrowings was 6.17% (2021: 3.52%). Based on the current level of draw down there are no payments required within the next 12 months. The loan facility has an expiry date of 9 December 2023.

14	**Provisions**		
	Current		
	Liability for long service leave	868,544	831,944
	Liability for annual leave	547,296	466,417
		1,415,840	**1,298,361**
	Non-current		
	Liability for long service leave	138,828	155,892

During the year, the Club recognised $2,209,838 of contributions to defined contribution superannuation plans in the profit or loss (2021: $1,880,580).

15	**Leases**		
	Current liability		
	Motor Vehicles	20,122	21,651
	Non-current liability		
	Motor Vehicles	2,205	12,547

Lease liabilities relates to the lease of motor vehicles which generally have terms between 1 to 4 years.

In addition to this, the Club holds a lease agreement for the right to use the Administration Building and Player Facility situated at the AAMI Stadium owned by the SANFL. The said premises are leased to the Club for $1 per annum, and as such is held off-balance sheet due to significantly below-market terms and conditions principally to enable it to further its objectives. The lease expires on 31 October 2048.

The Club also holds a sub-license agreement with the SANFL for the right to use certain areas of the Adelaide Oval, such as the change rooms and premiership suite. The Club has exclusive rights to said areas for a period expected to be not less than 60 years (from 2014 until 2073). The Club has no lease liability recorded under this arrangement, while the related right-of-use asset amounting to $3,188,078 as at 31 October 2022 (2021: $3,249,397) representing its deemed cost less accumulated depreciation, is presented within the property, plant and equipment note. The Club is dependent on this lease to further its objectives as it utilises the areas for the benefit of its players.

The carrying amounts of right-of-use assets recognised and the movements during the period are set out in Note 10.

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

16 Issued Capital

Share capital

The Parent Company is limited by guarantee. If the Company is wound up, the Articles of Association state that each member is required to contribute any sums unpaid on shares held towards meeting any outstanding obligations of the Company. At 31 October 2022, there is one member (2021: one member). Notwithstanding, no member need contribute more than an aggregate of $0.10 (2021: $0.10) to the winding up of the Adelaide Football Club.

Nature and purpose of the reserves

Establishment reserves

Establishment reserves represents administration and consultancy costs contributed by the South Australian National Football League in the formation of the Adelaide Football Club.

17 Commitments

(i) Player and coaching remuneration contracts

The Club negotiates individual contracts of varying length and terms for each of the football players and coaching staff. Certain players are entitled to receive base payments regardless of their level of performance or number of games played, as well as entitlements should player employment contracts be terminated before expiry. Selected coaching staff are also entitled to performance related payments. As contract terms in this regard vary considerably, with some future payments dependent upon number of matches played, level of performance, whether players remain on approved lists and early termination, it is not practical to estimate the total future commitments or contingencies under playing and coaching contracts. The base contractual commitments are as follows:

In AUD	2022	2021
Payables		
Within one year	13,996,375	13,059,709
One year or later and no later than five years	12,620,000	19,700,000
	26,616,375	**32,759,709**

(ii) Capital and operational expenditure

The Club is committed to capital and operational expenditure of $64,113 (2021: nil) in relation to software contracts. These commitments are expected to be settled in 2023.

18 Related parties

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Club and includes the directors and executive management. Included in key management personnel is the Chief Executive Officer, Chief Operating Officer, Chief Commercial Officer, Head of Football and Executive General Managers.

The total key management personnel compensation recognised during the year was $2,731,561 (2021: $2,866,908).

Transaction with related parties

Transactions between the Club and related parties are on normal commercial terms no more favourable than those available to other external parties.

(i) Directors' transactions

During the year the directors purchased club membership and coterie packages, finals tickets, 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 consolidated financial statements (continued)

For the year ended 31 October 2022

In AUD	2022	2021
18 Related parties (continued)		
Net (income)/expenses from director related entities including GST:		
Seppeltsfield Wines Pty Ltd	(40,255)	(62,098)
Bendigo and Adelaide Bank	(343,357)	(304,495)
Bridgestone Australia	(264,978)	(275,000)
Net (income)/expenses from entities which ceased being director related including GST:		
University of South Australia	-	(275,000)
O'Loughlin's Lawyers	-	(18,330)
Director related party amounts included in trade receivables	-	-
Director related party amounts included in trade payables	-	-
(ii) Australian Football League (AFL)		
The AFL became a related party in 2014 when it became the sole voting member of the Company.		
The Club entered into the following transactions with the AFL:		
Distribution to the Club	15,337,052	12,527,436
Net goods and services		
Revenue	639,847	582,979
Expenses	(2,431,533)	(1,737,584)
Net expense	(1,791,686)	(1,154,605)
AFL related party amounts included in trade receivables	268,119	-
AFL related party amounts included in trade payables	287,210	-
19 Auditors remuneration		
Amounts paid to auditors of the Club, KPMG Australia		
Audit of financial statements	55,260	43,131
Other assurance services	12,488	12,863
	67,748	**55,994**

20 Subsequent events

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

21 Economic dependency

A significant portion of income derived by the Club is received from the Australian Football League.

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

22 Group entities

	Country of incorporation	Ownership interest	
		2022	2021
Parent entity			
Adelaide Football Club Limited	Australia		
Controlled entities			
AFC eSports Pty Ltd	Australia	0%	100%
AFC eSports Trust	Australia	0%	100%
Adelaide Baseball Pty Ltd	Australia	100%	100%
Adelaide Baseball Trust	Australia	100%	100%
ASE Management Pty Ltd	Australia	100%	100%
ASEM Trust	Australia	100%	100%
Adelaide Sports & Entertainment Pty Ltd	Australia	100%	100%
High School E-League Pty Ltd	Australia	0%	100%
Corvus Ventures Pty Ltd	Australia	100%	100%
Adelaide FC Pelligra Gasworks Co Pty Ltd	Australia	50%	0%
AFC Brompton Pty Ltd	Australia	50%	0%
AFC Brompton Unit Trust	Australia	50%	0%

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2022

In AUD	2022	2021

23 Parent entity disclosures

Adelaide Football Club Limited is the parent entity and ultimate controlling party of the Club for the financial year ended 31 October 2022.

	Parent	Parent
Profit/(loss) for the year	**2,676,699**	**994,671**
Total comprehensive income/loss attributable to the member	**2,676,699**	**994,671**
Financial position of the parent entity at the year end		
Current assets	4,461,790	3,170,362
Non-current assets	19,991,054	20,967,335
Total assets	**24,452,844**	**24,137,697**
Current liabilities	11,556,350	8,758,843
Non-current liabilities	3,601,263	8,760,322
Total liabilities	**15,157,613**	**17,519,165**
Equity	**9,295,231**	**6,618,532**

As at 31 October 2022 there were no material or significant legal claims or contingencies against the parent entity (2021: nil).

Directors' declaration

In the opinion of the directors of Adelaide Football Club Limited (the Club):

(a) the Club is not publicly accountable;

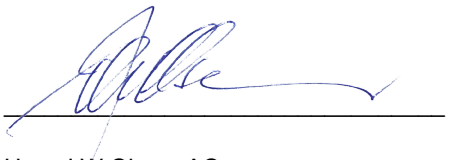
(b) the consolidated financial statements and notes that are set out on pages 15 to 31 are in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the Club's financial position as at 31 October 2022 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*; and

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

Signed in accordance with a resolution of directors.



Hon. J W Olsen, AO
Chairman

Dated at Adelaide this 7th day of February 2023

Independent Auditor's Report

To the Members of Adelaide Football Club Limited

Opinion

We have audited the ***Financial Report*** of Adelaide Football Club 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 ***Group***'s financial position as at 31 October 2022 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:

- Consolidated statement of financial position as at 31 October 2022;
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

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

Basis for opinion

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

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

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

Other Information

Other Information is financial and non-financial information in Adelaide Football Club 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.

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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; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf This description forms part of our Auditor's Report.

KPMG

Paul Cenko
Partner

Adelaide
7 February 2023

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The Adelaide Football Club acknowledges Aboriginal and Torres Strait Islanders as the traditional owners of country throughout Australia and their ongoing connection to land, sea and community. We pay our respect to them and their cultures, and elders both past and present.