



2021 ANNUAL FINANCIAL REPORT

31 OCTOBER 2021



**Adelaide Football Club Limited
& its controlled entities**

ABN 48 008 101 568

Consolidated Annual Financial Report
31 October 2021

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Directors' report

For the year ended 31 October 2021

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 2021 and the auditor's report thereon.

1. Directors

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

Olsen AO, Hon John

Hazel, James – retired 3rd March 2021

Berggren, Shanti – appointed 25th March 2021

Ellis, Kate

Fellows, Linda

Fennell, Richard

Jameson, Rod

Ricciuto, Mark

Randall, Warren

Roche, Stephen – appointed 3rd March 2021

Ryder, Kym – term expired 3rd March 2021

Takos, Nick – appointed 3rd March 2021, resigned 8th December 2021

For detailed information on directors, please see note 8.

Chief Executive Officer – Silvers, Timothy – commenced 18th March 2021

Former Chief Executive Officer – Fagan, Andrew – resigned 26th February 2021

Company Secretary – Smallacombe, Shane

2. Directors' meetings

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

Director	Directors' Meetings		Committee Meetings	
	A	B	A	B
Olsen AO, Hon John	13	13	9	10
Hazel, James	3	4	0	0
Fellows, Linda	13	13	4	4
Berggren, Shanti	8	8	2	2
Ellis, Kate	13	13	4	4
Fennell, Richard	13	13	11	11
Jameson, Rod	13	13	11	11
Ricciuto, Mark	13	13	15	15
Randall, Warren	13	13	0	0
Roche, Stephen	8	9	5	5
Ryder, Kym	4	4	7	7
Takos, Nick	9	9	0	0

A – number of meetings attended

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

Directors' report (continued)

For the year ended 31 October 2021

3. Principal activities

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 and Australian Football League Women's.

The ongoing impact of Covid has seen the Club consolidate to focus on the core football business. As a result, the licence to operate the Adelaide Giants Baseball Club was sold during the year to an external party. Similarly, the Legacy eSports team was sold to an external buyer subsequent to year end.

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 a future home, and will ensure we find a new home for our growing supporter base.

5. Operating and financial review

The Club realised a profit from operating activities for the year ended 31 October 2021 of \$3,591,344 (2020: loss (\$411,675)). A total comprehensive profit of \$1,238,966 (2020: loss (\$2,843,520)) was generated for the year, after recognising depreciation, impairment of 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").

Directors' report (continued)

For the year ended 31 October 2021

6. Events subsequent to reporting date

As a result of the evolving nature of the COVID-19 pandemic and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Group is not in a position to reasonably estimate the financial effects of the COVID-19 pandemic on the future financial performance and financial position of the Group.

There have been no events subsequent to reporting date which would have a material impact on the Group's 31 October 2021 financial statements.

7. 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 2021, AFC has one voting member (2020: 1 member).

8. Director information

HON JOHN OLSEN AO

Appointed 30 October 2020; current term expires February 2024



Current position: Chairman

Current committees: Facilities (Chair)
Finance and Audit

Current directorships:

- Chairman, American Australian Association
- President, Federal Liberal Party
- Chairman, Perth USAsia Centre, University of Western Australia
- Director, United States Studies Centre, The University of Sydney

Previous roles:

- Deputy Chair Adelaide Oval Stadium Management Authority
- Consul-General to Los Angeles and New York, USA (2002-2009)
- Premier of South Australia (1996-2001)
- President of the Liberal Party SA Division (1976-1979 and 2017-2020)
- Former Chairman of the Adelaide Oval Stadium Management Authority (2014-2018)
- Chairman of the SANFL (2010-2020)

Directors' report (continued)

For the year ended 31 October 2021

8. Director information (continued)

JIM HAZEL

Appointed 2 November 2010; retired 3rd March 2021



- Former position:** Deputy Chair
- Current directorships:**
- Chairman, Precision Group
 - Director, Bendigo and Adelaide Bank Limited (ASX: BEN)
 - Director, Omega Communities Group
 - Chairman, Ingenia Communities Group (ASX: INA)
 - Director, Coopers Brewery Limited
 - Director, Chapman Capital Partners
 - Council Member, University of South Australia
 - Chairman, Adelaide Festival Centre Trust
 - Director, ICAM Group

LINDA FELLOWS

Appointed 17 September 2015; current term expires February 2024



- Current position:** Deputy Chair
- Current committees:** Professional Standards and Integrity (Chair)
- Current business interests:**
- Assistant Commissioner (Operations Support), SA Police
 - Board Member, CrimeStoppers SA
- Previous roles:**
- 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

Appointed 24 March 2021; current term expires February 2024



- Current position:** Director
- Current committees:** Governance, Risk and Legal (Chair)
- Current business interests:**
- Deputy General Counsel, Business Legal - Optus
- Current directorships:**
- Chair, Board of Governors, Wilderness School
 - Non-Executive Director, Homestart Finance
 - Member, University of Adelaide Law School Advisory Board
- Previous roles:**
- Corporate Counsel, Optus
 - Legal Counsel, Spike Pty Ltd
 - General Counsel One.Tel Pty Ltd
 - Solicitor – Gilbert and Tobin

Directors' report (continued)

For the year ended 31 October 2021

8. Director information (continued)

KATE ELLIS

Appointed 5 April 2017; current term expires February 2024



- Current position:** Director
- Current committees:** Diversity and Inclusion (Chair)
Adelaide Crows Foundation Board
- Current business interests:**
- Director, Rare Finds Foundation
 - Director, Drinkwise Australia
 - Ambassador, Childhood Cancer Foundation
- Previous roles:**
- Former Federal Member for Adelaide
 - Former Federal Minister for Sport

RICHARD FENNELL

Appointed 5 April 2017; current term expires February 2022



- Current position:** Director
- Current committees:** Finance and Audit (Chair)
- Current business interests:**
- Executive Consumer Banking, Bendigo and Adelaide Bank
- Current directorships:**
- Director, Helpmann Academy
- Previous directorships:**
- Director, Australia Cambodia Foundation
 - Chief Financial Officer, Bendigo & Adelaide Bank
 - Partner, PricewaterhouseCoopers

ROD JAMESON

Appointed 26 February 2015; current term expires February 2022



- Current position:** Director & AFC Life Member
- Current committees:** Past Players and Officials Pty Ltd (Chair)
Football Strategy
Hall of Fame
- Current business interests:**
- ABC Radio National AFL Broadcast & SANFL Finals 2000 - current
 - Get Home Safe Foundation, Ambassador 2018 – current
 - Sales Director, Sandstone Technology
- Previous directorships & business interests:**
- Craniofacial Australia, Ambassador 2009-2019
 - Neil Sachse Foundation Ambassador 2009-2020
 - Business Director, Westpac Sports and Entertainment
 - Business Director, Childhood Cancer Association
 - Football Director, Glenelg Football Club

Directors' report (continued)

For the year ended 31 October 2021

8. Director information (continued)

MARK RICCIUTO

Appointed 1 July 2014; current term expires February 2022



- Current position:** Director & AFC Life Member
- Current committees:** List Management (Chair)
Football Strategy (Chair)
- Current business interests:**
- Part owner – Alma Tavern, Hackney Hotel
 - Part owner – Aruma River Resort
 - Presenter Triple M Breakfast Announcer
 - Fox Footy Expert Opinion and Special Comments
 - Ambassador for Adelaide Tools and Peter Kittle Toyota

WARREN RANDALL

Appointed 9 July 2020; current term expires February 2023



- Current position:** Director
- Current committees:** Capital Campaign (Chair)
- Current business interests:**
- Chairman, The Randall Wine Group
- Current directorships:**
- Director, Lark Distilling Co.
 - Director, HaloGo Pty Ltd

STEPHEN ROCHE

Appointed 3 March 2021; current term expires February 2024



- Current position:** Director
- Current committees:** New Business (Chair)
Finance and Audit
- Current business interests:**
- Managing Director, Bridgestone Australia and New Zealand
- Current directorships:**
- Non-Executive Director of Myer Family Investments Pty Ltd
 - Non-Executive Director Baby Bunting Ltd
 - Non-Executive Director Blackmores Ltd

Directors' report (continued)

For the year ended 31 October 2021

8. Director information (continued)

KYM RYDER

Appointed 28 February 2019; term expired March 2021



Former position:	Director
Former committees:	Finance and Audit Professional Standards and Integrity Diversity and Inclusion
Current business interests:	<ul style="list-style-type: none">▪ Partner, O'Loughlins Lawyers (Commercial Litigation and Insolvency)
Current directorships:	<ul style="list-style-type: none">▪ Director, BWO Nominees Pty Ltd
Current memberships:	<ul style="list-style-type: none">▪ Fellow, Australian Reconstruction and Insolvency Association▪ Member, Law Society of South Australia▪ Member, Women in Insolvency SA (WINSA)▪ Member, SACA▪ Member, Norwood Football Club Inc▪ Member, Scotch Old Collegians Football and Cricket Clubs

NICK TAKOS

Appointed 3 March 2021; resigned 8th December 2021



Former position:	Director
Former committees:	Member Engagement Panel (Chair)
Current business interests:	<ul style="list-style-type: none">▪ Lecturer and Researcher, Division of Business, UniSA
Previous roles:	<ul style="list-style-type: none">▪ Board Director, Adelaide Football Club Past Players and Officials (Deputy Chairman)▪ Board Director, Triathlon South Australia▪ Member of the Industry Advisory Committee, Torrens University▪ Board Director, Mind Our Youth Foundation▪ Committee Member, Hutt Street Centre

Directors' report (continued)

For the year ended 31 October 2021

8. Director information (continued)

TIMOTHY SILVERS

Appointed to the role of Chief Executive Officer 18 March 2021



Current position:	Chief Executive Officer
Current committees:	Finance and Audit Governance, Risk and Legal List Management Football Strategy Diversity and Inclusion Facilities Committee
Previous roles:	<ul style="list-style-type: none">Chief Operating Officer, Hawthorn Football Club

ANDREW FAGAN

Appointed to the role of Chief Executive Officer 7 October 2014; resigned 26th February 2021



Former position:	Chief Executive Officer
Former committees:	Finance and Audit List Management Football Strategy Commercial Innovation and Growth Community, Inclusion and Government
Previous roles:	<ul style="list-style-type: none">General Manager – National Teams and Operations, Australian Rugby UnionChief Executive Officer, Brumbies RugbyGeneral Manager, Brumbies RugbyProgram Manager, Australian Sports Commission

SHANE SMALLACOMBE

Appointed to role of Company Secretary August 2014



Current position:	Chief Financial Officer and Corporate Secretary
Current committees:	Finance and Audit Governance, Risk and Legal List Management Football Strategy Facilities Committee

Directors' report (continued)

For the year ended 31 October 2021

9. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 11 and forms part of the director's report for the financial year ended 31 October 2021.

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



Hon. J W Olsen, AO
Chairman

Dated at Adelaide this 11th day of February 2022




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 for the financial year ended 31 October 2021 there have been:

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

KPMG
KPMG


Paul Cenko
Partner

Adelaide
11 February 2022

Adelaide Football Club Limited & its controlled entities

Consolidated statement of comprehensive income

For the year ended 31 October 2021

<i>In AUD</i>	<i>Note</i>	2021	2020
Football operations revenue	4	45,489,384	33,596,780
Net merchandise revenue	5	269,682	188,801
Grant revenue	4	1,467,280	3,646,424
Other revenue from operations	4	890,818	955,195
		48,117,164	38,387,200
Employee benefit expenses		(29,544,381)	(26,270,452)
Season ticket, membership and sponsorship expense		(8,218,254)	(4,450,566)
Other sporting expenses		(1,324,116)	(1,647,153)
Travel and training expenses		(1,019,225)	(1,184,718)
Administrative expenses		(2,215,210)	(1,703,794)
Marketing and advertising expenses		(1,088,638)	(780,124)
Other expenses from ordinary activities		(1,073,571)	(2,751,184)
Net Interest expense	6	(42,425)	(10,884)
Net profit/(loss) from operating activities		3,591,344	(411,675)
Depreciation expense	10	(1,076,787)	(1,283,931)
Facility costs		(526,420)	(208,348)
Unwind of discount on deferred liabilities		(207,631)	(230,690)
SANFL charges:			
SANFL License Fee		(225,477)	(442,776)
Adelaide Oval Underwrite	9	(216,063)	(216,100)
Contribution to Crows Children's Foundation		(100,000)	(50,000)
Net profit/(loss) for the year		1,238,966	(2,843,520)
Other comprehensive income		-	-
Total comprehensive profit/(loss) for the year		1,238,966	(2,843,520)

The notes on pages 16 to 32 are an integral part of these financial statements.

Adelaide Football Club Limited & its controlled entities

Consolidated statement of financial position

As at 31 October 2021

<i>In AUD</i>	<i>Note</i>	2021	2020
Assets			
Cash and cash equivalents	7	2,824,983	1,636,727
Trade and other receivables	8	592,765	2,250,647
Prepayments	9	241,772	337,231
Total current assets		3,659,520	4,224,605
Property, plant and equipment	10	18,633,541	19,684,604
Prepayments	9	2,376,687	2,592,751
Total non-current assets		21,010,228	22,277,355
Total Assets		24,669,748	26,501,960
Liabilities			
Trade and other payables	11	4,577,708	4,333,474
Provisions	14	1,298,361	1,296,637
Loans and borrowings	13	-	4,500,710
Unearned income	12	3,027,224	5,457,013
Lease Liability	15	21,651	97,913
Total current liabilities		8,924,944	15,685,747
Trade and other payables	11	4,091,883	4,683,593
Provisions	14	155,892	357,566
Loans and borrowings	13	4,500,000	-
Lease Liability	15	12,547	29,538
Total non-current liabilities		8,760,322	5,070,697
Total Liabilities		17,685,266	20,756,444
Net Assets		6,984,482	5,745,516
Equity			
Reserves	16	371,617	371,617
Retained earnings		6,612,865	5,373,899
Total Equity		6,984,482	5,745,516

The notes on pages 16 to 32 are an integral part of these financial statements.

Adelaide Football Club Limited & its controlled entities

Consolidated statement of changes in equity

For the year ended 31 October 2021

<i>In AUD</i>	Reserves	Retained Earnings	Total Equity
Balance at 1 November 2019	371,617	8,217,419	8,589,036
Total comprehensive profit for the year			
Profit/(Loss) for the year	-	(2,843,520)	(2,843,520)
Total comprehensive profit/(loss) for the year	-	(2,843,520)	2,843,520
Balance at 31 October 2020	371,617	5,373,899	5,745,516
Balance at 1 November 2020	371,617	5,373,899	5,745,516
Total comprehensive profit for the year			
Profit/(Loss) for the year	-	1,238,966	1,238,966
Total comprehensive profit/(loss) for the year	-	1,238,966	1,238,966
Balance at 31 October 2021	371,617	6,612,865	6,984,482

The notes on pages 16 to 32 are an integral part of these financial statements.

Adelaide Football Club Limited & its controlled entities

Consolidated statement of cash flows

For the year ended 31 October 2021

<i>In AUD</i>	<i>Note</i>	2021	2020
Cash flows from operating activities			
Cash receipts from customers		49,866,287	40,305,734
Cash paid to suppliers and employees		(47,641,037)	(44,748,830)
Interest received		714	4,012
Interest paid		(43,139)	(14,896)
Net cash increase/(decrease) from operating activities		2,182,825	(4,453,980)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(132,175)	(295,128)
Proceeds from sales of property, plant and equipment		-	2,364
Game Development Grant – SANFL		(768,431)	(768,431)
Net cash used in investing activities		(900,606)	(1,061,195)
Cash flows from financing activities			
Proceeds from borrowings		(710)	4,500,709
Repayment of lease liability		(93,253)	(115,548)
Net cash (decrease)/increase from financing activities		(93,963)	4,385,161
Net increase/(decrease) in cash and cash equivalents		1,188,256	(1,130,014)
Cash and cash equivalents at beginning of year		1,636,727	2,766,741
Cash and cash equivalents at end of year	7	2,824,983	1,636,727

The notes on pages 16 to 32 are an integral part of these financial statements.

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements

For the year ended 31 October 2021

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 Group"; "the Club") are as at and for the year ended 31 October 2021.

2 Basis of preparation

(a) Statement of compliance

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

The consolidated financial statements were authorised for issue by the Board of Directors on 11 February 2022.

(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 21 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 2021, 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.

(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. Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year are included in the following notes:

- Note 4 – revenue recognition: estimate of expected refunds.

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

2 Basis of preparation (continued)

(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 \$1,238,966 for the year ended 31 October 2021 (2020: loss (\$2,843,520)) and derived cash inflows from operating activities of \$2,182,825 for the year (2020: outflow (\$4,453,980)). As at 31 October 2021, the Group had a current asset deficiency of \$5,265,424 (2020: \$11,461,142).

The deficiency in current assets is primarily due to the timing of membership and season tickets cash flows. In particular, credits were given for the 2021 season in relation to undelivered benefits to sponsors and members during the 2021 season. 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 Club has undertaken a business review and implemented a cost-reduction program to manage costs and resources. As part of this review, the Directors have prepared a cash flow forecast for the Club for the period to March 2023 which indicates that the Club will have sufficient funds available to continue as a going concern.

Directors note that there still remains uncertainty for the 2022 season and the 2022 financial year, including any potential further outbreaks of COVID-19, uncertainty as to crowd numbers allowed at games, and the impact of possible border closures between states. However, Directors are confident that the business review measures implemented and available banking facilities are adequate to enable the Club to meet its operating and financial commitments for at least the next 12 months should the Club's operations be impacted by further COVID-19 disruptions.

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

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

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.

(iii) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

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 – 50%	Straight line
▪ Buildings on leasehold land	1.7 – 25%	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.

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

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, other than inventories, 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.

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

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 in line with the sponsorship contracts or membership subscription period and the respective service 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).

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

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(f) Revenue (continued)

Sale of goods (merchandise)

Sale of merchandise is recognised at a point in time when control of the goods is transferred to the customer.

Membership and match day 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, 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.

(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.

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

3 Significant accounting policies (continued)

(j) Leases (continued)

(i) As a lessee (continued)

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.

(k) Impacts of standards not yet effective

Several amendments and interpretations apply for the first time in 2021 but do not have a material impact on the financial statements of the Club. The Club has assessed the impact of new and changed Australian Accounting Board Standards and Interpretations effective for annual periods beginning after 31 October June 2021. None are expected to have a significant impact on the Club's financial statements in the period of initial application.

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

<i>In AUD</i>	2021	2020
4 Revenue		
Football operations revenue		
Season ticket sales and AFL membership	14,777,645	10,474,904
Sponsorship and fundraising	16,555,356	12,710,563
AFL sourced revenue	12,406,511	10,233,317
Corporate boxes and reserved seating	1,749,872	177,996
	45,489,384	33,596,780
Grant revenue from operations		
Government Grants	1,467,280	3,646,424
	1,467,280	3,646,424
<p>During the year ended 31 October 2021, the Group was entitled to government payments relating to employee retention schemes in Australia as a result of COVID-19. (JobKeeper). This government grant income has been recognised and presented within revenue.</p>		
Other revenue from operations		
Sundry income	890,818	955,195
	890,818	955,195
5 Net merchandise revenue		
Net revenue from in-store, match day, online, auction and licensing merchandise sales	269,682	188,801
	269,682	188,801
6 Net Interest expense		
Interest income	(714)	(4,012)
Interest on finance facilities	43,139	14,896
	42,425	10,884

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

<i>In AUD</i>	2021	2020
7 Cash and cash equivalents		
Bank balances	2,814,412	1,625,676
Cash on hand	10,571	11,051
Cash and cash equivalents in the consolidated statement of cash flows	2,824,983	1,636,727
8 Trade and other receivables		
Trade receivables	733,001	2,304,354
Expected credit loss provision	(140,236)	(53,707)
	592,765	2,250,647
The movement in the expected credit loss provision in respect of receivables during the year was as follows:		
Balance at 1 November	53,707	36,370
Impairment loss recognised	124,608	29,343
Amounts written-off	(38,079)	(12,006)
Balance at 31 October	140,236	53,707
9 Prepayments		
Current		
Prepayments	220,652	316,111
Prepaid deposits	21,120	21,120
	241,772	337,231
Non-current		
Prepayments	2,376,687	2,592,751
	2,376,687	2,592,751

Adelaide Oval Underwrite Agreement

In March 2014, the Club entered an agreement with the SANFL to facilitate the relocation of football from AAMI Stadium to Adelaide Oval and to assist the SANFL to repay its debt.

Previously where the Club used Adelaide Oval as its home ground, it paid a fixed amount as an Underwrite Fee. As part of the Adelaide Oval Commercial Review undertaken in the 2018 year, these underwrite payments ceased in 2019.

Future underwrite commitments have been fully prepaid with \$2,592,749 recorded within prepayments and there are no further cash payments to be made. During the year, an underwrite expense of \$216,063 was recognised in profit or loss. (2020: \$216,063). As a result of the Adelaide Oval Underwrite Agreement changes noted above, the annual expense should remain consistent at \$216,063 in 2022 and ongoing until 2033.

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

10 Property, plant and equipment

<i>In AUD</i>	Land	Buildings on leasehold land	Buildings	Player facility	Plant and equipment	Right of Use Assets	Capital work in progress	Total
Cost								
Balance at 1 November 2020	145,455	3,562,112	475,410	20,061,772	6,168,723	3,922,169	12,455	34,348,096
Additions	-	-	-	-	107,317	12,780	12,078	132,175
Transfers	-	-	-	-	12,455	-	(12,455)	-
Disposals	-	-	-	-	(351,097)	(53,547)	-	(404,644)
Balance at 31 October 2021	145,455	3,562,112	475,410	20,061,772	5,937,398	3,881,402	12,078	34,075,627
Accumulated depreciation and impairment losses								
Balance at 1 November 2020	-	2,851,370	295,321	5,519,736	5,504,145	492,920	-	14,663,492
Depreciation for the year	-	138,079	22,624	501,544	264,881	149,659	-	1,076,787
Disposals and Reclassifications	-	-	-	-	(248,585)	(49,608)	-	(298,193)
Balance at 31 October 2021	-	2,989,449	317,945	6,021,280	5,520,441	592,971	-	15,442,086
Carrying amounts								
At 31 October 2020	145,455	710,742	180,089	14,542,036	664,578	3,429,249	12,455	19,684,604
At 31 October 2021	145,455	572,663	157,465	14,040,492	416,957	3,288,431	12,078	18,633,541

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).

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

<i>In AUD</i>	2021	2020
11 Trade and other payables		
Current		
Trade payables	1,152,026	747,155
Accrued expenses	2,180,425	2,659,735
Goods and services tax	461,456	158,153
SANFL game development grant liability ⁽ⁱ⁾	783,801	768,431
	<u>4,577,708</u>	<u>4,333,474</u>
Non-current		
SANFL game development grant liability ⁽ⁱ⁾	4,091,883	4,683,593

(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	3,027,224	5,457,013

13 Loans and borrowings

Current		
Commercial bills	-	4,500,710
Non-current		
Commercial bills	4,500,000	-

The effective interest rate on borrowings was 3.52% (2020: 3.26%).

Loan facilities available to the Club are \$10,000,000 (2020: \$5,000,000) with Bendigo and Adelaide Bank which provides the Club with the financial stability to remain a financially independent unassisted club with the AFL. 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	831,944	669,959
Liability for annual leave	466,417	626,678
	<u>1,298,361</u>	<u>1,296,637</u>
Non-current		
Liability for long service leave	155,892	357,566

During the year, the Club recognised \$1,871,163 contribution to defined contribution plans in the profit or loss (2020: \$1,683,710).

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

15 Leases

<i>In AUD</i>	2021	2020
Current liability		
Property	-	82,901
Motor Vehicles	21,651	15,012
	<u>21,651</u>	<u>97,913</u>
Non-current liability		
Property	-	6,382
Motor Vehicles	12,547	23,156
	<u>12,547</u>	<u>29,538</u>

Lease liability primarily relates to the lease of motor vehicles. These leases 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 premierships 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 \$3,249,397 as at 31 October 2021, 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.

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 2021, there is one member (2020: one member). Notwithstanding, no member need contribute more than an aggregate of \$0.10 (\$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 large increase in the 2021 year is due to the re-signing of the vast majority of players. However, base contractual commitments are as follows:

<i>In AUD</i>	2021	2020
Payables		
Within one year	13,059,709	12,062,490
One year or later and no later than five years	19,700,000	6,514,333
	<u>32,759,709</u>	<u>18,576,823</u>

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

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 Financial Officer, Chief Commercial Officer and a number of Departmental General Managers.

The total key management personnel compensation recognised during the year was \$2,866,908 (2020: \$2,761,429).

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.

<i>In AUD</i>	2021	2020
Net (income)/expenses from director related entities including GST:		
Seppeltsfield Wines Pty Ltd	(62,098)	(20,000)
Bendigo and Adelaide Bank	(304,495)	(283,722)
University of South Australia	(275,000)	(319,000)
O'Loughlin's Lawyers	(18,330)	(7,680)
Department of Premier and Cabinet	-	(4,048)
Bridgestone Australia	(275,000)	-
Adelaide Oval SMA	-	18,949

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

18 Related parties (continued)

(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:

<i>In AUD</i>	2021	2020
Distribution to the Club	12,527,436	10,182,166
Net goods and services		
Revenue	582,979	444,786
Expenses	(1,737,584)	(1,417,333)
Net expense	(1,154,605)	(972,547)
Net receivables/(payables)	-	(42,904)

19 Subsequent events

As a result of the evolving nature of the COVID-19 pandemic and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Group is not in a position to reasonably estimate the financial effects of the COVID-19 pandemic on the future financial performance and financial position of the Group.

There have been no events subsequent to reporting date which would have a material impact on the Group's 31 October 2021 financial statements.

20 Economic dependency

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

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

21 Group entities

	Country of incorporation	Ownership interest	
		2021	2020
<i>Parent entity</i>			
Adelaide Football Club Limited	Australia		
<i>Controlled entities</i>			
AFC eSports Pty Ltd	Australia	100%	100%
AFC eSports Trust	Australia	100%	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%
META Partnership (High School e-League)	Australia	100%	100%
Corvus Ventures Pty Ltd	Australia	100%	100%

Adelaide Football Club Limited & its controlled entities

Notes to the consolidated financial statements (continued)

For the year ended 31 October 2021

22 Parent entity disclosures

Adelaide Football Club Limited is the parent entity of the Group for the financial year ended 31 October 2021.

<i>In AUD</i>	Parent	
	2021	2020
Profit/(loss) for the year	994,671	(3,550,873)
Total comprehensive income/loss attributable to the member	994,671	(3,550,873)
Financial position of the parent entity at the year end		
Current assets	3,170,362	3,845,744
Non-current assets	20,967,335	22,192,453
Total assets	24,137,697	26,038,197
Current liabilities	8,758,843	15,343,639
Non-current liabilities	8,760,322	5,070,697
Total liabilities	17,519,165	20,414,336
Equity	6,618,532	5,623,861

As at 31 October 2021 there were no material or significant legal claims or contingencies against the parent entity (2020: \$nil).

Directors' declaration

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

- (a) the Company is not publicly accountable;
- (b) the financial statements and notes that are set out on pages 16 to 32 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 October 2021 and of its performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards - Reduced Disclosure Regime and the Corporations Regulations 2001; and
- (c) there are reasonable grounds to believe that the Group 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 11th day of February 2022

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 2021 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Reduced Disclosure Requirements* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated statement of financial position as at 31 October 2021;
- 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 Adelaide Football Club Limited (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 the Code.

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.

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 - Reduced Disclosure Requirements 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
11 February 2022



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