

Perth Football Club Inc.

ABN 12 991 769 986

Financial Report - 31 October 2023

Perth Football Club Inc.
Directors' report
For the year ended 31 October 2023

The Directors present their report, together with the financial statements, of Perth Football Club Inc. for the year ended 31 October 2023.

Directors

The following persons were directors of Perth Football Club Inc. during the financial year and up to the date of this report, unless otherwise stated:

Adrian Barich (Club President)
Brian Cook
Andrew Young
John Dorazio
Troy Cook
Travis Burrows
Carolyn Hall
Neil Darby
Kelly Townson

Associate Directors

The following persons were Associate Directors of Perth Football Club Inc during the financial year and up to the date of this report unless otherwise stated:

Milton Milloy
Carolyn Hills

Principal activities

The principal activities of the Perth Football Club Inc. continues to be to promote, develop, manage, educate, train and represent community Australian Rules football in particular throughout the Club's metropolitan and country zoned regions.

The fundraising activities and sponsorship of the Club continues to be important in providing much needed cash for the Club to effectively achieve its objectives.

In addition, the Club is increasing its presence and relevance in the wider community by engaging in a number of non-football related activities.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The surplus for the year amounted to \$6,824 (2022: \$89,164).

On behalf of the Directors



Adrian Barich
President



John Dorazio
Director

 December 2023
Perth

Perth Football Club Inc.
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General information

The financial statements cover Perth Football Club Inc. as an individual entity. The financial statements are presented in Australian dollars, which is Perth Football Club Inc.'s functional and presentation currency.

Perth Football Club Inc. is a not-for-profit incorporated association.

The financial statements were authorised for issue on 8th December 2023.

Perth Football Club Inc.
Statement of profit or loss and other comprehensive income
For the year ended 31 October 2023

	Note	2023 \$	2022 \$
Revenue	3	2,895,496	2,534,420
Expenses			
Finance Costs Expense		(25)	(3)
Administration Expense		(1,122,128)	(1,000,853)
Bar and Function Expense		(373,801)	(301,693)
Football Operation Expense		(952,710)	(696,055)
Facilities Expense		(251,444)	(215,784)
Fundraising Expense		(64,578)	(97,495)
Marketing Expense		(112,733)	(117,170)
Membership Expenses		(11,253)	(16,203)
Deficit/Surplus		<u>6,824</u>	<u>89,164</u>
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive (Loss)/ income for the year attributable to the members of Perth Football Club Inc.		<u><u>6,824</u></u>	<u><u>89,164</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Perth Football Club Inc.
Statement of financial position
As at 31 October 2023

	Note	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	4	399,422	727,256
Trade and other receivables	5	164,046	162,308
Inventories	6	36,195	41,715
Total current assets		<u>599,663</u>	<u>931,279</u>
Non- Current Assets			
Other Assets	4c	<u>525,000</u>	250,000
Total Non- current assets		<u>525,000</u>	<u>250,000</u>
Total Assets		<u>1,124,663</u>	<u>1,181,279</u>
Liabilities			
Current liabilities			
Trade and other payables	7	97,645	89,760
Employee benefits provisions	8	58,006	55,261
Unearned income	9	55,272	129,342
Total current liabilities		<u>210,923</u>	<u>274,363</u>
Total liabilities		<u>210,923</u>	<u>274,363</u>
Net assets		<u>913,740</u>	<u>906,916</u>
Equity			
Retained surplus		273,961	305,427
Reserve		<u>639,779</u>	<u>601,489</u>
Total equity		<u>913,740</u>	<u>906,916</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Perth Football Club Inc.
Statement of changes in equity
For the year ended 31 October 2023

	Retained Surplus/ (Deficit)	Centurion Reserve	Total equity
	\$	\$	\$
Balance at 1 November 2021	254,842	562,910	817,752
Surplus for the year	89,164	-	89,164
Other Movements			
Contributions to Centurion Funds	(38,059)	38,059	-
Interest on Centurion Funds	(520)	520	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	(38,579)	38,579	-
Balance at 31 October 2022	<hr/> <u>305,427</u>	<hr/> <u>601,489</u>	<hr/> <u>906,916</u>

	Retained Surplus/ (Deficit)	Centurion Reserve	Total equity
	\$	\$	\$
Balance at 1 November 2022	305,427	601,489	906,916
Surplus for the year	6,824	-	6,824
Other Movements			
Contributions to Centurion Funds	(27,611)	27,611	-
Interest on Centurion Funds	(10,679)	10,679	-
	<hr/>	<hr/>	<hr/>
Total comprehensive income for the year	(38,290)	38,290	-
Balance at 31 October 2023	<hr/> <u>273,961</u>	<hr/> <u>639,779</u>	<hr/> <u>913,740</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Perth Football Club Inc.
Statement of cash flows
For the year ended 31 October 2023

	Note	2023	2022
		\$	\$
Cash flows from operating activities			
Receipts from members, sponsors and customers (inclusive of GST)		2,148,916	1,727,550
Payments to suppliers and employees (inclusive of GST)		(2,963,112)	(2,443,302)
Interest received		15,499	530
WAFC Distributions		745,863	695,233
		<hr/>	<hr/>
Net cash from/(to) operating activities	4b	(52,834)	(19,989)
		<hr/>	<hr/>
Cash flows from investing activities			
Term deposit placed	4c	(275,000)	(250,000)
		<hr/>	<hr/>
Net cash used in investing activities		(275,000)	(250,000)
		<hr/>	<hr/>
Cash flows from financing activities			
Net cash from financing activities		-	-
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		(327,834)	(269,989)
Cash and cash equivalents at the beginning of the financial year		727,256	997,245
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	4a	399,422	727,256
		<hr/> <hr/>	<hr/> <hr/>

The above statement of cash flows should be read in conjunction with the accompanying notes

Perth Football Club Inc.
Notes to the financial statements
For the year ended 31 October 2023

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

Perth Football Club Inc. has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period and effective for an accounting period that begins on or after 1 November 2022. Any new revised or amended accounting standards or interpretations that are not set mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact to the financial performance or position of the Club.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB'), the Associations Incorporation Act 2015 (WA) and associated regulations, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Perth Football Club Inc.'s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Club is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Club: identifies the contract with a 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 customer of the goods or services promised.

Variable consideration with the transaction price, if any, reflects concessions provided to the customers such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of the variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sales revenue

Events, fundraising and raffles are recognised when received or receivable.

Donations

Donations are recognised at the time the pledge is made.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

Note 1. Significant accounting policies (continued)

Revenue recognition (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Centurion's Income

All cash receipts and payments incurred for the centurion capital fund is managed by the trustees which is originally accounted under the clubs general operation but transferred to the fund, as the club believes it is a capital transaction to secure the clubs ongoing sustainability and not part of income. The movement of the fund is reflected in the statement of changes in equity.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(i) Club as a lessee

Finance leases, which transfer to the club substantially all the risks and benefits incidental to ownership of the leased item, are recognised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in profit or loss. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Club will obtain ownership by the end of the lease term.

Operating lease payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less. Low-value assets comprise of office equipment.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in Perth Football Club Inc.'s normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Perth Football Club Inc.'s normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories

Inventories are measured at the lower of cost and net realisable value. Inventories are accounted for at purchase cost on a first in first out basis.

Note 1. Significant accounting policies (continued)

Investments and other financial assets

Investments and Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, available for sale investments or loans and receivables. When financial assets are recognised initially, they are measured at fair value. The Club determines the classification of its financial assets at initial recognition.

(i) Classification of financial instruments

The Club classifies its financial assets into the following measurement categories:

- those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the Club's business model for managing financial assets and the contractual terms of the financial assets' cash flows.

The Club classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

(ii) Financial assets measured at amortised cost

Debt instruments

Investments in debt instruments are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described below in note (c) Impairment of financial assets.

(a) Financial assets measured at fair value through other comprehensive income

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Club in a business combination to which AASB 3 "Business Combination" applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(b) Items at fair value through profit or loss Items at fair value through profit or loss comprise:

- items held for trading;
- items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Note 1. Significant accounting policies (continued)

Investments and other financial assets (continued)

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Club's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

(c) Impairment of financial assets

The Club applies a three-stage approach to measuring expected credit losses (ECLs) for the following categories of financial assets that are not measured at fair value through profit or loss:

- debt instruments measured at amortised cost and fair value through other comprehensive income;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognised on equity investments.

Determining the stage for impairment

At each reporting date, the Club assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. The Club considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the provision for doubtful debts reverts from lifetime ECL to 12-months ECL. Exposures that have not deteriorated significantly since origination are considered to have a low credit risk. The provision for doubtful debts for these financial assets is based on a 12-months ECL. When an asset is uncollectible, it is written off against the related provision. Such assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off reduce the amount of the expense in the income statement.

The Club assesses whether the credit risk on an exposure has increased significantly on an individual or collective basis. For the purposes of a collective evaluation of impairment, financial instruments are grouped on the basis of shared credit risk characteristics, taking into account instrument type, credit risk ratings, date of initial recognition, remaining term to maturity, industry, geographical location of the borrower and other relevant factors.

(d) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognised in the balance sheet when the Club becomes a party to the contractual provisions of the instrument, which is generally on trade date. Loans and receivables are recognised when cash is advanced (or settled) to the borrowers.

Perth Football Club Inc.
Notes to the financial statements
For the year ended 31 October 2023

Note 1. Significant accounting policies (continued)

Investments and other financial assets (continued)

Financial assets at fair value through profit or loss are recognised initially at fair value. All other financial assets are recognised initially at fair value plus directly attributable transaction costs.

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

A financial liability is derecognised from the balance sheet when the Club has discharged its obligation or the contract is cancelled or expires.

(e) Offsetting

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the Association has a legal right to offset the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	15 years
Plant and equipment	3-7 years
Motor vehicles	5-7 years
Office equipment	3-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Perth Football Club Inc. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less and directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Note 1. Significant accounting policies (continued)

Trade and other payables

These amounts represent liabilities for goods and services provided to the Perth Football Club Inc. prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current year.

Perth Football Club Inc.
Notes to the financial statements
For the year ended 31 October 2023

Note 1. Significant accounting policies (continued)

Going Concern

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

For the year ended 31 October 2023, the Club generated cash outflows from operating activities of \$52,834 (2022: outflow of \$19,989).

The ability of the Club to continue as a going concern is principally dependent upon continued support from the Western Australian Football Commission, Club members and to a lesser extent providers of finance. Notwithstanding that this support has been available in previous years these conditions suggest an uncertainty that may cast some doubt about the ability of the Club to continue as a going concern. In the event that that one or more of the above matters are not achieved, the Club may be required to raise funds from other sources.

The Board have prepared a budget, which indicates that the Club will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report.

Should the Club be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Club be unable to continue as a going concern and meet its debts as and when they fall due.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

Perth Football Club Inc. determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

Perth Football Club Inc. assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to Perth Football Club Inc. and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Perth Football Club Inc.
Notes to the financial statements
For the year ended 31 October 2023

Note 3. Revenue

	2023	2022
	\$	\$
<i>Sales revenue</i>		
Bar & Functions	424,154	389,664
Fundraising	247,484	259,843
Marketing and Promotions	853,678	727,198
Membership Fees	89,890	82,609
	<u>1,615,206</u>	<u>1,459,314</u>
<i>Other revenue</i>		
Facilities Income	189,940	190,306
Talent Development	58,716	62,360
Grants Income	825,337	695,233
Administration Income	122,565	67,223
Football Operations Income	49,111	46,373
Other revenue	34,621	13,611
	<u>1,280,290</u>	<u>1,075,106</u>
	<u>2,895,496</u>	<u>2,534,420</u>

Note 4. Cash and cash equivalents

	2023	2022
	\$	\$
Petty Cash Float	571	140
Bar and Gate Float	10,000	10,000
Merchandise and Raffle Cash Float	600	-
Centurion Fund	64,773	221,510
Cash at bank – Gala Auction Account	72,073	77,153
Cash on deposit	482	350
Centurions Capital Fund - Deposit	-	79,974
PFC Recruitment Fund	38,005	38,000
ANZ Business Account	95,502	30,019
MIB Account	47,896	212,100
Functions Account	5,198	5,355
Australia Post MasterCard	659	2,650
Centurions Share Account	50,005	50,005
EFTPOS Clearing	13,658	-
	<u>399,422</u>	<u>727,256</u>

Perth Football Club Inc.
Notes to the financial statements
For the year ended 31 October 2023

Centurion Fund Reconciliation

Centurions Fund	64,773	221,510
Centurions Fund – ME Bank – Note 4c	175,000	-
Centurions Capital Fund – Deposit	100,000	79,974
Centurions Share Account	50,005	50,005
Macquarie Bank Term Deposit – Note 4c	250,000	250,000
Centurions Share Account	<u>639,778</u>	<u>601,489</u>

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Note	2023	2022
		\$	\$
Cash and cash equivalents		<u>399,422</u>	<u>727,256</u>
		<u>399,422</u>	<u>727,256</u>

(b) Reconciliation of cash flow from operations with profit

Surplus/ (Deficit) From ordinary Activities	(4,176)	89,164
Non-cash flows in profit		
Change in Working Capital:		
(Increase)/Decrease in accounts receivable	9,262	(96,688)
(Increase)/Decrease in inventories	5,520	(14,419)
Increase/(Decrease) in accounts payable	7,885	(40,416)
Increase/(Decrease) in provisions	2,745	7,977
Increase/(Decrease) in unearned income	<u>(74,070)</u>	<u>34,393</u>
	<u>(52,834)</u>	<u>(19,989)</u>

(c) The Club had \$525,000 in term deposits as at 31 October 2023. The Club invested \$275,000 into new term deposits during the period.

Perth Football Club Inc.
Notes to the financial statements
For the year ended 31 October 2023

Note 5. Trade and other receivables

	2023	2022
	\$	\$
Trade receivables	166,519	183,196
Provision for doubtful debts	(14,265)	(23,648)
Other receivables	7,020	2,760
Accrued interest income	4,772	-
	<u>164,046</u>	<u>162,308</u>

Trade and other receivables ageing summary

	Gross amount	Past due and impaired	<30	Past due but not impaired			> 90 ^(b)	Within initial trade terms
	\$	\$	\$	\$	\$	\$	\$	
2023								
Trade receivables	166,519	14,265	100,895	23,050	13,309	29,265	100,895	
Other receivables	7,020	-	-	-	-	-	7,020	
Accrued interest income	4,772	-	-	-	-	-	4,772	
	<u>178,311</u>	<u>14,265</u>	<u>100,895</u>	<u>23,050</u>	<u>13,309</u>	<u>29,265</u>	<u>112,687</u>	

	Gross amount	Past due and impaired	<30	Past due but not impaired			> 90 ^(b)	Within initial trade terms
	\$	\$	\$	\$	\$	\$	\$	
2022								
Trade receivables	183,196	23,648	130,418	6,780	22,350	23,648	130,418	
Other receivables	2,760	-	-	-	-	-	2,760	
	<u>185,956</u>	<u>23,648</u>	<u>130,418</u>	<u>6,780</u>	<u>22,350</u>	<u>23,648</u>	<u>133,178</u>	

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade debtors are non-interest bearing and generally on 30 day terms.
- (ii) Sundry debtors and other receivables are non-interest bearing and have repayment terms between 30 and 90 days.
- (iii) Related party receivables are non-interest bearing and are on 30 day terms.

- (b) Debtors over 90 days have been provided for as a doubtful debt excluding those which has been subsequently received after 31 October 2023.

Note 6. Inventories

	2023	2022
	\$	\$
Items held for resale (i)		
Bar and Canteen Stock	14,384	19,916
Merchandise Stock on Hand	21,811	21,799
	<u>36,195</u>	<u>41,715</u>

- (i) There is no deed of consignment over inventories as at 31 October 2023 (2022: nil)

Perth Football Club Inc.
Notes to the financial statements
For the year ended 31 October 2023

Note 7. Trade and other payables

	2023	2022
	\$	\$
Trade payables	22,941	22,217
BAS payable	37,012	16,257
Accrued expenses	37,464	50,354
Other payables	228	932
	<u>97,645</u>	<u>89,760</u>

Trade payables ageing summary

	Number of days outstanding				Total
	0 – 30 days	30 – 60 days	60 – 90 days	More than 90 days	
	\$	\$	\$	\$	\$
Trade payables	22,941	-	-	-	22,941
BAS payable	37,012	-	-	-	37,012
Accrued expenses	37,464	-	-	-	37,464
Other payables	228	-	-	-	228
	<u>97,645</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,645</u>

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade creditors are non-interest bearing and generally on 30 day terms.
- (i) Other creditors and other receivables are non-interest bearing and have repayment terms between 30 and 90 days.
- (ii) Related party payables are non-interest bearing and are on 30 day terms.

Note 8. Employee benefits provisions

	2023	2022
	\$	\$
Employee benefits – current	<u>58,006</u>	<u>55,261</u>

Note 9. Unearned Income

	2023	2022
	\$	\$
Unearned Income	<u>55,272</u>	<u>129,342</u>

Note 10. Contingent liabilities

Perth Football Club Inc. had no contingent liabilities as at 31 October 2023 and 31 October 2022.

Perth Football Club Inc.
Notes to the financial statements
For the year ended 31 October 2023

Note 11. Related party transactions

Transactions with related parties

There were no transactions with related parties other than salaries & wages during the current and previous financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties (excluding payroll related items) at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 12. Events after the reporting period

No matter or circumstance has arisen since 31 October 2023 that has significantly affected or may significantly affect Perth Football Club Inc.'s operations, the results of those operations, or Perth Football Club Inc.'s state of affairs in future financial years.

Perth Football Club Inc.
Directors' declaration
For the year ended 31 October 2023

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Simplified Disclosure Requirements, the Associations Incorporation Act 2015 (WA) and associated regulations;
- the attached financial statements and notes give a true and fair view of Perth Football Club Inc.'s financial position as at 31 October 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that Perth Football Club Inc. will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Adrian Barich
President



John Dorazio
Director

 December 2023
Perth

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERTH FOOTBALL CLUB INC.

Qualified Opinion

We have audited the accompanying financial report, of Perth Football Club Inc. ("the Club"), which comprises the statement of financial position as at 31 October 2023, statement of changes in equity, the statement of profit or loss and other comprehensive income and the statement of cash flows for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, except for the matters described in the Basis for Qualified Opinion section of our report, the financial report of Perth Football Club Inc. is in accordance with the club constitution, including:

- (i) giving a true and fair view of the company's financial position as at 31 October 2023 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosure Requirements, the Associations Incorporation Act 2015 (WA) and associated regulations.

Basis for Qualified Opinion

Revenue Recognition

As is common for organisations of this type, it is not practicable for the Club to maintain an effective system of internal control over cash receipts and payments until their initial entry in the accounting records. Our audit relating to these items was therefore limited to the amounts recorded in the accounts.

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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 Club in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material Uncertainty Related to Going Concern

We draw attention to note Note 1 in the financial report, which indicates that the Club incurred net cash outflows from operating activities of \$52,834 during the year ended 31 October 2023. As stated in Note 1 these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 31 October 2023, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Directors' Responsibility for the Financial Report

The directors of the Club are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Club's constitution and Associations Incorporation Act (WA) 2015 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- Evaluate the appropriateness of accounting policies used based on the accounting policies disclosed in Note 1 and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Club to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Club audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



HALL CHADWICK WA AUDIT PTY LTD



D M BELL CA
Director

Dated this 8th day of December 2023
Perth, Western Australia