

BRISBANE
LIONS



2021 FINANCIAL REPORT

31 OCTOBER 2021 | BRISBANE BEARS – FITZROY FOOTBALL CLUB LIMITED | ABN 43 054 263 473



BRISBANE BEARS–FITZROY FOOTBALL CLUB LIMITED DIRECTORS' REPORT

The Directors present their report together with the financial report of Brisbane Bears-Fitzroy Football Club Limited ("the Company" or "the Club") for the financial year ended 31 October 2021 and the auditor's report thereon.

INCORPORATION

The Brisbane Bears-Fitzroy Football Club Limited is incorporated under the Corporations Act 2001. The Club is a public company limited by guarantee of \$20 per member and without share capital.

REGISTERED OFFICE

The Company's principal registered office is Level 5, 812 Stanley Street, Woolloongabba, Qld 4102.

DIRECTORS

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

NAME AND QUALIFICATIONS	AGE	EXPERIENCE, SPECIAL RESPONSIBILITIES AND OTHER DIRECTORSHIPS
Mr Andrew John Wellington BCom (Hons), MAcc, SF Fin, CA Chairman	54	Partner PwC Australia and member PwC Australia Board of Partners. Appointed Director 22 May 2014. Chair of Finance Committee and appointed Chairman on 13 December 2017.
Dr Sarah Jane Kelly OAM BCom, LLB (Hons), MBA, PhD Deputy Chairman	50	Non-Executive Director and Associate Professor in Law and Marketing at the University of Queensland. Deputy Chair Tourism and Events Queensland. Non-executive Director Wandering Warriors, Gregory Terrace Foundation and Australian Family Lawyers. Appointed Director 22 May 2014.
Mr Ross Thornton Director	65	Played 146 games for Fitzroy and Lions Life Member. Appointed Director 17 December 2014.
Mr Mick Power AM HonFIEAust, FAI CD, FAIM Director	71	Founder and Chairman of BMD Group with more than 50 years of experience in civil engineering, project management, construction and property investment. Also a Board Member of the South Bank Corporation and the BMD Northcliffe Foundation. Director since 3 September 2010. Member of Finance Committee.
Mr Leigh Raymond Matthews Director	69	Four-time Hawthorn premiership player, four-time premiership coach (three with the Lions in 2001/02/03), inaugural AFL Football Hall of Fame Legend, Lions Life Member. Appointed Director 23 October 2013.
Ms Cathie Reid AM B.Pharm Director	52	Co-Founder of Epic Pharmacy, Icon Group and the Epic Good Foundation. Chair of AUCloud. Deputy Chair of Federal Government Cyber Security Industry Advisory Committee. Appointed Director 23 February 2016. Chair of Professional Standards and Integrity Committee. Co-chair of Reconciliation Action Plan Committee.
Mr Cyril Jinks B Econ GradDip AppFin Director	53	Director – Equities at Bell Potter Securities. Director Lyrebird Interactive Holdings Pty Limited, Bondi Born Pty Ltd, Vuly Pty Ltd and Moat Investments Pty Limited. Appointed Director 23 February 2016. Member of Finance Committee.
Tim Forrester Director	39	Founder and Managing Director of Aria Property Group. Previous board member of the Property Council of Australia and Qld Museum. Appointed Director 25 March 2019. Chair of The Reserve Springfield Project Steering Committee.

DIRECTORS' MEETINGS

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

	MEETINGS ATTENDED	NUMBER OF MEETINGS HELD DURING THE TIME THE DIRECTOR HELD OFFICE DURING THE YEAR		MEETINGS ATTENDED	NUMBER OF MEETINGS HELD DURING THE TIME THE DIRECTOR HELD OFFICE DURING THE YEAR
Mr A Wellington (Chair)	11	11	Mr LR Matthews	11	11
Dr S Kelly OAM (Deputy Chair)	10	11	Ms Cathie Reid AM	10	11
Mr M Power AM	9	11	Mr Cyril Jinks	8	11
Mr R Thornton	11	11	Mr Tim Forrester	10	11

PRINCIPAL ACTIVITIES

The principal activities of the Company during the course of the financial year were the operation of an AFL club and fielding football teams in the national men's and women's and regional men's AFL competitions along with the promotion and advancement of the game of Australian Rules Football. The Company also owns and operates the LIONS@springwood Social Club.

OBJECTIVES AND STRATEGIES

2021 was a successful year for the Club on the field, with the women's team winning the AFLW premiership and the men's AFL team making finals for the third year in a row. The VFL competition was interrupted by covid related restrictions and was not completed.

Off the field the Club achieved a record membership of 40,289 and whilst there were still some impacts of the covid pandemic on match days, it was pleasing to see the level of support from the Club's members and corporate partners.

The Club reached a milestone on the Springfield Training and Administration project with the formal commencement of our Lease over the site in January 2021. Construction of the facility is now well underway with completion expected in late 2022. The facility will provide a home for our AFLW games as well as a year-round training facility for all of our teams and will support the Club's Academy operations. It will have significant state of the art community access facilities through key partnerships, to provide a platform for greater engagement with the Club's fans and community partners.

Despite several short lockdowns periods during the year, the LIONS@springwood Social Club still posted a strong financial result for the year and continues to play an important role in the community and contribution to the performance of the Company

OPERATING AND FINANCIAL REVIEW

The profit for the year was \$25,337,691 (2019: 3,073,413). Included in this profit is grant revenue of \$22,399,654 (2020: \$6,435,269). The operating profit before grant income was \$2,938,037 (2020: \$3,361,856 loss).

The Company is exempt from payment of income tax under the provisions of section 50 - 45 of the Income Tax Assessment Act 1997.

DIVIDENDS

The Company's Constitution requires that all income and property of the Company be applied solely towards the promotion of the objects as set forth in the Constitution and no portion shall be paid, distributed or transferred, directly or indirectly by way of dividend, bonus or otherwise, to the members of the Company.

STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the Company that occurred during the period under review not otherwise disclosed in the financial report.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Lead Auditor's Independence Declaration is set out on page 3 and forms part of the Directors' Report for the financial year ended 31 October 2021.

EVENTS SUBSEQUENT TO REPORTING DATE

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

LIKELY DEVELOPMENTS

The Company will continue to pursue its Australian Rules Football aims and objectives.

DIRECTORS' INTERESTS AND BENEFITS

Since the end of the previous financial year no Director of the Company has received or become entitled to receive any benefit because of a contract made by the Company or a related body corporate with a Director or with a firm of which a Director is a member or with an entity in which the Director has a substantial interest other than a construction contract relating to The Reserve Springfield entered into on an arm's length basis with an entity in which a director has a substantial interest.

ENVIRONMENTAL REGULATION

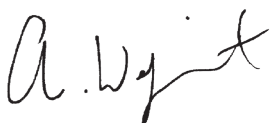
The operations of the Company are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

INDEMNIFICATION AND INSURANCE PREMIUMS

The Company has agreed to indemnify the Directors against various liabilities that may arise from their position as Directors. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and Officers' Liability and Legal Expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

Dated at Brisbane this 7th day of December 2021.

Signed in accordance with a resolution of the Directors:



Chairman
A J Wellington



LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To: the directors of Brisbane Bears-Fitzroy Football Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Brisbane Bears-Fitzroy Football Club Limited 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.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that reads 'S Board'.

Stephen Board
Partner
Brisbane
7 December 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Brisbane Bears—Fitzroy Football Club Limited. For the year ended 31 October 2021

	NOTE	2021 \$	2020 \$
Revenue	2	81,721,982	49,686,175
Cost of goods sold		(959,245)	(785,613)
Marketing expenses		(5,474,867)	(4,128,283)
Administration expenses		(3,724,910)	(4,999,960)
Membership expenses		(2,082,684)	(1,547,128)
Football expenses		(24,625,109)	(19,799,125)
Lease/Football Park and other expenses		(3,369,914)	(1,357,063)
Social Club expenses		(12,441,681)	(10,533,254)
Other expenses		(2,387,270)	(2,012,200)
Net profit before net finance expense		26,656,302	4,523,549
Finance income	4	1,185	5,752
Finance expenses	4	(1,319,796)	(1,455,888)
Net finance expense		(1,318,611)	(1,450,136)
Profit for the year		25,337,691	3,073,413
Other comprehensive income for the year		-	-
Total comprehensive profit for the year		25,337,691	3,073,413

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 7 to 14.

STATEMENT OF FINANCIAL POSITION

Brisbane Bears–Fitzroy Football Club Limited. For the year ended 31 October 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	5	27,251,129	33,799,646
Trade and other receivables	6	1,506,793	1,926,792
Inventories	7	330,589	337,345
Investments	8	10,000,000	-
Total current assets		39,088,511	36,063,783
NON-CURRENT ASSETS			
Investments	8	25	25
Intangible assets	9	890,050	890,050
Property, plant and equipment	10	40,854,997	20,694,542
Total non-current assets		41,745,072	21,584,617
Total assets		80,833,583	57,648,400
CURRENT LIABILITIES			
Trade and other payables	11	19,284,189	16,105,960
Employee benefits		1,184,845	1,089,776
Other provisions		405,152	282,832
Other liabilities	12	22,347,112	29,193,376
Total current liabilities		43,221,298	46,671,944
NON-CURRENT LIABILITIES			
Employee benefits		177,158	258,320
Loans and borrowings	13	20,539,900	20,360,600
Other liabilities	12	1,200,000	-
Total non-current liabilities		21,917,058	20,618,920
Total liabilities		65,138,356	67,290,864
Net assets / (liabilities)		15,695,227	(9,642,464)
ACCUMULATED FUNDS			
Retained earnings/(losses)		15,695,227	(9,642,464)
Total accumulated funds/(deficit)		15,695,227	(9,642,464)

The above Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 7 to 14.

STATEMENT OF CHANGES IN EQUITY

Brisbane Bears–Fitzroy Football Club Limited. For the year ended 31 October 2021

	ACCUMULATED LOSSES	TOTAL
Opening balance 1 November 2019	(12,715,877)	(12,715,877)
Total profit/(loss)	3,073,413	3,073,413
Other comprehensive income	-	-
Balance 31 October 2020	(9,642,464)	(9,642,464)
Total profit/(loss)	25,337,691	25,337,691
Other comprehensive income	-	-
Balance 31 October 2021	15,695,227	15,695,227

The above Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 7 to 14.

STATEMENT OF CASH FLOWS

Brisbane Bears–Fitzroy Football Club Limited. For the year ended 31 October 2021

	NOTE	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers and sponsors		86,008,757	48,286,851
Cash paid to suppliers and employees		(74,668,286)	(44,319,990)
Interest paid		(1,140,497)	(1,261,436)
Net cash provided by operating activities		10,199,974	2,705,425
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		1,185	5,752
Acquisitions of property, plant and equipment	10	(21,703,343)	(2,927,294)
Grant funding received	12	15,132,966	13,400,000
Investment in term deposit		(10,000,000)	-
Net cash provided by / (used in) investing activities		(16,569,192)	10,478,458
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	700,000
Payment of lease liabilities		(179,299)	(194,451)
Net cash provided by / (used in) financing activities		(179,299)	505,549
Net increase / (decrease) in cash and cash equivalents		(6,548,517)	13,689,432
Cash and cash equivalents at 1 November		33,799,646	20,110,214
Cash and cash equivalents at 31 October	5	27,251,129	33,799,646

The above Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 7 to 14.

NOTES TO THE FINANCIAL STATEMENTS

Brisbane Bears—Fitzroy Football Club Limited. For the year ended 31 October 2021

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report of Brisbane Bears-Fitzroy Football Club Limited (“the Company” or “the Club”), a not-for-profit entity, for the year ended 31 October 2021 was authorised for issue by the Directors on 7 December 2021.

(A) STATEMENT OF COMPLIANCE

The financial statements of the Company are Tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

(B) BASIS OF PREPARATION

The financial report is presented in Australian dollars and on the historical cost basis.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The accounting policies set out below have been applied consistently to all periods presented in the financial report, except if mentioned otherwise.

Going concern

The Company has reported a profit of \$25,337,691 for the year ended 31 October 2021 (2020: profit of \$3,073,413). As at 31 October 2021 the Company has Accumulated Funds of \$15,695,227 (2020: accumulated losses of \$9,642,464) and a net current asset deficiency of \$4,132,787 (2020: \$10,608,161). The profit recorded in the 2021 year includes \$20,662,804 (2020: \$2,463,569) of grant income relating to the construction of the Training and Administration Facility, as required by accounting standards. Once completed this facility will be depreciated over its useful life which will impact future operating results.

The ability of the Company to continue as a going concern including the ability to pay its debts as and when they fall due is dependent on the Company being able to successfully generate sufficient funds through membership, sponsorship, fundraising, gate receipts and other sources, and/or the continued financial support of the Australian Football League (“AFL”). If the Company is unable to successfully generate sufficient funding from these sources to continue its ongoing operations, there is a material uncertainty whether the Company will be able to continue as a going concern and be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements have been prepared on a going concern basis which assumes the Company will continue its operations and be able to meet its obligations as and when they become due and payable.

The Directors note the following factors supporting the adoption of the going concern basis:

- The AFL’s Competitive Balance policies aimed at supporting the objective of having all AFL Clubs being financially viable continue to apply. As a consequence of these policies the Company has been and will continue to be the recipient of extra funding in future years to assist the Company to meet its financial obligations;
- The Company entered into a letter of financial support (which is not a guarantee) with the AFL which makes available funding that can be used to assist the Company to meet its obligations, if required, for the year ending 31 October 2022. Under the terms of the letter the AFL will not require repayment of AFL funding, except at such time as the Board of the Club determines that the Club is able to make that repayment and continue to pay its other debts as and when they fall due for payment;
- The Company’s current Trade and other payables include an amount of \$10,000,000 owing to the AFL. Whilst this debt is payable on demand by the AFL the Company expects that the AFL will continue to support the Company in accordance with its letter of financial support, and will not demand repayment if the Company does not have sufficient available funds to pay;
- Management has prepared cash flow forecasts that, after taking into account the above continued financial assistance, supports the preparation of the financial statements on a going concern basis; and
- As discussed in note 18 the Company is economically dependent on the continual support of the AFL.

(C) CONSOLIDATION

The Company’s controlled entities are dormant and the investment in them totals \$25 and accordingly the Company and consolidated financial position and performance are not materially different.

(D) PROPERTY, PLANT AND EQUIPMENT

i. Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and accumulated impairment losses (see Note 1 (J)).

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

ii. Subsequent Costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Company and the cost of the item can be measured reliably. All other costs are recognised in profit and loss as an expense as incurred.

iii. Depreciation and Amortisation

Items of property, plant and equipment, including leasehold improvements, have limited useful lives and are depreciated/amortised over their estimated useful lives or term of the lease.

Assets are depreciated or amortised from the date of acquisition. Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciation rates, ranges and methods used for each class of asset in the current and comparative period are as follows:

	Depreciation rate	Depreciation method
Leasehold improvements	2.9 to 33.3%	straight line
Plant and equipment	5 to 33.3%	straight line
Land and buildings	4%	straight line

Amortisation method, useful life and residual values are reviewed annually and adjusted as appropriate.

(E) INTANGIBLE ASSETS

Intangibles acquired by the Company are stated at cost less accumulated amortisation and impairment losses (see Note 1 (J)). Amortisation is charged to profit and loss on a straight line basis over the useful life of the intangible. The estimated useful lives in the current and comparative periods are as follows:

Liquor Licence	Indefinite
Gaming machine entitlements	Indefinite

The Liquor Licence and Gaming Machine Entitlements have been assigned indefinite useful lives on the basis that they do not expire and the Company will use the intangibles for the foreseeable future.

(F) INVESTMENTS

Investments in subsidiaries

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

(G) TRADE AND OTHER RECEIVABLES

Trade and other receivables are stated at their amortised cost less impairment losses (see Note 1(J)).

(H) INVENTORIES

Inventories consist of merchandising items, food and liquor held for sale and/or promotional use. Inventories are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Cost is calculated using the average cost method and includes direct and allocated costs incurred in acquiring the inventories and bringing them to their present location and condition.

(I) CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and short term deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(J) IMPAIRMENT

i. Financial assets

The Company recognises loss allowances at an amount equal to lifetime expected credit losses ("ECL") on financial assets. Lifetime ECLs are the ECLs that result from all possible default events that occur over the expected life of a financial asset.

Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

All loss allowances are recognised in profit or loss.

ii. Non-financial assets

The carrying amounts of the Company's non-financial assets, other than inventories (see Note 1 (H)), are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below). Indefinite life intangible assets are tested annually for impairment.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit and loss.

The recoverable amount of non-financial assets is calculated as the greater of the depreciated replacement cost of the asset and its fair value less costs to sell. The recoverable amount of non-financial indefinite life intangible assets is calculated as the greater of its value in use and its fair value less costs to sell.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(K) SHARE CAPITAL

As the Company is limited by guarantee, there are no issued shares. Under the Constitution every member of the Company undertakes to contribute to the Company in the event of it being wound up while he/she is a member, or within one year afterwards, for payment of the debts and liabilities of the Company incurred before he/she ceased to be a member, and of the costs, charges and expenses of winding-up and for the adjustment of the rights of the contributories among themselves to an amount not exceeding \$20 per member.

(L) INCOME RECEIVED IN ADVANCE

Prepaid income from sponsors, corporates, members and service providers relating to future seasons is not recorded as income until the season to which it relates.

(M) 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 Company 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

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Other long-term employee benefits

The Company'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. Re-measurements are recognised in profit or loss in the period in which they arise.

iv. Termination benefits

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

(N) TRADE AND OTHER PAYABLES

Trade and other payables are stated at their amortised cost.

(O) REVENUE**Goods Sold and Services Rendered**

Revenue comprises revenue earned from the sales of memberships, corporate marketing, sponsorships, the sale of merchandise, gate receipts, gaming revenue, food and beverage sales and AFL distributions. Revenue from services rendered is recognised in profit and loss in proportion to the stage of completion of the transaction at the reporting date. No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

Grant Funds

The Club has received grant funds to assist with the construction of its Training and Administration facility and boutique stadium at Springfield known as The Reserve Springfield. Conditions are attached to these grants requiring them to be used for that specific purpose. The economic benefits associated with the grants will flow to the Company as those grant funds are utilised for their intended purpose. The Club has also received Government grants in the form of JobKeeper subsidies and through other grant programs for community activities.

Government grants are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and that the Company will comply with the conditions associated with the grant; they are then recognised in profit or loss as other income progressively as funds are appropriated or the conditions of the grant are satisfied.

(P) LEASES

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in AASB 16.

This policy is applied to contracts entered into, on or after 1 November 2019

As a lessee

At commencement or modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price. However, for leases of property the Company has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted

using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company uses its incremental borrowing rate as the discount rate.

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

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and;
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in "property, plant and equipment" and lease liabilities in "loans and borrowings" in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(Q) NET FINANCING COSTS

Net financing costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested and impairment losses recognised on financial assets. Borrowing costs are expensed as incurred and included in net financing costs.

Interest income is recognised in profit and loss as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in profit and loss using the effective interest method.

The Company recognises interest-bearing liabilities initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost.

(R) ACCRUED INCOME

Income and contributions due and receivable from the AFL and others relating to the past season, but which have not been received by reporting date, are accrued as income at reporting date. The carrying amount of accrued income approximates net fair value.

(S) TAXATION

The Company has been advised by the Australian Tax Office that it is exempt from payment of income tax under the provisions of section 50 - 45 of the Income Tax Assessment Act 1997 providing the Company continues to conduct its business in accordance with its Constitution and providing there are no significant changes to the Constitution.

(T) AFL LICENCES

It is the policy of the Directors not to attribute any value to the AFL Licences in the financial statements of the Company.

(U) GOODS AND SERVICES TAX

Revenues, expenses and assets other than receivables are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

	2021 \$	2020 \$
2. REVENUE		
REVENUE FROM CONTRACTS WITH CUSTOMERS:		
Membership and ticket sales	8,769,562	4,688,489
Corporate and marketing sales	9,899,937	6,851,968
	18,669,499	11,540,457
OTHER REVENUE:		
Sale of merchandise	1,746,207	1,432,190
Net AFL distributions	20,345,791	15,398,582
Social Club Revenue	18,241,139	14,619,926
Grants and fundraising revenue	22,399,654	6,435,269
Other revenue	319,692	259,751
Total other revenue	63,052,483	38,145,718
Total revenue	81,721,982	49,686,175
3. PERSONNEL EXPENSES		
Wages and salaries	26,191,514	22,873,780
Other associated personnel expenses	3,507,844	2,314,977
Contributions to defined contribution superannuation funds	1,792,400	1,458,459
	31,491,758	26,647,216
4. FINANCE INCOME AND EXPENSE		
Interest income on bank deposits	1,185	5,752
Finance income	1,185	5,752
Interest expense on liabilities measured at amortised cost	(1,319,796)	(1,455,888)
Finance expenses	(1,319,796)	(1,455,888)
Net finance expense	(1,318,611)	(1,450,136)
5. CASH AND CASH EQUIVALENTS		
Cash at bank and on hand	27,251,129	33,799,646
	27,251,129	33,799,646

Cash at bank and on hand earns interest at an effective interest rate of 0.00% (2020: 0.06%)

	2021	2020
	\$	\$

6. TRADE AND OTHER RECEIVABLES**CURRENT**

Trade receivables	989,764	465,410
Less impairment	-	-
	989,764	465,410
Accrued income	263,113	1,045,651
Other receivables and prepayments	253,916	415,731
	1,506,793	1,926,792

7. INVENTORIES**CURRENT**

Merchandise and Liquor	330,589	337,345
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In 2021 the write down of inventory to net realisable value amounted to \$32,533 (2020: \$53,787).

8. INVESTMENTS**CURRENT**

Term deposit	10,000,000	-
	10,000,000	-

Term Deposits earn interest at an effective rate of 0.16% at 31 October 2021.

NON-CURRENT

Investment in controlled entities – at cost (Note 16)	25	25
	25	25

9. INTANGIBLE ASSETS

Liquor licensing – at cost	22,192	22,192
Less impairment	-	-
	22,192	22,192

Gaming entitlements – at cost	867,858	867,858
Less impairment	-	-
	867,858	867,858

Total Intangible Assets	890,050	890,050
-------------------------	---------	---------

	2021	2020
	\$	\$

10. PROPERTY, PLANT AND EQUIPMENT

Land and Buildings – at cost	12,166,149	12,166,149
Less accumulated depreciation	(935,858)	(467,929)
	11,230,291	11,698,220
Plant and equipment – at cost	6,480,225	8,860,934
Less accumulated depreciation	(4,887,804)	(7,501,220)
	1,592,421	1,359,714
Leasehold improvements – at cost	6,175,560	8,715,970
Less accumulated amortisation	(2,929,883)	(5,203,165)
	3,245,677	3,512,805
Capital Works in Progress	24,786,608	4,123,803
	40,854,997	20,694,542

Capital Works in Progress reflects ongoing works for the Reserve Springfield. Works are expected to be finalised in the 2022 financial year at which time they will be transferred to Leasehold Improvements.

RECONCILIATIONS**LAND AND BUILDINGS**

Carrying amount at beginning of year	11,698,220	-
Recognition of right-of-use asset	-	12,166,149
Depreciation	(467,929)	(467,929)
Carrying amount at end of year	11,230,291	11,698,220

PLANT AND EQUIPMENT

Carrying amount at beginning of year	1,359,714	1,721,199
Additions	984,578	469,139
Disposals	(111,781)	(662,317)
Depreciation	(640,090)	(168,307)
Carrying amount at end of year	1,592,421	1,359,714

LEASEHOLD IMPROVEMENTS

Carrying amount at beginning of year	3,512,805	4,129,313
Additions	55,960	2,150
Disposals	(285)	(539,754)
Amortisation	(322,803)	(78,904)
Carrying amount at end of year	3,245,677	3,512,805

CAPITAL WORKS IN PROGRESS

Carrying amount at beginning of year	4,123,803	1,683,134
Additions	20,662,805	2,456,005
Disposals	-	(15,336)
Carrying amount at end of year	24,786,608	4,123,803

	2021 \$	2020 \$
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11. TRADE AND OTHER PAYABLES

CURRENT

Trade payables	1,259,267	1,042,988
Trade payables to AFL	10,000,000	10,277,193
Other payables and accrued expenses	8,024,922	4,785,779
	19,284,189	16,105,960

12. OTHER LIABILITIES

CURRENT

Income received in advance	1,017,340	2,392,044
Grant funding received in advance	21,329,772	26,801,332
	22,347,112	29,193,376

Grant funding received in advance includes grant funds received and accumulated interest of \$21,329,772 (2020: \$26,801,332) to be utilised for the construction of The Reserve Springfield. This income received in advance will be recognised as revenue progressively as the facility is constructed.

NON CURRENT

Income received in advance	1,200,000	-
	1,200,000	-

13. LOANS AND BORROWINGS

NON CURRENT

Cash advance facility	8,000,000	8,000,000
Lease liabilities	12,539,900	12,360,600
	20,539,900	20,360,600

The Company has an \$8.0 million (2020: \$8.0 million) cash advance facility with Westpac expiring 31 December 2022, that is secured by a General Security over all of the Company's existing and future assets and undertakings. The facility is also secured by a guarantee and indemnity issued by the AFL expiring 31 January 2023. The average interest rate on cash advanced was 0.78% (2020: 1.24%). The amount drawn at 31 October 2021 was \$8 million (2020: \$8 million).

Westpac has provided a guarantee in the amount of \$325,278 (2020: \$325,278) to the landlord of the LIONS@springwood Social Club to satisfy the Company's obligations under its lease to lodge a rental bond.

14. LEASES

The lease over the premises occupied by the Club's operations at the Gabba has expired and the premises are occupied on a month to month basis.

The lease held by the Company for use of the ground at the Gabba has expired. The Company is currently negotiating a new Match Day Hire Agreement with Stadiums Queensland to facilitate staging of games at the Gabba and as such a right-of-use asset and lease liability has not been recognised.

The Company has a current lease over the premises occupied by the Social Club at Springwood for a further 4 years, plus two 10 year options.

The Company has entered into a peppercorn lease over The Reserve Springfield site with the Ipswich City Council, with the respective right of use asset measured at cost. The lease term is 50 years, plus a 49 year option. Lease payments are fixed at \$1 per year for the first 20 years to further the clubs objectives. After 20 years, the lease payments will be determined at that time based on a market rent determined by a valuer.

The Company's lease over office premises at Marvel Stadium has expired and the premises are occupied on a month to month basis.

i. Right-of-use assets

Right-of-use assets related to leased property that do not meet the definition of investment property are presented as property, plant and equipment (see Note 10).

In Dollars	Land and Buildings
Balance at 1 November 2020	11,698,220
Depreciation charge for the year	(467,929)
Balance at 31 October 2021	11,230,291

ii. Amounts recognised in profit and loss

Leases under AASB 16	2021 \$	2020 \$
Interest on lease liabilities	988,848	973,292
Expenses relating to short-term leases	825,843	428,162
Depreciation of right-of-use asset	467,929	467,929

iii. Amounts recognised in statement of cash flows

Leases under AASB 16	2021 \$	2020 \$
Total cash outflow for leases	809,531	651,158

15. COMMITMENTS

(A) PLAYER AND COACHING CONTRACTS

The Company negotiates individual contracts of varying length and terms for each of the football players and coaching staff in the Club. 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 being dependent upon number of matches played, level of performance, whether players remain on approved lists and whether contracts are terminated early, it is not practical to estimate the total future commitments or contingencies under player and coaching contracts. However, base contractual commitments are as follows:

	2021 \$	2020 \$
Not later than one year	14,545,030	15,792,767
One year or later and no later than five years	18,571,301	19,378,750
Later than 5 years	-	-
	33,116,331	35,171,517

(B) CONSTRUCTION COMMITMENTS

	2021 \$	2020 \$
Not later than one year	42,223,517	1,319,368
One year or later and no later than five years	-	-
	42,223,517	1,319,368

16. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

The following are entities controlled by the Company.

NAME	CLASS OF SHARE	INTEREST HELD	
		2021 %	2020 %
Brisbane Football Club Limited	Ord	100	100
Brisbane Lions AFC Pty Ltd	Ord	100	100
Brisbane Lions Australian Football Club Pty Ltd	Ord	100	100

These three companies were originally purchased or formed to protect the Club's business names and all three remained dormant for the year ended 31 October 2021.

17. RELATED PARTIES

KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are determined to be the Chief Executive Officer, Chief Financial Officer, Head of Women's Football and six General Managers who make up the Executive Management Team.

	2021 \$	2020 \$
Total compensation provided	2,068,926	2,135,139

DIRECTORS' REMUNERATION

The Directors received no remuneration for their services during the period under review, nor was there any income paid or payable, or otherwise made available including superannuation and retirement benefits, to Directors of the Company from the Company, or any related party.

KEY MANAGEMENT PERSONNEL AND DIRECTOR TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or joint control over the financial or operating policies of these entities.

The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-key management personnel related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to key management personnel and entities over which they have control or joint control were as follows:

DIRECTOR	SERVICE	INCOME/ (EXPENSE) 2021 (GST EXCLUSIVE)	RECEIVABLE/ (PAYABLE) AT 31/10/21	INCOME/ (EXPENSE) 2020 (GST EXCLUSIVE)	RECEIVABLE/ (PAYABLE) AT 31/10/20
M Power	Corporate Sales	27,280	-	7,800	-
C Reid	Corporate Sales	34,650	-	165,192	-

The Company entered into a construction contract relating to The Reserve Springfield with an entity in which Mick Power, a director, holds a position that results in that director having control over the operations of that entity. The value of the contract which is on commercial arms-length terms is \$6,041,173. During the year \$9,279 (2020: \$5,405,598) was paid in respect of this contract.

18. ECONOMIC DEPENDENCY

A significant portion of the income of the Company is derived from the holding of licences issued by the Australian Football League (AFL) and the Queensland Office of Liquor and Gaming Regulation. The Company is economically dependent on the ongoing support of the AFL through receipts of distributions and other financial assistance as outlined in note 1(B) Going Concern.

19. EVENTS SUBSEQUENT TO REPORTING DATE

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

DIRECTORS' DECLARATION

In the opinion of the Directors of Brisbane Bears-Fitzroy Football Club Limited ("the Company"):

- the financial statements and notes set out on pages 4 to 14 are in accordance with the Corporations Act 2001, including:
 - giving a true and fair view of the financial position of the Company as at 31 October 2021 and of its performance for the financial year ended on that date; and
 - complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Brisbane this 7 December 2021.

Signed in accordance with a resolution of the Directors:



Chairman
A J Wellington



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRISBANE BEARS-FITZROY FOOTBALL CLUB LIMITED

OPINION

We have audited the Financial Report of Brisbane Bears-Fitzroy 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 Company'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:

- Statement of financial position as at 31 October 2021
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

BASIS FOR OPINION

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

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

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

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

OTHER INFORMATION

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objective is:

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

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

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

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

KPMG

Stephen Board
Partner
Brisbane
7 December 2021

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