

**BRISBANE**  
**LIONS**



**2022 FINANCIAL REPORT**

31 OCTOBER 2022 | 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 2022 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 16 Eden Station Drive, Springfield Central, Qld 4300. The Company is domiciled in Australia.

### 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	55	Partner PwC Australia. 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	51	Non-Executive Director and Associate Professor in Law and Marketing at the University of Queensland. Deputy Chair Tourism and Events Queensland and Director of the Brisbane 2032 Games Organising committee. Non-executive Director MSL and Australian Family Lawyers and QLD Leader, Mineva Network. Appointed Director 22 May 2014.
Mr Ross Thornton Director	66	Played 146 games for Fitzroy and Lions Life Member. Appointed Director 17 December 2014.
Mr Mick Power AM HonFIEAust, FAI CD, FAIM Director	72	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	70	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	53	Director Arc31 Family Office and Epic Good Foundation. Chair of AUCloud. Deputy Chair of Federal Government Cyber Security Industry Advisory Committee and Co-Founder of Icon Group and Epic Pharmacy Group. 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	54	Director – Equities at Bell Potter Securities. Director Lyrebird Interactive Holdings Pty Limited, Bondi Born Pty Ltd and Moat Investments Pty Limited. Appointed Director 23 February 2016. Member of Finance Committee.
Mr Tim Forrester Director	40	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	10	11
Dr S Kelly OAM (Deputy Chair)	10	11	Ms Cathie Reid AM	9	11
Mr M Power AM	9	11	Mr Cyril Jinks	7	11
Mr R Thornton	7	11	Mr Tim Forrester	9	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

2022 was another successful year for the Club on the field, with both the men's AFL and VFL teams and the women's AFL team making finals. Following the completion of AFLW season 6 in April 2022, the timing of AFLW seasons going forward was changed to start in August, resulting in a second season being commenced during the 2022 financial year. The AFLW team made the Grand Final in that season which was held at Brighton Homes Arena.

Off the field the Club achieved another record membership of 43,319 and saw growth in average crowd numbers, including four sell out games at the Gabba.

The Club completed the Springfield Training and Administration project and relocated its operations to the new Brighton Homes Arena in October 2022. For the first time since its move to the Gabba in 1993, the Club now has a year-round training facility and it also now has a venue at which its AFLW team can play its home games. Brighton Homes Arena includes significant state of the art facilities available for community use and provides opportunities for the Club to continue diversify its revenue streams.

The LIONS@springwood Social Club 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 \$37,750,983 (2021: \$25,337,691). Included in this profit is grant and fundraising revenue of \$35,365,986 (2021: \$22,399,654).

The operating profit before grant income was \$2,384,997 (2021: \$2,938,037).

Net profit amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

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

During the period under review, the Company entered into a Joint Venture arrangement to operate a commercial gym at Brighton Homes Arena. The business will commence operations in early 2023. The Company's share of the Joint Venture is 50%. Other than the matters disclosed above, 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 4 and forms part of the Directors' Report for the financial year ended 31 October 2022.

## 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.

## ENVIRONMENTAL REGULATION

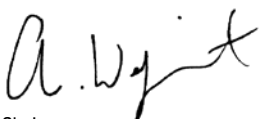
The operations of the Company are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

## 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 14th day of December 2022.

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 2022 there have been:

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

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

KPMG

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

Stephen Board  
Partner  
Brisbane  
14th December 2022

## STATEMENT OF PROFIT OR LOSS

Brisbane Bears—Fitzroy Football Club Limited. For the year ended 31 October 2022

	NOTE	2022 \$	2021 \$
Revenue	2	103,681,862	81,721,982
Cost of goods sold		(1,318,063)	(959,245)
Marketing expenses		(7,096,556)	(5,474,867)
Administration expenses		(4,691,552)	(3,724,910)
Membership expenses		(2,353,179)	(2,082,684)
Football expenses		(29,073,202)	(24,625,109)
Lease/Football Park and other expenses		(4,226,163)	(3,369,914)
Social Club expenses		(13,188,231)	(12,441,681)
Other expenses		(2,601,174)	(2,387,270)
Share of profit or loss of investments in joint ventures accounted for using the equity method	9a	(59,781)	-
<b>Net profit before net finance expense</b>		<b>39,073,961</b>	<b>26,656,302</b>
Finance income	4	6,973	1,185
Finance expenses	4	(1,329,951)	(1,319,796)
<b>Net finance expense</b>		<b>(1,322,978)</b>	<b>(1,318,611)</b>
<b>Profit for the year</b>		<b>37,750,983</b>	<b>25,337,691</b>

The above Statement of Profit or Loss is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 8 to 14 .

## STATEMENT OF FINANCIAL POSITION

Brisbane Bears–Fitzroy Football Club Limited. As at 31 October 2022

	NOTE	2022 \$	2021 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	9,495,285	27,251,129
Trade and other receivables	7	1,773,307	1,506,793
Inventories	8	435,746	330,589
Investments	9	-	10,000,000
<b>Total current assets</b>		<b>11,704,338</b>	<b>39,088,511</b>
<b>NON-CURRENT ASSETS</b>			
Investments	9	(59,756)	25
Intangible assets	10	890,050	890,050
Property, plant and equipment	11	82,993,125	40,854,997
<b>Total non-current assets</b>		<b>83,823,419</b>	<b>41,745,072</b>
<b>Total assets</b>		<b>95,527,757</b>	<b>80,833,583</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	17,412,114	19,284,189
Employee benefits		1,488,392	1,184,845
Other provisions		267,798	405,152
Other liabilities	13	1,031,400	22,347,112
<b>Total current liabilities</b>		<b>20,199,704</b>	<b>43,221,298</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee benefits		280,683	177,158
Loans and borrowings	14	20,701,160	20,539,900
Other liabilities	13	900,000	1,200,000
<b>Total non-current liabilities</b>		<b>21,881,843</b>	<b>21,917,058</b>
<b>Total liabilities</b>		<b>42,081,547</b>	<b>65,138,356</b>
<b>Net assets</b>		<b>53,446,210</b>	<b>15,695,227</b>
<b>ACCUMULATED FUNDS</b>			
Retained earnings		53,446,210	15,695,227
<b>Total accumulated funds</b>		<b>53,446,210</b>	<b>15,695,227</b>

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 8 to 14.

## STATEMENT OF CHANGES IN EQUITY

Brisbane Bears–Fitzroy Football Club Limited. For the year ended 31 October 2022

	RETAINED EARNINGS/ (ACCUMULATED LOSSES)	TOTAL
Opening balance 1 November 2020	(9,642,464)	(9,642,464)
Total profit	25,337,691	25,337,691
Other comprehensive income	-	-
<b>Balance 31 October 2021</b>	<b>15,695,227</b>	<b>15,695,227</b>
Total profit	37,750,983	37,750,983
Other comprehensive income	-	-
<b>Balance 31 October 2022</b>	<b>53,446,210</b>	<b>53,446,210</b>

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 8 to 14.

## STATEMENT OF CASH FLOWS

Brisbane Bears–Fitzroy Football Club Limited. For the year ended 31 October 2022

	NOTE	2022 \$	2021 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers and sponsors		79,771,849	86,008,757
Cash paid to suppliers and employees		(75,813,249)	(74,668,286)
Interest paid		(1,168,690)	(1,140,497)
<b>Net cash provided by operating activities</b>		<b>2,789,910</b>	<b>10,199,974</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received		6,973	1,185
Acquisitions of property, plant and equipment	11	(43,881,004)	(21,703,343)
Grant funding received	13	13,739,538	15,132,966
Investment in term deposit	9	10,000,000	(10,000,000)
Loan to Joint Venture		(250,000)	-
<b>Net cash used in investing activities</b>		<b>(20,384,493)</b>	<b>(16,569,192)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of lease liabilities		(161,261)	(179,299)
<b>Net cash used in financing activities</b>		<b>(161,261)</b>	<b>(179,299)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(17,755,844)</b>	<b>(6,548,517)</b>
<b>Cash and cash equivalents at 1 November</b>		<b>27,251,129</b>	<b>33,799,646</b>
<b>Cash and cash equivalents at 31 October</b>	6	<b>9,495,285</b>	<b>27,251,129</b>

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 8 to 14.

# NOTES TO THE FINANCIAL STATEMENTS

Brisbane Bears—Fitzroy Football Club Limited. For the year ended 31 October 2022

## 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 2022 was authorised for issue by the Directors on 14th December 2022.

### (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 – Simplified Disclosures adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. In the prior year the financial statements were general purpose statements prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements. There was no impact on the recognition and measurement of amounts recognised in the statement of financial position, profit or loss and cash flows as a result of the change in the basis of preparation.

### (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 \$37,750,983 for the year ended 31 October 2022 (2021: \$25,337,691). As at 31 October 2022 the Company has Accumulated Funds of \$53,446,210 (2021: \$15,695,227) and a net current asset deficiency of \$8,495,366 (2021: \$4,132,787). The profit recorded in the 2022 year includes \$35,125,700 (2021: \$20,662,804) of grant income relating to the construction of the Training and Administration Facility, as required by accounting standards. 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 has a letter of comfort (which is not a guarantee) from the AFL which outlines a range of financial assistance packages that have and can be used to assist the Company to meet its obligations if necessary;
- 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 comfort, 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 19 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	2.5 to 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.

*Investments in Joint Ventures*

On initial recognition the investment in an associate or a joint venture is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment

**(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 Brighton Homes Arena. 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.

### 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.

	2022 \$	2021 \$
<b>2. REVENUE</b>		
<b>REVENUE FROM CONTRACTS WITH CUSTOMERS:</b>		
Membership and ticket sales	10,344,515	8,769,562
Corporate and marketing sales	12,796,757	9,899,937
	<b>23,141,272</b>	<b>18,669,499</b>
<b>OTHER REVENUE:</b>		
Sale of merchandise	2,208,571	1,746,207
Net AFL distributions	23,063,802	20,345,791
Social Club Revenue	19,725,771	18,241,139
Grants and fundraising revenue	35,365,986	22,399,654
Other revenue	176,460	319,692
Total other revenue	<b>80,540,590</b>	<b>63,052,483</b>
	<b>103,681,862</b>	<b>81,721,982</b>
<b>3. PERSONNEL EXPENSES</b>		
Wages and salaries	29,775,920	26,191,514
Other associated personnel expenses	3,764,723	3,507,844
Contributions to defined contribution superannuation funds	2,253,264	1,792,400
	<b>35,793,907</b>	<b>31,491,758</b>
<b>4. FINANCE INCOME AND EXPENSE</b>		
Interest income on bank deposits	6,973	1,185
<b>Finance income</b>	<b>6,973</b>	<b>1,185</b>
Interest expense on liabilities measured at amortised cost	(1,329,951)	(1,319,796)
<b>Finance expenses</b>	<b>(1,329,951)</b>	<b>(1,319,796)</b>
<b>Net finance expense</b>	<b>(1,322,978)</b>	<b>(1,318,611)</b>
<b>5. AUDITORS REMUNERATION</b>		
Audit of the financial statements	57,500	53,500
Other Assurance Services	30,100	21,000
<b>Total Auditors Remuneration</b>	<b>87,600</b>	<b>74,500</b>
<b>6. CASH AND CASH EQUIVALENTS</b>		
Cash at bank and on hand	9,495,285	27,251,129
	<b>9,495,285</b>	<b>27,251,129</b>

Cash at bank and on hand earns interest at an effective interest rate of 1.60% (2021: 0.00%)

	2022 \$	2021 \$
<b>7. TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Trade receivables	966,456	989,764
Less impairment	-	-
	966,456	989,764
Accrued income	385,860	263,113
Amounts due from related parties	250,000	-
Other receivables and prepayments	170,991	253,916
	1,773,307	1,506,793

**8. INVENTORIES****CURRENT**

Merchandise, Food and Liquor	435,746	330,589
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In 2022 the write down of inventory to net realisable value amounted to \$79,486 (2021: \$32,533).

**9. INVESTMENTS****CURRENT**

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

**NON-CURRENT**

Investment in controlled entities – at cost (Note 17)	25	25
	25	25

**9a. JOINT VENTURE**

Carrying amount of interests in joint ventures	(59,781)	-
Share of:		
Profit from continuing operations	(59,781)	-
Other comprehensive income	-	-
	(59,781)	-

TFBL Unit Trust is a joint venture in which the Company has joint control and a 50% ownership interest. The Trustee of the Unit Trust is Total Fusion Brisbane Lions Pty Ltd and the Company has a 50% ownership interest in the Trustee. The Joint Venture was established to operate the TotalFusion Lions gym and wellness centre at Brighton Homes Arena. The business will commence operations in 2023.

TFBL Unit Trust is structured as a separate vehicle and the Company has a residual interest in the net assets of TFBL Unit Trust. Accordingly, the Company has classified its interest in TFBL Unit Trust as a joint venture in accordance with the agreements under which the joint venture is established. The Company also entered into a Loan Agreement with the Trustee to advance \$250,000 for working capital purposes to establish the joint venture business (see note 18).

	2022 \$	2021 \$
<b>10. INTANGIBLE ASSETS</b>		
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

**11. PROPERTY, PLANT AND EQUIPMENT**

Land and Buildings – at cost	60,462,758	12,166,149
Less accumulated depreciation	(1,460,023)	(935,858)
	59,002,735	11,230,291
Plant and equipment – at cost	26,348,264	6,480,225
Less accumulated depreciation	(5,292,436)	(4,887,804)
	21,055,828	1,592,421
Leasehold improvements – at cost	6,153,692	6,175,560
Less accumulated amortisation	(3,219,130)	(2,929,883)
	2,934,562	3,245,677
Capital Works in Progress	-	24,786,608
	82,993,125	40,854,997

**RECONCILIATIONS****LAND AND BUILDINGS**

Carrying amount at beginning of year	11,230,291	11,698,220
Transfers from Capital Works in Progress	48,296,610	-
Depreciation	(524,166)	(467,929)
Carrying amount at end of year	59,002,735	11,230,291

**PLANT AND EQUIPMENT**

Carrying amount at beginning of year	1,592,421	1,359,714
Additions	1,290,246	984,578
Transfers from Capital Works in Progress	19,072,511	-
Disposals	-	(111,781)
Depreciation	(899,350)	(640,090)
Carrying amount at end of year	21,055,828	1,592,421

**LEASEHOLD IMPROVEMENTS**

Carrying amount at beginning of year	3,245,677	3,512,805
Additions	8,245	55,960
Disposals	-	(285)
Amortisation	(319,360)	(322,803)
Carrying amount at end of year	2,934,562	3,245,677

	2022 \$	2021 \$
<b>CAPITAL WORKS IN PROGRESS</b>		
Carrying amount at beginning of year	24,786,608	4,123,803
Additions	42,582,513	20,662,805
Transfers	(67,369,121)	-
Carrying amount at end of year	-	24,786,608

**12. TRADE AND OTHER PAYABLES****CURRENT**

Trade payables	3,774,605	1,259,267
Trade payables to AFL	10,000,000	10,000,000
Other payables and accrued	3,637,509	8,024,922
	17,412,114	19,284,189

**13. OTHER LIABILITIES****CURRENT**

Income received in advance	1,031,400	1,017,340
Grant funding received in advance	-	21,329,772
	1,031,400	22,347,112

Grant funding received in advance includes grant funds received and accumulated interest of \$0 (2021: \$21,329,772) to be utilised for the construction of Brighton Homes Arena. This income received in advance will be recognised as revenue progressively as the facility is constructed.

**NON CURRENT**

Income received in advance	900,000	1,200,000
	900,000	1,200,000

**14. LOANS AND BORROWINGS****NON CURRENT**

Cash advance facility	8,000,000	8,000,000
Lease liabilities	12,701,160	12,539,900
	20,701,160	20,539,900

The Company has an \$8.0 million (2021: \$8.0 million) cash advance facility with Westpac expiring 31 December 2023, 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 2024. The average interest rate on cash advanced was 1.58% (2021: 0.78%). The amount drawn at 31 October 2022 was \$8 million (2021: \$8 million).

Westpac has provided a guarantee in the amount of \$325,278 (2021: \$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.

**15. LEASES**

The lease over the premises previously occupied by the Club's operations at the Gabba has expired. The Club has retained its merchandise shop premises at The Gabba which is currently 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 3 years, plus two 10 year options.

The Company has a peppercorn lease over the Brighton Homes Arena 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 11).

In Dollars	Land and Buildings
Balance at 1 November 2021	11,230,291
Depreciation charge for the year	(467,929)
Balance at 31 October 2022	10,762,362

**ii. Total of future lease payments**

Not later than one year	875,608
Later than one year and not later than five years	3,866,968
Later than five years	27,320,342

**iii. Amounts recognised in profit and loss**

Leases under AASB 16	2022 \$	2021 \$
Interest on lease liabilities	1,003,192	988,848
Expenses relating to short-term leases	877,887	825,843
Depreciation of right-of-use asset	467,929	467,929

**iv. Amounts recognised in statement of cash flows**

Leases under AASB 16	2022 \$	2021 \$
Total cash outflow for leases	841,912	809,531

## 16. 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:

	2022 \$	2021 \$
Not later than one year	16,603,984	14,545,030
One year or later and no later than five years	19,564,308	18,571,301
Later than 5 years	1,960,000	-
	38,128,292	33,116,331

### (B) CONSTRUCTION COMMITMENTS

	2022 \$	2021 \$
Not later than one year	2,837,777	42,223,517
One year or later and no later than five years	-	-
	2,837,777	42,223,517

## 17. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

The following are entities controlled by the Company.

NAME	CLASS OF SHARE	2022 %	2021 %
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 2022.

## 18. RELATED PARTIES

### KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are determined to be the Chief Executive Officer, Chief Financial Officer and six General Managers who make up the Executive Management Team.

	2022 \$	2021 \$
Total compensation provided	2,360,473	2,068,926

### 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) 2022 (GST EXCLUSIVE)	RECEIVABLE/ (PAYABLE) AT 31/10/22	INCOME/ (EXPENSE) 2021 (GST EXCLUSIVE)	RECEIVABLE/ (PAYABLE) AT 31/10/21
M Power	Corporate Sales	213,449	-	27,280	-
C Reid	Corporate Sales	68,714	-	34,650	-

### OTHER RELATED PARTY TRANSACTIONS

The Company entered into a loan agreement with Total Fusion Brisbane Lions Pty Ltd, a company in which the Company has a 50% interest. The loan amount is up to \$250,000. The term of the loan is four years at an interest rate of 0% and is unsecured. The amount owing to the Company by Total Fusion Brisbane Lions Pty Ltd was \$250,000 as at 31 October 2022. The Company also entered into an agreement to lease premises at Brighton Homes Arena to Total Fusion Brisbane Lions Pty Ltd, subject to satisfaction of a number on conditions precedent. The lease is expected to commence in early 2023.

## 19. 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.

## 20. 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.

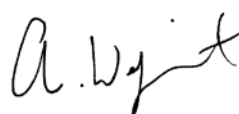
## DIRECTORS' DECLARATION

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

- (a) the financial statements and notes set out on pages 5 to 14 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Company as at 31 October 2022 and of its performance for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001;
- (b) 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 14th December 2022.

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

## REPORT ON THE AUDIT OF THE FINANCIAL REPORT

### 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 2022 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards - Simplified Disclosures Framework* and the *Corporations Regulations 2001*.

The Financial Report comprises:

- Statement of financial position as at 31 October 2022
- 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 (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL REPORT

Our objective is:

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

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

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

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

KPMG

Stephen Board  
Partner  
Brisbane  
14th December 2022

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