



CARLTON FOOTBALL CLUB ANNUAL FINANCIAL REPORT

For the year ending 31 October 2021



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During 2021, the Carlton Football Club continued to raise awareness for the prevention of violence against women through its AFLW and AFL Carlton Respects Games.

1.4M

App, website and social media impressions on Carlton Respects content.

84,252

Interactions.



Adam Saad
Variety Heart of Football Award
Winner

Nicola Stevens
Jim Stynes Community Leadership Award
Finalist





The Club broke its membership record for the fourth consecutive year.

81,302

BLUEBAGGERS







THE DIRECTORS' REPORT

The Directors present their report on the results of the Carlton Football Club Ltd ("the Club") for the year ended 31 October 2021, and the state of affairs at that date.



LUKE SAYERS AM

President
B Bus (Accounting)
B Computing (Info Systems)

Luke Sayers is the Founder and Executive Chairman of Sayers Group. This private equity-backed organisation is focused on building and growing "scale up" businesses which use technology to innovate traditional advisory and service business models. He has created his own Private Equity fund to start Sayers Group, of which he is the major shareholder.

Prior to starting Sayers Group in July 2020, Sayers was the Chief Executive Officer of PwC Australia and Vice-Chairman of PwC Asia Pacific for two terms. In this role, he led a team of more than 700 partners and over 8,000 staff helping Australian and international organisations solve their biggest problems. During this time, he grew PwC from \$1.4bn to \$2.6bn.

Sayers has a long-term commitment to community organisations and external Boards. He is currently the President of the Carlton Football Club and the Chair of the for-purpose-charity Inclusion Foundation. He is also a Director of Sentient Impact Group, and the Victorian Branch of the Male Champions of Change.

In 2019 Sayers was made a Member of the Order of Australia for his significant service to business, to people with a disability and the community.

TENURE

Carlton Football Club Director 9 years,
President 2 months

OTHER RESPONSIBILITIES

Member of the Carlton Football Club
Finance and Audit Sub-Committee.



CRAIG MATHIESON

Director
B Bus (Banking and Finance)

Craig Mathieson is Managing Director of the Mathieson Group; a diverse family business. Prior to joining the family business, Mathieson spent 10 years in the Banking Industry. He was previously the CEO of DMS Glass and is currently Non-Executive Director of ASX listed company Shaver Shop Ltd.

TENURE

Carlton Football Club Director
9 years

OTHER RESPONSIBILITIES

Chair of the Carlton Football Club Finance and Audit Sub-Committee.

DAVID CAMPBELL

Director
B Eng (Hons), B Science, MBA

David Campbell is a Partner of Egon Zehnder International – one of the world's most respected leadership and talent advisory firms – and leads the firm's Board, Consumer, Health and Technology practices in Australia and New Zealand. He specialises in Board assessment and succession, CEO succession and leadership development. He also supports a range of not-for-profit organisations with a focus on health, child development and sport. Prior to Egon Zehnder, Campbell led an apparel retail business and before that, was Group General Manager of Australia's leading fruit juice business.

TENURE

Carlton Football Club Director
3 years, 3 months

OTHER RESPONSIBILITIES

Chair of the Carlton Football Club People and Culture Sub-Committee.

PATRICIA KINNERSLY

Director
Master of Management, Graduate of A.I.C.D, B Education, Grad. Cert. Management (Educational Leadership)

Reflecting Carlton's significant investment in women's football, Patty Kinnersly made history by becoming the Blues' first designated Board member to oversee the AFLW/VFLW programs. Her appointment reflected the Club's continued commitment to good governance and to building a skills-based Board aligned to the needs of the Club.

Kinnersly is currently Chief Executive Officer of Our Watch – a national organisation driving change in cultures, attitudes and behaviours underpinning violence against women. With her insight and guidance, Kinnersly enhances the work of the Club's flagship community program in Carlton Respects, as well as community and diversity programs more broadly.

Alongside an extensive corporate career, Kinnersly has 14 years of playing experience in the VWFL for the Ballarat Lions, Fairfield Falcons and Parkside Magpies, playing in five premierships and representing Victoria on 10 occasions, twice as captain.

TENURE

Carlton Football Club Director
2 years, 11 months

OTHER RESPONSIBILITIES

Chair of the Carlton Football Club Community and Diversity Sub-Committee, Football Performance Sub-Committee (AFLW) and Member of Infrastructure Sub-Committee.



GREG WILLIAMS

Director

A dual Brownlow Medallist and a hard, uncompromising footballer, Williams played 250 games, 109 of those in the Navy Blue guernsey including a Norm Smith Medal performance in the Club's 1995 Premiership victory. As well as earning a decorated career during arguably football's toughest era, Williams also spent time as part of the Club's coaching staff as a skills coach until early 2020. He has a firm belief of what is required to return the Blues to a successful football club once again and will help drive the standards required to get there.

TENURE

Carlton Football Club Director
2 months

LAHRA CAREY

Director
B Arts (Hons), MA (Criminology),
Grad. Dip e-Commerce,
Graduate of A.I.C.D

Lahra Carey joins the Board as an experienced communications strategist and crisis manager. She has provided Australia's blue-chip companies, best known brands, not-for-profit organisations and government departments with strategic corporate communications. She uses her experience and knowledge to leverage leadership positioning on behalf of the organisations she works with. She is the founder and co-principal of PR consultancy narrative, as well as NewsFlash Media, which develops and delivers purpose-built media and presentation training programs for senior executives and other key staff.

Carey is the President of The King David School, a Non-Executive Director of the Australian Dementia Network Ltd and a former Non-Executive Director of Foodbank Victoria.

TENURE

Carlton Football Club Director
2 months

TIM LINCOLN

Director
Dip Financial Markets, Dip Computer
Studies, AFS Licence 483167, Member
of A.I.C.D and ASA

Tim Lincoln brings a wealth of data and analytics experience, having co-founded Lincoln Indicators 30 years ago, which has now grown into one of Australia's leading experts in actively managed investment funds. He has been a Blues supporter, sponsor and member for over 50 years. By joining the Carlton board, his goal is to collaboratively guide the Club to create competitive advantages by applying his data analysis to significantly enhance decision making processes and improve the probability of successful outcomes, provide meaningful insights and introduce strong accountability metrics.

TENURE

Carlton Football Club Director
2 months



ROBERT PRIESTLEY

Director
B Comm

Robert Priestley is the Chairman of J.P. Morgan Australia & New Zealand. From 2002 to 2017, Priestley was the Chief Executive Officer of J.P. Morgan Australia & New Zealand. He also served as CEO for the ASEAN region. He has over 35 years of experience in the financial services industry, working in senior management roles across Europe, Africa and the Middle East, and Asia Pacific regions. His strengths include leadership, culture and the alignment of stakeholder interests through strong strategic focus, communication and partnership. Priestley is also a senior advisor to Allen & Overy Consulting, a member of the Australian Business & Community Network Advisory Council, and the Tennis NSW Corporate Advisory Board.

TENURE

Carlton Football Club Director
2 months

OUTGOING DIRECTORS

The Carlton Football Club would like to thank Mark LoGiudice, Jeanne Pratt, Chris Judd and Christopher Townshend for their services as President and Directors of the Club, respectively.

The Club specially thanks LoGiudice for his 7 years and 10 months of Presidency. During his tenure, LoGiudice, with the support of a unified club effort, by the Club's Board, players, staff, members and commercial partners and sponsors, delivered:

- Record membership (81,302 members in 2021).
- Record sponsorship with multiple long-term, mutually beneficial partnerships that demonstrate a significant show of faith in the direction of the Club.
- A skills-based Board with strong governance, strategy, succession and accountability.
- The establishment of a Reconciliation Action Plan.
- A flagship community program in Carlton Respects that raises awareness of gender equality for the prevention of violence against women.
- The establishment of a women's team in the inaugural AFLW competition, an historic achievement for the Club.
- A Club that for the first time since 1996 is debt free and no longer a financially assisted club of the AFL.
- A strong financial position that will enable the Club to continue to increase its investment in all football programs.
- Record revenue including new, non-traditional revenue streams through Carlton IN Business and Carlton College of Sport, and;
- The largest infrastructure project for IKON Park, which will provide fully integrated, elite facilities for all teams, better conditions for members to watch games, and provide an interactive museum displaying the Club's rich history. IKON Park will continue to be the home of the Carlton Football Club long into the future.



MARK LOGIUDICE
President

TENURE

Carlton Football Club Director
11 years, 4 months and
President for 7 years, 10 months



JEANNE PRATT AC
Vice President
D. Univ (Swin)

TENURE

Carlton Football Club Director
10 years, 5 months



CHRIS JUDD
Director

TENURE

Carlton Football Club Director
3 years, 11 months



CHRISTOPHER TOWNSHEND QC
Director
BA, LLB

TENURE

Carlton Football Club Director
2 years, 2 months

1. DIRECTORS

The Directors in office during the year were:

L Sayers AM
D Campbell
P Kinnersly
C Mathieson
T Lincoln (commenced 25 August 2021)
L Carey (commenced 25 August 2021)
R Priestley (commenced 25 August 2021)
G Williams (commenced 25 August 2021)
M LoGiudice (retired 25 August 2021)
J Pratt AC (retired 25 August 2021)
C Judd (retired 25 August 2021)
C Townshend QC (retired 25 August 2021)

All Directors, unless otherwise indicated, were in office from the beginning of the year until the date of this report. Directors' details can be seen in pages 8 to 12 of this report.

2. COMPANY SECRETARY

The Company Secretary at the date of this report is Mr Thomas Crookes.

3. PRINCIPAL ACTIVITIES

The principal activities of the Club during the year were to promote and play Australian Rules Football in the Australian Football League ("AFL"), in which Carlton holds one of the 18 licenses.

4. OPERATING RESULTS AND REVIEW OF OPERATIONS

The continuing COVID-19 pandemic and subsequent health measures put in place have continued to have an impact on the Carlton Football Club's financial results and operations for the 2021 financial year. The Carlton Football Club's net profit for the year was \$20,257,029 (2020: \$3,651,912), which includes both capital and operational non-recurring grants received. The Club's net operating profit before depreciation and amortisation for the year ended 31 October 2021 was \$26,174,609 (2020: \$9,105,585).

The Club recognises the continuing impacts of COVID-19 across society have been difficult for all of our stakeholders, members, partners, fans, players and staff. In a challenging year which saw three home games played behind closed doors and a fourth played interstate, revenue from operating activities was down 13 per cent from pre-COVID-19 2019 results however an improvement from 2020 by 37 per cent.

Although the Club consistently faced challenges, the Club was able to navigate its way through a difficult year with the fantastic support of our Members and key stakeholders; fully paying off the Club's historical debt. The following were key contributors to the Club's financial performance:

- In 2021, membership grew by 21 per cent (67,035–81,302). The Club is proud of the support shown by our membership base off the back of no matches being played in front of crowds in Melbourne in 2020, returning to the football in 2021. Breaking another membership record for the Club is a testament to the Carlton faithful. The Club would like to acknowledge and sincerely thank our members and supporters for their financial contributions to the Club in 2021.
- Along with members, the return of crowds to the majority of home matches in 2021 saw the Club's Commercial partnerships revenues grow by 52 per cent from 2020 however were still down on 2019 with the Club not being able to host events in the latter half of the year due to lockdowns. The Club welcomed new Co-Major Partner, Great Southern Bank, during the year who will now join Hyundai in providing the highest level of support to the Club for at least the next three years.
- The Club's Football Department Costs and investment in high performance increased 18 per cent from 2020, however was still \$1,186,217 less than 2019 due to AFL reductions on Men's Football Department Expenditure Limits and Total Player Payments to assist the competition while revenues were reduced due to COVID-19.
- The Club's Non-traditional revenues although not immune to COVID-19 have continued to grow, supporting the Club through difficult COVID-19 interrupted years, with revenue up 75 per cent from 2020. The Carlton IN Business Network has continued to grow to 157 members. Whilst it was disappointing to have to return to remote learning during the year, the Carlton College of Sport has grown to offer three courses; adding the Football Development Program in 2021.
- In January the Club repaid its outstanding \$4,000,000 overdraft facility with Westpac Banking Corporation which arose in the past to help fund historical working capital requirements. The Club is historical debt free for the first time since 1996.



DELIVERING GAME-CHANGING INFRASTRUCTURE

A leading, fully integrated high-performance facility that cements IKON Park as the home of AFLW.

- The Club continued to raise awareness for the prevention of violence against women through Carlton Respects and our community endeavors. Carlton Respects content saw 1.4M app, website and social media impressions throughout the year. We also continued to invest in our other flagship community initiatives which includes Indigenous and multi-cultural activities and programs.
- During the year the Club completed Stage 1 of its Redevelopment which saw the delivery of the first high-performance facility in the AFL that provides fully integrated facilities for all of our athletes equally, incorporating an expanded gym, medical facilities and new changerooms, as well as improved administration spaces to continue to deliver on our strategic plan goals. The Club's Redevelopment is possible due to the funding support secured with the Victorian State Government and Federal Government in prior years which the Club is to receive \$20,000,000 and \$15,000,000 respectively, towards the redevelopment of IKON Park. The Club is progressing with Stage 2 which will see the Club cement IKON Park as the home of AFLW, including broadcast standard lighting for AFLW night matches and improved high performance training and match-day conditions.

Dividends

No dividends were paid or declared during the financial year. The Football Club is precluded from paying dividends by its Constitution.

Short and long-term objectives of the organisation:

At Carlton, we aspire to be a leader in professional sport, underpinned by The Carlton Way by:

- Sustained high performance on and off the field that wins us premierships.
- Our people feeling the strongest possible sense of belonging to our Club, proud to be part of the Navy Blue.
- Using the power of the Carlton brand to positively impact the community we work within.

Our core focus areas are:

- Football Performance
- Members and Supporters
- People and Culture
- Commercial Partnerships
- Community
- Infrastructure

5. SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year, there was no significant change in the state of affairs of the Club other than that referred to in the financial statements or notes thereto.

6. SUBSEQUENT EVENTS

In the period between the end of the financial year and the date of this report, no matter or circumstance has arisen that has significantly or may significantly affect the operations of the Club, the results of those operations or the state of affairs in subsequent financial years.

7. ENVIRONMENTAL REGULATION

The Directors believe that the operations of the economic entity are not subject to any particular or significant environmental regulation.

Environmentally Sustainable Design (ESD) initiatives have been incorporated into the facilities at IKON Park and form part of the design principles of the Redevelopment.

8. DIRECTORS MEETINGS

Directors attendances at Board meetings during the year:

Name	Attendance	Available (Total 15)
L Sayers AM	15	15
D Campbell	15	15
P Kinnersly	15	15
C Mathieson	15	15
L Carey	7	7
T Lincoln	7	7
R Priestley	7	7
G Williams	7	7
M LoGiudice	7	8
J Pratt AC	2	8
C Judd	3	8
C Townshend QC	8	8

9. AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The Directors have received an Independence Declaration from the auditor of the Club as set out on page 16 and it forms part of the Director's Report for the year ended 31 October 2021.

Ernst & Young, the external auditor to the Club, provided non-audit services to the Club during the financial year ended 31 October 2021. The Directors are satisfied that the provision of non-audit services during this period was compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

10. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year the Club paid premiums to insure each of the Club's Directors and Officers against liabilities for costs that may arise out of their conduct while acting in the capacity of Director or Officer of the Club.

The Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the Directors and Officers Liability insurance contract, as such disclosure is prohibited under the terms of the contract.

11. INDEMNIFICATION OF AUDITORS

To the extent permitted by law, Carlton Football Club Limited has agreed to indemnify the auditors, Ernst & Young, as part of the terms of the audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the end of the financial year.

12. MEMBERS GUARANTEE

The Club is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Club is wound up, the Constitution states that each member is required to contribute to a maximum of \$50 each towards meeting any outstanding liabilities and obligations of the Club.

Signed in accordance with a resolution of the Directors at Carlton on this 30th day of November 2021.



Luke Sayers
President

AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young
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Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

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Fax: +61 3 8650 7777
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Auditor's Independence Declaration to the Directors of Carlton Football Club Limited

As lead auditor for the audit of Carlton Football Club for the financial year ended 31 October 2021, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Carlton Football Club Limited and the entities it controlled during the financial year.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that appears to read 'K Bodenham'.

Kylie Bodenham
Partner
30 November 2021

A member firm of Ernst & Young Global Limited
Liability limited by a scheme approved under Professional Standards Legislation

A man with dark hair and a slight smile is holding a yellow AFL football. He is wearing a black sleeveless jersey with the AFL logo, a kangaroo logo, and the Great Southern Bank logo. The background is a city skyline under a cloudy sky.

Great Southern Bank

In 2021 we welcomed
our new Co-Major partner,
Great Southern Bank.

Darcy Vescio
2021 AFLW Leading Goalkicker



Harry McKay
2021 Coleman Medalist



STATEMENT OF CONSOLIDATED PROFIT AND LOSS AND COMPREHENSIVE INCOME

Year ended 31 October 2021

	NOTES	2021 (\$)	2020 (\$)
REVENUES			
Revenue from operating activities	1(A)	57,060,520	41,719,805
Revenue and income from other activities	1(B)	22,218,910	8,494,019
Total Revenue and Income		79,279,430	50,213,824
EXPENSES			
Club hospitality venue costs		(7,223,231)	(4,639,118)
Commercial activities		(10,611,648)	(7,046,700)
Facility costs		(2,463,734)	(1,668,912)
Football department costs		(25,109,440)	(21,265,225)
Foundation and community		(340,587)	(210,205)
Finance and administration		(4,809,084)	(3,685,342)
Marketing and media		(1,825,305)	(1,776,444)
Finance costs	2(A)	(692,227)	(817,393)
Depreciation and amortisation	2(B)	(5,917,580)	(5,453,673)
Profit/(Loss) on disposal of non current assets		(29,565)	1,100
Total Expenses from Ordinary Activities		(59,022,401)	(46,561,912)
Net Profit		20,257,029	3,651,912
Other comprehensive income		-	-
Total Comprehensive Income for the period		20,257,029	3,651,912

The above Statement of Consolidated Profit and Loss and Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

as at 31 October 2021

	NOTES	2021 (\$)	2020 (\$)
CURRENT ASSETS			
Cash and cash equivalents	3	13,147,017	11,793,958
Trade and other receivables	4	1,959,603	2,349,899
Inventories	5	244,735	286,859
Other assets	6	986,331	341,383
Asset held for sale	7	-	466,990
TOTAL CURRENT ASSETS		16,337,686	15,239,089
NON CURRENT ASSETS			
Property, plant and equipment	8	36,958,706	20,428,082
Intangible assets	9	121,678	275,375
Other financial assets	10	269,621	269,621
Other assets	6	-	401,623
Right of use asset	11	24,791,027	28,031,447
TOTAL NON CURRENT ASSETS		62,141,032	49,406,148
TOTAL ASSETS		78,478,718	64,645,237
CURRENT LIABILITIES			
Trade and other payables	12	4,155,054	4,391,734
Income received in advance	1(D)	7,193,343	6,284,622
Interest bearing liabilities	13	282,429	249,719
Provisions	14	910,363	875,037
Lease liabilities	11	3,198,604	3,110,985
TOTAL CURRENT LIABILITIES		15,739,793	14,912,097
NON CURRENT LIABILITIES			
Trade and other payables	12	343,751	687,501
Interest bearing liabilities	13	192,303	4,171,210
Provisions	14	142,868	153,370
Lease liabilities	11	22,193,487	25,255,096
TOTAL NON CURRENT LIABILITIES		22,872,409	30,267,177
TOTAL LIABILITIES		38,612,202	45,179,274
NET ASSETS		39,866,516	19,465,963
Retained profits		39,866,516	19,465,963
TOTAL EQUITY		39,866,516	19,465,963

The above Statement of Consolidated Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 October 2021

	NOTES	2021 (\$)	2020 (\$)
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		64,208,263	49,516,304
Payments to suppliers and employees		(59,681,427)	(47,632,561)
Other income		22,181,798	8,449,276
Interest received		37,112	44,743
Interest component of lease payments		(666,659)	(414,089)
Borrowing costs paid		(25,568)	(81,665)
NET CASH PROVIDED BY OPERATING ACTIVITIES		26,053,519	9,882,008
CASH FLOWS FROM INVESTING ACTIVITIES			
Income for property, plant and equipment		850	1,100
Payment for property, plant and equipment		(18,439,444)	(2,224,325)
NET CASH (USED IN) INVESTING ACTIVITIES		(18,438,594)	(2,223,225)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from interest bearing liabilities		-	2,000,000
Repayment of interest bearing liabilities		(4,000,000)	(2,048,724)
Repayment of finance lease principal		(348,209)	(377,867)
Payment of principal component of lease payments		(1,913,657)	(1,498,660)
NET CASH (USED IN) FINANCING ACTIVITIES		(6,261,866)	(1,925,251)
Net increase in cash and cash equivalents held		1,353,059	5,733,532
Cash and cash equivalents at the beginning of the year		11,793,958	6,060,426
Cash and cash equivalents at the end of the year	3	13,147,017	11,793,958

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 October 2021

	Retained Profits (\$)	Foreign Currency Translation Reserve (\$)	Total Equity (\$)
BALANCE AS AT 31 OCTOBER 2019	15,814,491	(440)	15,814,051
Profit for the year	3,651,912	-	3,651,912
Other Comprehensive Income	-	-	-
BALANCE AS AT 31 OCTOBER 2020	19,466,403	(440)	19,465,963
Consolidation of Controlling Interest	143,524	-	143,524
Profit for the year	20,257,029	-	20,257,029
Other Comprehensive Income	-	-	-
BALANCE AS AT 31 OCTOBER 2021	39,866,956	(440)	39,866,516

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 October 2021

NOTE 1 REVENUES

	2021 (\$)	2020 (\$)
(A) REVENUE FROM OPERATING ACTIVITIES		
AFL income	13,443,415	12,087,438
Club hospitality venues	12,943,975	7,557,000
Membership, gate receipts and consumer	14,147,223	10,663,145
Merchandise	2,340,187	2,030,176
Partnerships, events and commercial	11,185,674	7,353,901
Non-traditional	2,479,820	1,415,825
Other operational income	520,226	612,320
	57,060,520	41,719,805
(B) REVENUE AND INCOME FROM OTHER ACTIVITIES		
Interest income	37,112	44,743
Philanthropic contributions	3,649,073	1,396,501
Grant revenue	18,532,725	7,052,775
	22,218,910	8,494,019

(C) REVENUE RECOGNITION

Revenue is recognised when an entity transfers the control of the goods or services to a customer at an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services.

Sales revenue comprises revenue earned from partnerships, events and commercial, AFL distributions, membership and reserved seating, hospitality, gate receipts, merchandise and fundraising. Revenues are recognised at the fair value of the consideration received, net of the amount of goods and services tax (GST). The following specific recognition criteria must also be met before revenue is recognised:

i) Partnerships, events and commercial

Revenue is recognised when the performance obligations of the customer contract are achieved and the Club expects to be entitled to appropriate consideration in accordance with the terms and conditions of the contract. Monies received in advance that relate to future years performance obligations are included as a liability in income received in advance and will be recognised as revenue in the years to which they relate. Sponsorship involving contra arrangements are recognised as revenue equivalent to the fair value of services provided by the sponsor.

ii) Membership revenue

Membership revenue is recognised throughout the duration of the AFL home and away season to which it relates. Membership subscriptions received in advance from members that relate to future years are included as a liability in income received in advance and will be recognised as revenue in the years to which they relate.

iii) Interest income

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

iv) Hospitality revenue

Gaming, bar, bistro and function revenue is recognised as it is earned. Gaming revenue is recognised net of gaming wins and losses.

v) Grant revenue

Grant revenue, operational and capital including contributions of assets, is recognised when it is controlled or the Club has the right to receive the contribution. When there are conditions attached to the grant relating to the use of grant funds for specific purposes this is disclosed in the relevant note to the financial statements, refer to Note 3(B).

(D) INCOME RECEIVED IN ADVANCE

Income received in advance is recognised in line with the terms of specific contracts. Commercial and Membership subscription income received in advance is recognised in line with the commercial contract or membership subscription period and the respective service obligations of the Club.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 2 EXPENSES

	2021 (\$)	2020 (\$)
(A) FINANCE COSTS		
Interest costs on interest bearing liabilities		
- Finance lease	2,423	9,292
- Commercial bill and other loans	23,145	72,373
Total interest costs on interest bearing liabilities	25,568	81,665
Interest costs on lease liabilities	666,659	735,728
Total finance costs	692,227	817,393
(B) DEPRECIATION AND AMORTISATION		
Amortisation of intangible assets	153,697	153,697
Depreciation of plant and equipment	2,310,833	1,887,470
Depreciation of right of use assets	3,453,050	3,412,506
Total depreciation and amortisation expenses	5,917,580	5,453,673
(C) EMPLOYEE EXPENSES	30,428,058	25,316,530
(D) IMPAIRMENT OF RECEIVABLES	263,210	20,000

NOTE 3 CASH AND CASH EQUIVALENTS

	2021 (\$)	2020 (\$)
(A) RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and cash equivalents at the end of the financial year as shown in the Consolidated Cash Flow Statement is reconciled to the related items in the Statement of Consolidated Financial Position as follows:		
Cash on hand	401,255	209,227
Cash at bank	12,745,762	11,584,731
Cash and cash equivalents	13,147,017	11,793,958

Non-cash financing activities

Acquisition of assets by means of finance lease	402,012	26,150
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(B) CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Statement of Consolidated Financial Position comprise cash at banks, on hand and cash designated for a specific purpose.

Of the above Cash at bank value, \$1,899,398 relates to government grants received for the redevelopment of IKON Park, which must be spent in accordance with the project purpose. To date the Club has received \$22,800,000 in grants for the IKON Park redevelopment.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 4 TRADE AND OTHER RECEIVABLES

	2021 (\$)	2020 (\$)
Trade receivables	737,307	748,686
Allowance for expected credit losses	(17,736)	(5,513)
Trade receivables	719,571	743,173
Other receivables	1,240,022	1,608,304
Related party loans	10	(1,578)
Total trade and other receivables	1,959,603	2,349,899

(A) TRADE AND OTHER RECEIVABLES

Trade receivables are generally non-interest bearing and have 30–60 day payment terms from the date of the invoice. Amounts are initially recognised at fair value and then subsequently measured at fair value less an allowance for impairment.

Receivables from related parties are initially recognised at fair value and carried at amortised cost. Interest is taken up as income on an accrual basis.

(B) TRADE RECEIVABLES AND ALLOWANCE FOR EXPECTED CREDIT LOSSES

The Club applies a forward-looking expected credit loss (ECL) approach, in accordance with AASB 9, and calculates the ECLs based on the Club's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

NOTE 4 TRADE AND OTHER RECEIVABLES (CONT.)

TRADE RECEIVABLES AND CONTRACT ASSETS

	2021 (\$)	2020 (\$)
Receivables from third-party customers	738,857	623,309
Receivables from other related parties	(1,550)	125,377
	737,307	748,686
Allowance for expected credit losses	(17,736)	(5,513)
	719,571	743,173

NOTE 5 INVENTORIES

	2021 (\$)	2020 (\$)
Merchandise stock		
At lower of cost and net realisable value	149,588	250,555
Other inventory	95,147	36,304
Total inventories at lower of cost and net realisable value	244,735	286,859

(A) INVENTORIES

Inventories are valued in the accounts 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 the estimated costs necessary to make the sale.

(B) INVENTORY EXPENSE

Inventories recognised as cost of goods sold for the year ended 31 October 2021 totaled \$1,123,915 (2020: \$1,218,286).

(C) INVENTORY IMPAIRMENT

An impairment loss is recognised when there is objective evidence that inventories are being carried at an amount higher than net realisable value. There was no merchandise written down in the current financial year. In the prior year, merchandise was written down to its net realisable value and recognised as an expense (2020: \$75,060).

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 6 OTHER ASSETS

	2021 (\$)	2020 (\$)
Current		
Prepayments	986,331	281,383
Other investments	-	60,000
	986,331	341,383
Non Current		
Prepayments	-	401,623
	-	401,623

NOTE 7 ASSET HELD FOR SALE

	2021 (\$)	2020 (\$)
Current		
Land and buildings	-	466,990
	-	466,990

(A) ASSET HELD FOR SALE

During the prior year, the Club completed a property development in Wallan and commenced sales arrangements to sell the property. The sale of the property subsequently occurred in January 2021.

(B) ASSET HELD FOR SALE MEASUREMENT

Assets classified as held for sale are recognised at the lower of carrying amount and fair value less costs to sell. Gains and losses on subsequent re-measurement are included in the income statement. No depreciation or amortisation is charged on these assets while they are classified as held for sale.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 8 PROPERTY, PLANT AND EQUIPMENT

	2021 (\$)	2020 (\$)
Construction in progress		
Net carrying amount	10,179,710	3,091,239
Plant and equipment		
At cost	15,095,228	14,333,128
Accumulated depreciation	(9,951,345)	(9,118,966)
Net carrying amount	5,143,883	5,214,162
Furniture and fittings		
At cost	1,672,647	1,156,763
Accumulated depreciation	(752,209)	(608,173)
Net carrying amount	920,438	548,590
Leasehold improvements and buildings		
At cost	30,067,864	19,736,947
Accumulated depreciation	(9,353,189)	(8,162,856)
Net carrying amount	20,714,675	11,574,091
Total property, plant and equipment	36,958,706	20,428,082

Movements in the carrying amount of each class of property, plant and equipment between the beginning and the end of the current financial year are set out on the following page.

(A) RECONCILIATION OF CARRYING AMOUNTS (NET OF ACCUMULATED AMORTISATION AND IMPAIRMENT) AT THE BEGINNING AND END OF PERIOD

	Construction In Progress (\$)	Plant and Equipment (\$)	Furniture and Fittings (\$)	Leasehold Improvements and Buildings (\$)	Total (\$)
Carrying amount at the beginning of the year	3,091,239	5,214,162	548,590	11,574,091	20,428,082
Additions	18,283,436	583,140	-	-	18,866,576
Disposals/transfers	(11,194,965)	323,045	515,884	10,330,917	(25,119)
Depreciation expense	-	(976,464)	(144,036)	(1,190,333)	(2,310,833)
Carrying amount at year end	10,179,710	5,143,883	920,438	20,714,675	36,958,706

Plant and equipment pledged as security for liabilities; a motor vehicle and Electronic Gaming Machines (EGMs) are pledged as security for the related finance leases.

(B) ESTIMATION OF USEFUL LIVES OF ASSETS

The estimation of the useful lives of assets has been based on historical experience and manufacturers warranties (for plant and equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

(C) IMPAIRMENT

The carrying values of the Club's assets are reviewed for impairment at each reporting date, to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset is compared to the assets carrying value.

The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Club would, if deprived of the asset, replace the asset, value in use is determined as the depreciated replacement cost of the asset.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount, with an impairment loss recognised in the Consolidated Statement of Profit and Loss and Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 8 PROPERTY, PLANT AND EQUIPMENT (CONT.)

(D) PLANT AND EQUIPMENT

i) Cost

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

ii) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. Refer to Note 11 for details on operating leases.

iii) Depreciation

All fixed assets are depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the venue lease or the estimated useful lives of the improvements. The following depreciation useful life ranges have been used:

	2021
Plant and equipment	3–10 years
Furniture and fittings	5–10 years
Leasehold improvements and buildings	5–40 years

iv) Finance Leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased asset to the Club are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment. A lease liability of equal value is also recognised.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Lease payments are apportioned between finance charges and reduction of the lease liability so that a constant rate of interest is recognised on the remaining balance of the liability.

NOTE 9 INTANGIBLE ASSETS

	2021 (\$)	2020 (\$)
Reconciliation of carrying amount at the beginning and end of the period		
Licences at cost	1,536,971	1,536,971
Accumulated amortisation	(1,415,293)	(1,261,596)
Net carrying amount	121,678	275,375
Licences		
Carrying amount at the beginning of the year	275,375	429,072
Amortisation	(153,697)	(153,697)
Carrying amount at the end of the year	121,678	275,375

(A) LICENCES

The Club acquired 260 Gaming Machine Entitlements (GMEs) at auction in May 2010 and a further 30 GMEs via the gaming machine transfer market in July 2012. These GMEs came into effect on 16 August 2012, at which time the present value of the GMEs purchase price was recorded as an intangible asset and a liability recorded for payment for the entitlements which were to be made over the remaining years. The useful life of these intangible assets expires in line with the expiry of the gaming entitlements in August 2022. The asset is being amortised on a straight-line basis over 10 years.

(B) IMPAIRMENT OF INTANGIBLE ASSETS

The Club assesses impairment of intangible assets at each reporting date by evaluating conditions specific to the Club and to the particular asset that may lead to impairment. In reviewing potential impairment of intangible assets reference is made to factors including forecast future cash flows and discount rates. To the extent that intangible assets are determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 10 OTHER FINANCIAL ASSETS

	2021 (\$)	2020 (\$)
Non Current		
Sapphire Holdings Group Pty Ltd	269,621	269,621
	269,621	269,621

(A) FINANCIAL ASSETS

The Club assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss has been incurred on a financial asset, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. After initial measurement, they are subsequently carried at fair value. Changes to fair value are recognised through profit and loss.

NOTE 11 LEASES

The following are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Property (\$)	Equipment and Other (\$)	Total (\$)
2021	28,003,557	27,890	28,031,447
Additions	-	76,388	76,388
Lease remeasurments	136,242	-	136,242
Depreciation expense	(3,426,902)	(26,148)	(3,453,050)
Carrying amount at end of year	24,712,897	78,130	24,791,027
2020	31,009,062	29,046	31,038,108
Additions	377,455	28,390	405,845
Depreciation expense	(3,382,960)	(29,546)	(3,412,506)
Carrying amount at end of year	28,003,557	27,890	28,031,447

The following are the carrying amounts of lease liabilities recognised and the movements during the period:

	Property (\$)	Equipment and Other (\$)	Total (\$)
2021	28,337,960	28,121	28,366,081
Additions	-	76,388	76,388
Lease remeasurments	141,544	-	141,544
Accretion of interest	665,133	1,526	666,659
Payments	(2,553,163)	(27,153)	(2,580,316)
COVID-19 related rent concessions	(1,272,379)	(5,886)	(1,278,265)
Carrying amount at end of year	25,319,095	72,996	25,392,091
2020	31,009,062	29,046	31,038,108
Additions	377,455	28,390	405,845
Accretion of interest	734,981	747	735,728
Payments	(1,882,687)	(30,062)	(1,912,749)
COVID-19 related rent concessions	(1,900,851)	-	(1,900,851)
Carrying amount at end of year	28,337,960	28,121	28,366,081

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 11 LEASES (CONT.)

Presented below is a maturity analysis of future lease payments:

	Property (\$)	Equipment and Other (\$)	Total (\$)
No later than one year	3,761,864	25,918	3,787,782
Later than one year and not later than five years	18,028,746	56,329	18,085,075
Later than five years	6,307,690	-	6,307,690

The following are the amounts recognised in the profit or loss:

	2021 (\$)	2020 (\$)
Depreciation expense of right-of-use-assets	3,453,050	3,412,506
Interest expense on lease liabilities	666,659	735,728
COVID-19 related rent concessions	(1,278,265)	(1,900,851)
Total amount recognised in profit or loss	2,841,444	2,247,383

Practical expedients applied by the Club:

- A single discount rate for 1–3 year lease term agreements has been adopted.
- The Club has elected to exclude any initial direct costs such as legal fees incurred when entering into a new lease contract.
- The Club has exercised significant judgement in determining the lease term where contracts contain options to extend or terminate the lease.

NOTE 12 TRADE AND OTHER PAYABLES

	2021 (\$)	2020 (\$)
Current		
Trade creditors	837,746	1,444,799
Other creditors	3,317,308	2,946,935
	4,155,054	4,391,734
Non Current		
Other creditors	343,751	687,501
	343,751	687,501

(A) RECOGNITION

Trade and other payables are carried at amortised cost and are recognised for amounts to be paid in the future for goods or services received, whether or not they have been billed to the Club.

Payables to related parties are initially recognised at fair value and carried at amortised cost. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 13 INTEREST BEARING LIABILITIES

	2021 (\$)	2020 (\$)
Current		
Lease liability (i)	282,429	249,719
	282,429	249,719
Non Current		
Commercial bill	-	4,000,000
Lease liability (i)	192,303	171,210
	192,303	4,171,210

(A) INTEREST BEARING LOANS AND BORROWINGS

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Borrowing costs are recognised as an expense when incurred.

Borrowings are classified as current liabilities unless the Club has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(i) Lease liability

The current and non-current lease liabilities totaling \$474,732 (2020: \$420,929) represents finance leases maturing between 2021 and 2024 with fixed interest rates between 2.12% and 3.75%.

NOTE 14 EMPLOYEE PROVISIONS

	2021 (\$)	2020 (\$)
Current		
Annual leave	581,656	510,952
Long service leave	328,707	364,085
	910,363	875,037
Non Current		
Long service leave	142,868	153,370

(A) EMPLOYEE PROVISIONS

i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to settle within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. Employee benefit obligations are presented as current liabilities in the Statement of Consolidated Financial Position if the Club does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(B) LONG SERVICE LEAVE PROVISION

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 15 REMUNERATION OF KEY MANAGEMENT PERSONNEL

(A) COMPENSATION FOR KEY MANAGEMENT PERSONNEL

During the year, \$2,687,696 (2020: \$1,909,145) total remuneration was paid or was payable to key management personnel for services to the Club.

(B) DEFINITION OF KEY MANAGEMENT PERSONNEL

Key management personnel have been determined by the Club to be as follows:

i) Board of Directors (Non-executive Directors) for all or part of the financial year:

Luke Sayers AM
David Campbell
Patricia Kinnersly
Craig Mathieson
Lahra Carey (commenced 25 August)
Tim Lincoln (commenced 25 August)
Robert Priestley (commenced 25 August)
Greg Williams (commenced 25 August)
Mark LoGiudice (retired 25 August)
Jeanne Pratt AC (retired 25 August)
Chris Judd (retired 25 August)
Christopher Townshend QC (retired 25 August)

Non-executive Directors do not receive Directors' fees, but the Football Club has paid premiums in respect of indemnification and insurance of Directors.

ii) Other Key Management Personnel (KMP) for all or part of the financial year:

Key Management personnel as at 31 October 2021 are as follows:

- Chief Executive Officer – Brian Cook (commenced 18 October 2021)
- Chief Financial Officer – Thomas Crookes
- Head of Football – Brad Lloyd
- General Manager Consumer Business – Daniel Giese
- General Manager Communications, Marketing and Community – Vanessa Gigliotti
- General Manager People & Culture – Anya Podbury

During the financial year the following Key Management Personnel changes occurred:

- Chief Executive Officer – Cain Liddle (date of change 9 September 2021)
- Chief Commercial Officer and General Counsel – Ian Prendergast (date of change 24 May 2021)

(C) OTHER SHORT-TERM BENEFITS

Other short-term benefits consists of 'Directors' and 'Officers' Liability insurance taken out by the Club on behalf of Directors. Disclosure of the liabilities covered and the amount of the premiums paid in respect of the Directors and Officers Liability insurance contract is prohibited under the terms of the contract.

NOTE 16 RELATED PARTY DETAILS

(A) KEY MANAGEMENT PERSONNEL TOTAL

Details relating to key management personnel, including total remuneration paid are included in Note 15.

(B) OTHER RELATED PARTIES

Blues Foundation

The Blues Foundation, previously known as the Carlton Football Club Foundation was established as a Prescribed Private Fund governed by a Trust Deed. The results of the Blues Foundation are included in the consolidated results of the Club.

Carlton Blues Community Fund

The Carlton Blues Community Fund is a charitable trust governed by the terms of a Trust Deed. Mr. LoGiudice was a trustee of the Fund while he served on the Club Board. The Carlton Blues Community Fund promotes multi-cultural programs to benefit those in the community.

As of 23 March 2021, the Carlton Blues Community Fund became a controlled entity of Carlton Football Club Limited via way of Carlton Respect Pty Ltd becoming the trustee. The Carlton Blues Community fund was consolidated in the results of the Club as at 30 June 2021.

Carlton Respects

Carlton Respects is a charitable trust governed by the terms of a Trust Deed. Carlton Respects Pty Ltd is non-operating trustee of the entity of which Carlton Football Club Limited is the sole shareholder. Carlton Respects is the flagship community program of the Carlton Football Club that aims to educate the community about gender equality to prevent violence against women.

The results of Carlton Respects are included in the consolidated results of the Club. The Club loaned \$10 to Carlton Respects during the year which remained owing to the Club at 31 October 2021.

NOTE 16 RELATED PARTY DETAILS (CONT.)

(C) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

During the year a number of key management personnel and their related entities purchased club membership packages, match day tickets, attended club functions, made donations and contributed towards fundraising activities. The terms and conditions of the transactions with key management personnel were no more favourable than those available, or which might be reasonably expected to be available on similar transactions to non-key management personnel related entities on an arm's length basis.

2021	Sales to KMP (\$)	Purchases from related entities (\$)	Other revenues from KMP (\$)	Total (\$)
Corporate Sales (Revenue)	679,360	-	-	679,360
Donations (Revenue)	-	-	1,604,000	1,604,000
Other Sales (Revenue)	16,095	-	-	16,095
Purchases (Expense)	-	(67,320)	-	(67,320)
	695,455	(67,320)	1,604,000	2,232,135

2020	Sales to KMP (\$)	Purchases from related entities (\$)	Other revenues from KMP (\$)	Total (\$)
Corporate sales (Revenue)	638,479	-	-	638,479
Donations (Revenue)	-	-	61,500	61,500
Other sales (Revenue)	9,273	-	-	9,273
Purchases (Expense)	-	(9,493)	-	(9,493)
	647,752	(9,493)	61,500	699,759

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 17 COMMITMENTS FOR EXPENDITURE

Player commitments

Due to the contract terms varying considerably amongst players, it is not practical to reliably measure the future commitments under players contracts.

Finance lease commitments

The Club has finance lease contracts for a motor vehicle and EGMs with a carrying amount of \$474,732 (2020: \$420,929). These lease contracts expire within two to three years.

	2021 (\$)	2020 (\$)
Within one year	282,429	249,719
After one year but not more than five years	192,303	171,210
Carrying amount of finance lease liabilities	474,732	420,929

Management fee

The Club has entered into lease agreements and management agreements payable to ALH and O'Brien Group pertaining to the Club's member venues which are effective through to 2022 and 2032 respectively. The Club's management fee commitments under these agreements are as below. Refer to Note 11 for Leases.

	2021 (\$)	2020 (\$)
Within one year	1,659,343	1,629,365
After one year but not more than five years	851,516	3,258,730
After five years	1,163,771	-
Total management fee payments	3,674,630	4,888,095

NOTE 18 CLUB INFORMATION

The Carlton Football Club was formed in 1864 and incorporated in Melbourne, Australia, on 20 June 1978.

The registered office of the Club is located at IKON Park, Royal Parade, Carlton North, 3054.

The principal activities of the Club during the year were to promote and play Australian Rules Football in the Australian Football League ("AFL"), in which Carlton holds one of the 18 licences. The financial report of the Club for the year ended 31 October 2021 was authorised

for issue in accordance with a resolution of the Directors on 30 November 2021. Carlton Football Club is a Company Limited by Guarantee and is a not-for-profit entity. Statutory members of the Club guarantee its liabilities to the extent of \$50 each.

NOTE 19 PARENT ENTITY

The following information relates to the Carlton Football Club (the Parent Entity).

	2021 (\$)	2020 (\$)
Current assets	15,642,913	14,603,737
Non current assets	62,141,032	49,406,148
Current liabilities	(15,737,493)	(14,909,846)
Non current liabilities	(22,872,409)	(30,267,177)
Net assets	39,174,043	18,832,862
Accumulated surplus	39,174,043	18,832,862
Profit of the Parent Entity	20,341,181	3,421,186
Total Comprehensive Income of the Parent Entity	20,341,181	3,421,186

NOTE 20 CONTINGENCIES

There are no material contingent liabilities or contingent assets as at 31 October 2021.

NOTE 21 SUBSEQUENT EVENTS

In the period between the end of the financial year and the date of this report, no matter or circumstance has arisen that has significantly or may significantly affect the operations of the Club, the results of those operations or the state of affairs of the Club in subsequent financial years.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 22 COMPLIANCE AND RISK

(A) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

In applying the Club's accounting policies management continually evaluates judgments, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Club. All judgments, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions.

(B) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Carlton Football Club Limited and its controlled entities as at 31 October 2021. Control is achieved when the Club is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Club controls an investee if and only if the Club has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Club has less than a majority of the voting or similar rights of an investee, the Club considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Club re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Club obtains control over the subsidiary and ceases when the Club loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Club gains control until the date the Club ceases to control the subsidiary.

(C) GOING CONCERN

As at 31 October 2021 the Carlton Football Club Limited has a net current asset surplus of \$597,893 compared to 2020 net current asset surplus of \$326,992.

The Club's accounts have been prepared on the basis that the Carlton Football Club Limited is a going concern.

The Directors have based their conclusion of the going concern basis of accounting being appropriate on the assumption of the continued financial support of the AFL and the assumption by Club Directors that the Club would continue to be considered one of the 18 Clubs in the AFL's competition strategy. These assumptions are true for every current AFL Club, and the AFL itself is a large financial contributor to all 18 AFL Clubs through the distribution of competition wide revenues (for example the television and other media rights receipts). All 18 Clubs operate on the assumption that they will continue to receive financial distributions and that they will continue to maintain their license as one of the clubs in the AFL's ongoing competition strategy.

Should the Club not continue as a going concern it may be required to realise assets other than in the ordinary course of operations and at amounts other than those recorded in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

NOTE 22 COMPLIANCE AND RISK (CONT.)

(D) COMPARATIVE FIGURES

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

(E) COMPLIANCE WITH AUSTRALIAN ACCOUNTING STANDARDS AND STATUTORY BODIES

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. The material accounting policies adopted by the Club in the preparation of the financial report are set out in the report. The accounting policies have been consistently applied unless otherwise stated.

i) Basis of accounting

This general purpose financial report has been prepared on a going concern basis and in accordance with Australian Accounting Standards and the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

ii) Historical cost

The financial report has been prepared in accordance with the historical cost convention.

iii) Currency

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

iv) Statement of compliance

The Club has adopted AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure.

The consolidated financial statements of the Club 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.

v) New and amended standards and interpretations

The accounting policies used are consistent with those applied in the 31 October 2020 financial report.

The following new and amended accounting standards and interpretations have been recently issued by the Australian Accounting Standards Board but not yet effective, are considered relevant to the Club. They are available for early adoption but have not been applied by the Club in this Financial Report.

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities is applicable to the Club from 1 November 2022.

vi) Income tax status

The Club is exempt from income tax as an exempt sporting organisation in accordance with Section 50-45 of the Income Tax Assessment Act 1997.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)

Year ended 31 October 2021

NOTE 22 COMPLIANCE AND RISK (CONT.)

(F) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST). The amounts reported for receivables and payables are inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

(G) FINANCIAL RISK MANAGEMENT

The Club's principal financial instruments comprise receivables, payables, finance leases and cash.

The main purpose of these financial instruments is to raise finance for the Club's operations. It is, and has been throughout the period under review, the Club's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Club's financial instruments are interest rate risk, credit risk and liquidity risk. The Club uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of prevailing market interest rates, analysing and monitoring of customers for credit risk, and assessing liquidity risk by producing future rolling cash flow forecasts, which are performed on a monthly basis.

Primary responsibility for identification and control of financial risks rests with the Finance and Audit Sub-Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including interest rate risk, credit terms and future cash flow forecast projections.

Fair Values

The fair values of the Club's financial instruments are materially consistent with the carrying amounts recognised in the financial statements.

Risk Exposures and Responses

Capital Management

In managing capital, the Club aims to maintain a stable capital base, capable of withstanding cash flow fluctuations, but flexible enough to accommodate the Club's plans for growth. The Club aims to maintain an optimal capital structure to reduce the cost of capital and maximise benefits to members.

The capital structure of the Club consists of finance lease liabilities as disclosed in Note 13 and cash and cash equivalents as disclosed in Note 3.

DIRECTORS' DECLARATION

as at 31 October 2021

In accordance with a resolution of the Directors of Carlton Football Club Limited, I state that:

In the opinion of the Directors:

- (a) the consolidated financial statements and notes of Carlton Football Club Ltd and its controlled entities are in accordance with the Corporations Act 2001, including;
 - (i) giving a true and fair view of the company's financial position as at 31 October 2021 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable as noted in Note 22(C).

On behalf of the Board



Luke Sayers
President

30 November 2021

AUDITOR'S REPORT



Building a better
working world

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Independent auditor's report to the members of Carlton Football Club Limited

Opinion

We have audited the financial report of Carlton Football Club Limited (the Club), which comprises the statement of financial position as at 31 October 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- a. 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
- b. Complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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

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

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

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AUDITOR'S REPORT



Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards –Reduced Disclosure Requirements and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Club's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Club's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Club to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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AUDITOR'S REPORT



- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'K Bodenham'.

Kylie Bodenham
Partner
Melbourne
30 November 2021



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157TH ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021