

East Fremantle Football Club Inc.

Financial Statements

For the Year Ended 31 October 2018

East Fremantle Football Club Inc.

Contents

For the Year Ended 31 October 2018

| | Page |
|-------------------------------------|------|
| Financial Statements | |
| Statement of Profit or Loss | 1 |
| Statement of Assets and Liabilities | 2 |
| Statement of Changes in Equity | 3 |
| Statement of Cash Flows | 4 |
| Notes to the Financial Statements | 5 |
| Directors' Declaration | 9 |
| Independent Audit Report | 10 |

East Fremantle Football Club Inc.

**Statement of Profit or Loss
For the Year Ended 31 October 2018**

| | 2018 | 2017 |
|--|------------------|------------------|
| Note | \$ | \$ |
| Income | | |
| Administration and Management Fees | 537,524 | 608,694 |
| Bar Income | 189,915 | 335,506 |
| Facilities Income | 141,990 | 129,801 |
| Football Participation Income | - | 8,482 |
| Marketing & Fundraising Income | 224,677 | 249,038 |
| Member Subscriptions | 73,095 | 77,161 |
| Other Bar Income | 14,504 | 35,103 |
| Senior Football Income | 41,849 | 69,277 |
| Social Function Income | - | 40,151 |
| Sponsorship Income | 438,119 | 469,807 |
| Sports Store | - | 27,220 |
| Talent Development Income | 103,880 | 68,868 |
| Total Income | 1,765,553 | 2,119,108 |
| Expenditure | | |
| Bar Expenses | 126,599 | 171,592 |
| COS - Sports Bar | - | 22,807 |
| COS - Bar | - | 123,857 |
| COS - Canteen | - | 5,774 |
| Depreciation | 45,108 | 47,081 |
| Kitchen Expenses | - | 6,586 |
| Facilities Expenses | 196,085 | 187,348 |
| Fees and Charges | - | 28,910 |
| Football Participation Expense | - | 11,260 |
| Marketing & Fundraising Expenses | 106,287 | 86,228 |
| Member Expenses | 18,990 | 14,500 |
| Other Expenses | - | 21,659 |
| Senior Football Expenses | 659,743 | 792,842 |
| Social Functions Expenses | - | 8,370 |
| Sponsorship Expenses | 113,525 | 95,507 |
| Stationery, Staff & Office Expenses | 486,631 | 386,104 |
| Talent Development Expenses | 18,745 | 100,569 |
| Total Expenditure | 1,771,713 | 2,110,994 |
| Income Tax Expense | - | - |
| Profit after Income Tax | (6,160) | 8,114 |
| Retained Profit at the Beginning of the Financial Year | 896,927 | 888,813 |
| Retained Profits at the End of the Financial Year | 890,767 | 896,927 |

The accompanying notes form part of these financial statements.

East Fremantle Football Club Inc.

Statement of Assets and Liabilities

31 October 2018

| | Note | 2018 \$ | 2017 \$ |
|--|------|------------------|------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash on Hand | 3 | 31,504 | 51,160 |
| Debtors and Receivables | | 104,427 | 73,591 |
| Other Current Assets | | 800 | 800 |
| Stock on Hand | | 32,241 | 39,844 |
| TOTAL CURRENT ASSETS | | 168,972 | 165,395 |
| NON-CURRENT ASSETS | | | |
| Property, Plant and Equipment | | 1,023,246 | 978,053 |
| TOTAL NON-CURRENT ASSETS | | 1,023,246 | 978,053 |
| TOTAL ASSETS | | 1,192,218 | 1,143,448 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Credit Cards | | 1,275 | (148) |
| Employee Entitlements | | 60,140 | 67,527 |
| Finance Contract Liabilities - Current | | - | 5,652 |
| GST Liabilities | | 10,750 | 13,311 |
| Payroll Liabilities | | 1,471 | 28,131 |
| Trade & Sundry Creditors | | 149,161 | 132,047 |
| TOTAL CURRENT LIABILITIES | | 222,797 | 246,520 |
| NON-CURRENT LIABILITIES | | | |
| TOTAL LIABILITIES | | 222,797 | 246,520 |
| TOTAL MEMBERS FUNDS | | 969,421 | 896,928 |
| MEMBERS' FUNDS | | | |
| Accumulated Funds | | 896,927 | 888,813 |
| Asset Revaluation Reserve | | 78,654 | - |
| Retained Profits | | (6,160) | 8,114 |
| NET ASSETS | | 969,421 | 896,927 |

The accompanying notes form part of these financial statements.

East Fremantle Football Club Inc.

Statement of Changes in Equity
For the Year Ended 31 October 2018

| | 2018 |
|-----------------------------------|-----------------------|
| | Retained Earnings |
| | \$ |
| Balance at 1 November 2017 | <u>896,927</u> |
| Profit/(Loss) for the Year | 78,654 |
| | <u>(6,160)</u> |
| Balance at 31 October 2018 | <u><u>969,421</u></u> |
| | 2017 |
| | Retained Earnings |
| | \$ |
| Balance at 1 November 2016 | <u>888,814</u> |
| Profit/(Loss) for the Year | 8,114 |
| Rounding | (1) |
| Balance at 31 October 2017 | <u><u>896,927</u></u> |

The accompanying notes form part of these financial statements.

East Fremantle Football Club Inc.

Statement of Cash Flows

For the Year Ended 31 October 2018

| | 2018 | 2017 |
|--|------------------------|----------------------|
| Note | \$ | \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Receipts from Marketing, Fundraising, Football and Patrons | 1,742,317 | 2,110,298 |
| Payments to Suppliers and Members | (1,743,251) | (2,061,582) |
| Interest Received | 3 | 4 |
| Interest Paid | (1,426) | (2,691) |
| Net cash provided by/(used in) Operating Activities | 4 <u>(2,357)</u> | <u>46,029</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Payments for Property, Plant and Equipment | <u>(11,647)</u> | <u>(22,697)</u> |
| Net cash used by Investing Activities | <u>(11,647)</u> | <u>(22,697)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayment of Borrowings | <u>(5,652)</u> | <u>(8,362)</u> |
| Net cash used by Financing Activities | <u>(5,652)</u> | <u>(8,362)</u> |
| Net increase/(decrease) in Cash and Cash Equivalents held | (19,656) | 14,970 |
| Cash and Cash Equivalents at Beginning of Year | <u>51,160</u> | <u>36,190</u> |
| Cash and Cash Equivalents at End of Financial Year | 3 <u><u>31,504</u></u> | <u><u>51,160</u></u> |

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 October 2018

The financial statements cover East Fremantle Football Club Inc. as an individual entity. East Fremantle Football Club Inc. is a not-for-profit Association incorporated in Western Australia under the Associations Incorporation Act (WA) 2015 (the Act).

The functional and presentation currency of East Fremantle Football Club Inc. is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

2 Summary of Significant Accounting Policies

(a) Income Tax

The Association is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(c) Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Sale of Goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

Notes to the Financial Statements For the Year Ended 31 October 2018

2 Summary of Significant Accounting Policies

(c) Revenue and Other Income

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Other Income

Other income is recognised on an accruals basis when the Association is entitled to it.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Provisions

Provisions are recognised when the Association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss.

Notes to the Financial Statements
For the Year Ended 31 October 2018

3 Cash and Cash Equivalents

| | 2018 | 2017 |
|--|---------------|---------------|
| | \$ | \$ |
| Cash at Bank and in Hand | 12,830 | 6,199 |
| Bendigo Cheque Account | 6,726 | 17,521 |
| Bankwest Cheque Account | 11,948 | 27,440 |
| Total Cash and Cash Equivalents | 31,504 | 51,160 |

4 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from Operating Activities

Reconciliation of net income to net cash provided by operating activities:

| | 2018 | 2017 |
|--|----------------|---------------|
| | \$ | \$ |
| Profit for the year | (6,160) | 8,114 |
| Cash flows excluded from profit attributable to operating activities | | |
| Non-cash flows in profit: | | |
| - depreciation | 45,108 | 47,081 |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | (30,836) | 598 |
| - (increase)/decrease in inventories | 7,603 | (9,404) |
| - increase/(decrease) in trade and other payables | 17,114 | (8,253) |
| - increase/(decrease) in other liabilities | 1,423 | - |
| - increase/(decrease) in deferred taxes payable | (2,562) | - |
| - increase/(decrease) in provisions | (7,387) | 7,893 |
| - increase/(decrease) in employee benefits | (26,660) | - |
| Cashflow from operations | (2,357) | 46,029 |

5 Events after the end of the Reporting Period

The financial report was authorised for issue on 23 November 2018 by the Board of Directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations or the state of affairs of the Association in future financial years.

Notes to the Financial Statements For the Year Ended 31 October 2018

6 Auditors' Remuneration

Audit Services

| | 2018 | 2017 |
|--|--------------|--------------|
| | \$ | \$ |
| Auditors of the Association - Francis A Jones | 4,200 | 4,200 |
| Total Auditors' Remuneration | 4,200 | 4,200 |

7 Going Concern

In preparing the Financial Report the Board annually makes an assessment of the ability of the Club to continue as a going concern. The ability of the Club to meet its operational commitments is dependent in part on the continued support of the Western Australian Football Commission (WAFC) and major sponsors.

The financial statements have been prepared on the basis that the club will continue as a going concern; however the club's year end current liabilities exceeded the association's current assets.

The Board is confident that the Club will receive continued support from WAFC and major sponsors at a similar or increased level to the current year.

The Football Club plans to increase income and cut costs by performing the following –

- Confirming WAFC Grants & Sponsorship commitments are met for the 2018 season.
- All major sponsors have re-signed for the 2018 season.
- Due to changes in administration of the sport, WAFC will be covering expenditure associated with Talent Development and costs within the Football Area in 2018.
- The Club will continue to look at cost savings in the Bar and Hospitality areas, in order to reduce wages and service fees.
- The Club is seeking funding assistance from East Fremantle Town Council & WA Football Commission to cover necessary maintenance and upgrade expenses.

The directors have indicated the existence of a material uncertainty that may cast significant doubt about the association's ability to continue as a going concern if the above plans are not followed.

Should the association be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements.

8 Association Details

The registered office and principle place of the business of the association is:

East Fremantle Football Club Inc.

Cnr Moss & Marmion Streets, East Fremantle WA 6158

East Fremantle WA 6158

East Fremantle Football Club Inc.

Directors' Declaration

The committee has determined that the Association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 2 to the financial statements.

In the opinion of the committee the financial report as set out on pages 1 - 6:

1. Presents fairly the financial position of East Fremantle Football Club Inc. as at 31 October 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that East Fremantle Football Club Inc. will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the committee and is signed for and on behalf of the committee by:


President.....


CEO

Dated this 23 day of November 2018



Francis A Jones
Where people count.

East Fremantle Football Club Inc.

Independent Audit Report to the members of East Fremantle Football Club Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of East Fremantle Football Club Inc. (the association), which comprises the statement of financial position as at 31 October 2018, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and 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 association is in accordance with the Associations Incorporation Act (WA) 2015, including:

- (i) giving a true and fair view of the association's financial position as at 31 October 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the Associations Incorporation Act (WA) 2015.

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 association in accordance with the auditor independence requirements of the Associations Incorporation Act (WA) 2015 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Associations Incorporation Act (WA) 2015, which has been given to the directors of the association, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 9 of the financial statements which indicated that the club incurred a net operating loss of \$6,160 during the year ended 31 October 2018 and, the club's current liabilities still exceed its current assets by \$53,825. These conditions indicate the existence of a material uncertainty that may cast doubt about the club's ability to continue as a going concern and therefore the club may be unable to realise its assets and discharge its liabilities in the normal course of business



Francis A Jones
Where people count.

East Fremantle Football Club Inc.

Independent Audit Report to the members of East Fremantle Football Club Inc.

Responsibilities of Directors for the Financial Report

The directors of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act (WA) 2015 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 association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the association 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 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 the financial report.

Daniel Papaphotis CPA
Registered Company Auditor
- 410503
Francis A Jones Pty Ltd
154 High Street
Fremantle WA 6160

Dated: 23 November 2018