

Swan Districts Football Club (Inc)

ABN 97 835 019 730

Financial Report - 31 October 2019

Swan Districts Football Club (Inc)
Directors' report
31 October 2019

The Directors present their report, together with the financial statements, of Swan Districts Football Club (Inc) ('the Club') for the year ended 31 October 2019.

Directors

The following persons were directors of Swan Districts Football Club (Inc) during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Hodyl
Andy Holmes
Sarah Curnow
Des Hardiman
Matt Hewitson
Paul Rosair (resigned 31 October 2019)
Jim Benson
Roanna Edwards (appointed 1 November 2019)

Principal activities

During the financial year the principal continuing activities of Swan Districts Football Club (Inc) were the promotion and provision of Australian Rules Football for the community within the Swan Districts Football Club (Inc) district and zones.

Grant funding, sponsorship revenue and other fundraising activities have been critical in providing much needed cash to effectively achieve the objectives of Swan Districts Football Club (Inc).

Significant Changes

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

Operating Result

The surplus for the year amounted to \$202,791 (2018: restated surplus \$103,480).

On behalf of the officers



Peter Hodyl
President

22 January 2020
Perth



Des Hardiman
Treasurer

Swan Districts Football Club (Inc)

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General information

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

Swan District Football Club (Inc) is a not-for-profit incorporated association.

The financial statements were authorised for issue on 22 January 2020.

Swan Districts Football Club (Inc)
Statement of profit or loss and other comprehensive income
For the year ended 31 October 2019

		2019	2018
		\$	\$
			Restated
Revenue			
Administration	22	915,929	1,028,694
Commercial Operations	23	454,226	480,639
Marketing and Business Development	24	636,872	651,070
Facility		45,816	1,000
Football Operations	25	192,725	246,057
Talent		96,536	161,604
Community Programs	26	2,148,055	2,144,984
Interest Received		1,877	513
Fair value adjustment of financial assets		158	25
		<u>4,492,194</u>	<u>4,714,586</u>
Expenses			
Administration	27	(437,145)	(487,235)
Commercial Operations		(332,616)	(350,525)
Marketing and Business Development	29	(413,059)	(434,695)
Facility	30	(161,554)	(189,735)
Football Operations	31	(783,251)	(832,464)
Talent		(111,368)	(77,180)
Community Programs	32	(1,953,492)	(2,142,689)
Depreciation/Amortisation		<u>(96,918)</u>	<u>(96,581)</u>
		<u>(4,289,403)</u>	<u>(4,611,106)</u>
Surplus			
		202,791	103,480
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income / (loss) for the year attributable to the members of Swan Districts Football Club (Inc)			
		<u>202,791</u>	<u>103,480</u>

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

Swan Districts Football Club (Inc)
Statement of financial position
As at 31 October 2019

	Note	2019 \$	2018 \$ Restated
Assets			
Current assets			
Cash and cash equivalents	4	814,839	417,042
Trade and other receivables	5	83,873	267,645
Inventories	6	39,585	45,232
Prepayments		3,333	12,118
Financial assets	7	483	325
Total current assets		<u>942,113</u>	<u>742,362</u>
Non-current assets			
Property, plant and equipment	8	462,541	512,280
Investment in joint venture	9	8,825	-
Total non-current assets		<u>471,366</u>	<u>512,280</u>
Total assets		<u>1,413,479</u>	<u>1,254,642</u>
Liabilities			
Current liabilities			
Trade and other payables	10	150,627	388,777
Employee benefits provisions	11	144,122	138,237
Financial liabilities	12	23,623	19,005
Other liabilities	13	527,651	320,335
Total current liabilities		<u>846,023</u>	<u>866,354</u>
Non-current liabilities			
Financial liabilities	12	-	23,623
Total non-current liabilities		<u>-</u>	<u>23,623</u>
Total liabilities		<u>846,023</u>	<u>889,977</u>
Net assets		<u>567,456</u>	<u>364,665</u>
Equity			
Retained surplus	14	<u>567,456</u>	<u>364,665</u>
Total equity		<u>567,456</u>	<u>364,665</u>

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

Swan Districts Football Club (Inc)
Statement of changes in equity
For the year ended 31 October 2019

	Note	Retained surplus \$	Total equity \$
Balance at 1 November 2017		138,648	138,648
Prior year restatement	21	122,537	122,537
Surplus for the year (Restated)	21	103,480	103,480
Other comprehensive income for the year		-	-
Total comprehensive income for the year (Restated)		<u>103,480</u>	<u>103,480</u>
Balance at 31 October 2018 (Restated)	14	<u>364,665</u>	<u>364,665</u>
		Retained surplus \$	Total equity \$
Balance at 1 November 2018 (Restated)		364,665	364,665
Surplus for the year		202,791	202,791
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u>202,791</u>	<u>202,791</u>
Balance at 31 October 2019	14	<u>567,456</u>	<u>567,456</u>

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

Swan Districts Football Club (Inc)
Statement of cash flows
For the year ended 31 October 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers		4,851,567	4,753,614
Payments to suppliers and employees		<u>(4,399,284)</u>	<u>(4,608,154)</u>
		452,283	145,460
Interest received		1,877	513
Interest paid		<u>(7,876)</u>	<u>(4,620)</u>
Net cash from / (used in) operating activities	20	<u>446,284</u>	<u>141,353</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(50,338)	(2,668)
Proceeds from disposal of property, plant and equipment		-	22,441
Dividends received from joint venture		<u>20,856</u>	<u>15,000</u>
Net cash from / (used in) investing activities		<u>(29,482)</u>	<u>34,773</u>
Cash flows from financing activities			
Loan repayment		-	(10,000)
Hire purchase repayment		<u>(19,005)</u>	<u>(19,003)</u>
Net cash from / (used in) financing activities		<u>(19,005)</u>	<u>(29,003)</u>
Net increase in cash and cash equivalents		397,797	147,123
Cash and cash equivalents at the beginning of the financial year		<u>417,042</u>	<u>269,919</u>
Cash and cash equivalents at the end of the financial year	4	<u>814,839</u>	<u>417,042</u>

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

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

Swan Districts Football Club (Inc) has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Club.

The following Accounting Standards and Interpretations are most relevant to the Club:

AASB 9 Financial Instruments

The Club has adopted AASB 9 from 1 November 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.

All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.

New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Impact of adoption

AASB 9 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact on opening retained surpluses as at 1 November 2018.

Basis of preparation

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

Historical cost convention

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

Critical accounting estimates

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

Comparative figures

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 1. Significant accounting policies (continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to Swan Districts Football Club (Inc) and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales revenue

Events, fundraising and raffles are recognised at the time the pledge is made.

Donations

Donations are recognised at the time the pledge is made.

Grants

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

Interest

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

Recruitment Revenue and Expenditure

Transfer fees both received and paid for players are brought to account as income/expenses on an accrual basis upon obtaining a contractual agreement.

Other revenue

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

Leases

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

(i) Club as a lessee

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

Operating lease payments are recognised as an expense in the statements of comprehensive income on a straight-line basis over the lease term. Lease incentives are recognised in the statements of comprehensive income as part of the total lease expense.

Income tax

Swan Districts Football Club (Inc) is exempt from paying income tax under the *Income Tax Assessment Act 1997*.

Current and non-current classification

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

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

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 1. Significant accounting policies (continued)

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

Cash and cash equivalents

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

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

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

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Club commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at 'fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement of financial assets

Financial assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset, unless, an accounting mismatch is being avoided.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Club intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition. Upon adoption of AASB 9, the Club has not made such an election to recognise fair value adjustments on financial assets through other comprehensive income.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Impairment of financial assets

The Club recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Club's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognised, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 1. Significant accounting policies (continued)

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Classification and subsequent measurement of financial liabilities

The Club's financial liabilities include trade and other payables.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Property, plant and equipment

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

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

Leasehold improvements	20 - 25 years
Plant and equipment	2 - 20 years
Motor vehicles	6 - 7 years

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

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

Impairment of non-financial assets

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

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

Trade and other payables

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

Employee benefits

Short-term employee benefits

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

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 1. Significant accounting policies (continued)

Other long-term employee benefits

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

Defined contribution superannuation expense

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

Fair value measurement

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

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

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

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Club for the annual reporting period ended 31 October 2019. The Club has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

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

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

Employee benefits provision

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

Note 3. Expenses

	2019	2018
	\$	\$
Surplus includes the following specific expenses:		
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>164,820</u>	<u>184,763</u>

Note 4. Current assets - cash and cash equivalents

	2019	2018
	\$	\$
Cash on hand	2,400	2,200
Cash at bank	<u>812,439</u>	<u>414,842</u>
	<u><u>814,839</u></u>	<u><u>417,042</u></u>

Note 5. Current assets - trade and other receivables

	Note	2019	2018
		\$	\$
			Restated
Trade receivables		73,698	55,507
Other receivables		6,580	59,069
Accrued revenue	21	<u>3,595</u>	<u>153,069</u>
		<u><u>83,873</u></u>	<u><u>267,645</u></u>

Management have considered the impact of expected credit losses under AASB 9 by determining the value of aged receivables that could potentially have expected credit losses, and then applying an expected credit loss rate to determine the allowance for expected credit losses. Based on management's assessment of the expected credit losses, no allowance for credit losses is required to be recognised as at 31 October 2019 as it is considered immaterial.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 6. Current assets - inventories

	2019 \$	2018 \$
Items held for resale - at lower of cost and net realisable value (i)		
- Merchandise	18,014	25,382
- Bar	19,201	17,171
- Canteen	2,370	2,679
	<u>39,585</u>	<u>45,232</u>

(i) There is no deed of consignment over inventories as at 31 October 2019.

Note 7. Current assets – financial assets

	2019 \$	2018 \$
Financial assets – at fair value	<u>483</u>	<u>325</u>
	<u>483</u>	<u>325</u>

The fair value of financial assets of \$483 (2018: \$325) has been assessed by reference to ASX published price quotations to determine market value.

Movements in financial assets – at fair value

Movements in financial assets during the current financial year are set out below:

	Financial assets \$
Balance at 1 November 2018	325
Fair value adjustment through profit or loss	<u>158</u>
Balance at 31 October 2019	<u>483</u>

Note 8. Non-current assets - property, plant and equipment

	2019 \$	2018 \$
Buildings and leasehold improvements - at cost	851,753	847,509
Less: Accumulated depreciation	<u>(609,225)</u>	<u>(575,330)</u>
	<u>242,528</u>	<u>272,179</u>
Plant and equipment - at cost	1,254,911	1,215,470
Less: Accumulated depreciation	<u>(1,034,898)</u>	<u>(980,297)</u>
	<u>220,013</u>	<u>235,173</u>
Motor vehicles - at cost	52,087	52,087
Less: Accumulated depreciation	<u>(52,087)</u>	<u>(47,159)</u>
	<u>-</u>	<u>4,928</u>
	<u>462,541</u>	<u>512,280</u>

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Buildings and leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 November 2018	272,179	235,173	4,928	512,280
Additions	10,900	39,438	-	50,338
Disposals	(3,162)	-	-	(3,162)
Depreciation expense	(37,390)	(54,598)	(4,928)	(96,916)
	<u>242,528</u>	<u>220,013</u>	<u>-</u>	<u>462,541</u>
Balance at 31 October 2019				

Note 9. Non-current assets - Investments

	2019 \$	2018 \$
Investment accounted for using the equity method	8,825	-
	<u>8,825</u>	<u>-</u>

Note 10. Current liabilities - trade and other payables

	2019 \$	2018 \$
Trade payables	50,845	127,163
Accruals	27,114	37,749
Sundry creditors	3,148	7,384
PAYG and superannuation	65,141	205,692
GST liabilities (net)	4,379	10,789
	<u>150,627</u>	<u>388,777</u>

Note 11. Current liabilities - employee benefits provisions

	2019 \$	2018 \$
Employee benefits – annual leave	111,979	89,611
Employee benefits – long service leave	32,143	48,626
Total current employee benefits	<u>144,122</u>	<u>138,237</u>

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 12. Financial liabilities

	2019	2018
	\$	\$
		Restated
Current liabilities		
Hire purchase contract liability	28,062	23,625
Unexpired interest charges	<u>(4,439)</u>	<u>(4,620)</u>
	23,623	19,005
Non-current liabilities		
Hire purchase contract liability	-	28,062
Unexpired interest charges	<u>-</u>	<u>(4,439)</u>
	-	23,623
Total financial liabilities	<u>23,623</u>	<u>42,628</u>

Note 13. Current liabilities – Other liabilities

	2019	2018
	\$	\$
Income in advance – Community Programs	346,911	307,029
Income in advance - Memberships	12,640	13,306
Unexpended grant – Australian Sports Commission	<u>168,100</u>	<u>-</u>
	<u>527,651</u>	<u>320,335</u>

Note 14. Equity - retained surplus

	Note	2019	2018
		\$	\$
			Restated
Retained surplus at the beginning of the financial year		364,665	138,648
Prior year restatement	21	-	122,537
Surplus for the year		202,791	103,480
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Retained surplus at the end of the financial year		<u>567,456</u>	<u>364,665</u>

Note 15. Contingent liabilities

Swan Districts Football Club (Inc) had no contingent liabilities as at 31 October 2019 and 31 October 2018.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 16. Commitments

	2019 \$	2018 \$
(a) Operating lease expenditure commitments		
- Not later than one year	37,510	45,625
- Later than one year and not later than five years	11,912	49,423
- Later than five years	-	-
	<u>49,422</u>	<u>95,048</u>
(b) Capital commitments		
- Female Football Changerooms	<u>188,000</u>	<u>-</u>

Note 17. Auditors Remuneration

	2019 \$	2018 \$
Amounts received or due and receivable by William Buck Audit (WA) Pty Ltd for:		
- Audit or review of the financial report of the entity	5,500	-
- Other services in relation to the entity	1,200	-
Amounts received or due and receivable by Ray Woolley Pty Ltd for:		
- Audit or review of the financial report of the entity	-	5,000
	<u>6,700</u>	<u>5,000</u>

Note 18. Related party transactions

Transactions with related parties

Swan Districts Football Club (Inc) is a unit holder of Swan Districts Sports Clinic Unit Trust (Swan Districts Sports Clinic Pty Ltd). The club has recognised their 50% ownership share as an investment accounted for using the equity method.

Receivable from and payable to related parties

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

Loans to/from related parties

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

Note 19. Events after the reporting period

No matter or circumstance has arisen since 31 October 2019 that has significantly affected or may significantly affect Swan Districts Football Club (Inc)'s operations, the results of those operations, or Swan Districts Football Club (Inc)'s state of affairs in future financial years.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 20. Reconciliation of surplus to net cash from operating activities

	2019	2018
	\$	\$
		Restated
Surplus for the year	202,791	103,480
Adjustments for:		
Depreciation	96,918	96,581
(Gain) / loss on disposal of property, plant and equipment	3,159	(3,269)
Investment in joint venture	(8,825)	-
Dividends received from joint venture	(20,856)	(15,000)
Fair value adjustment of financial assets	(158)	(25)
Change in operating assets and liabilities		
(Increase)/Decrease in trade and other receivables	183,772	128,824
(Increase)/Decrease in inventories	5,647	(5,177)
(Increase)/Decrease in prepayments	8,785	(5,523)
Increase/(Decrease) in other liabilities	207,316	146,780
Increase/(Decrease) in trade and other payables	(238,150)	(96,475)
Increase/(Decrease) in employee provisions	5,885	(208,843)
Net cash from operating activities	<u>446,284</u>	<u>141,353</u>

Note 21. Prior Year Restatement

The information below details adjustments made to restate prior year end balances that were misstated.

	Pre-adjusted	Adjusted	Restated
	2018	2018	2018
	\$	\$	\$
Statement of Financial Position			
Trade and other Receivables ¹	114,575	153,069	267,645
Financial liabilities ²	53,375	(10,748)	42,628
Opening retained surplus ^{1,2}	138,648	122,537	261,185
Total Equity	200,847	163,818	364,665
Statement of Profit or Loss and Other Comprehensive Income			
Administration income ¹	987,413	41,281	1,028,694
Surplus	62,199	41,281	103,480

1. The prior year restatement was necessary to accrue and recognise revenue for historical phone tower electricity charges dating back to 2013.
2. The prior year restatement was necessary to bring the outstanding balance of the chattel mortgage in line with the repayment schedule issued by the lender.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 22. Administration Income

	2019	2018
	\$	\$
Asset & Venue Rentals & Dividends	59,792	93,971
Corporate/Management Fees	283,683	384,000
Sundry Income	60,211	23,592
WAFC Grants	512,243	483,117
Audit Restated adjustments	-	44,014
	<u>915,929</u>	<u>1,028,694</u>

Note 23. Commercial Operations Income

	2019	2018
	\$	\$
Sales - Bar	245,555	279,584
Sales - Catering	97,681	114,748
Sales - Merchandise	52,612	53,382
Total Gross Sales	<u>395,848</u>	<u>447,714</u>
Cost of Sales - Bar	(113,467)	(120,476)
Cost of Sales - Catering	(40,356)	(59,228)
Cost of Sales - Merchandise	(47,645)	(38,066)
Total Cost of Sales	<u>(201,468)</u>	<u>(217,770)</u>
Gross Profit	194,380	229,944
Venue Hire & Sundry Income	58,378	32,927
	<u>252,758</u>	<u>262,871</u>

Note 24. Marketing & Business Development Income

	2019	2018
	\$	\$
Functions & Fundraising	101,468	196,912
Membership Fees	69,082	64,497
Sponsorship	462,955	388,274
Sundry Income	3,367	1,387
	<u>636,872</u>	<u>651,070</u>

Note 25. Football Operations Income

	2019	2018
	\$	\$
Gate Receipts	89,969	100,532
Sundry Income	85,256	97,401
Transfer Fees	17,500	48,124
	<u>192,725</u>	<u>246,057</u>

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 26. Community Programs Income

	2019	2018
	\$	\$
Program Funding Government	619,034	545,762
Program Funding Private	1,460,451	1,490,178
Sundry Income & Donations	68,570	109,044
	<u>2,148,055</u>	<u>2,144,984</u>

Note 27. Administration Expenses

	2019	2018
	\$	\$
Audit Fees	11,700	7,000
Bad & Doubtful Debts	237	25,935
Bank Charges & Interest	11,260	14,528
Computing, Telephone & Office Expenses	21,800	39,688
FBT, Payroll Tax & Superannuation	55,450	64,733
Insurance & Workers Comp	45,438	39,597
Printing & Stationery	16,204	26,727
Salaries & Employee Expenses	270,211	262,556
Sundry Admin Expenses	4,845	6,471
	<u>437,145</u>	<u>487,235</u>

Note 28. Commercial Operations (excluding Cost of Sales)

	2019	2018
	\$	\$
General Bar Expenses	6,003	18,285
Catering Expenses	35,853	-
Salary & Employee Costs	89,293	114,473
	<u>131,149</u>	<u>132,758</u>

Note 29. Marketing & Business Development Expenses

	2019	2018
	\$	\$
Advertising Promotion & Office Expenses	60,087	60,422
Functions & Sponsorship Servicing	181,546	206,343
Salary & Employee Costs	162,481	149,780
Sundry Expenses	8,945	18,150
	<u>413,059</u>	<u>434,695</u>

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2019

Note 30. Facility Expenses

	2019	2018
	\$	\$
Cleaning, R&M, Security	62,314	57,972
Light Power & Gas	29,731	42,321
Rates & Facility Lease	49,415	66,064
Salary & Employee Costs	17,936	15,095
Sundry Expenses	2,158	8,283
	<u>161,554</u>	<u>189,735</u>

Note 31. Football Operations Expenses

	2019	2018
	\$	\$
Catering	14,553	16,011
Equipment, Footballs & Uniforms	57,961	55,497
Insurance & General Expenses	7,654	15,091
Match & Training Expenses	40,160	18,104
Medical and Game Day Staff	135,533	100,600
Medical Supplies	16,937	18,348
Player Payments (incl Super)	230,850	276,882
Recruitment & Transfer Fees	12,000	24,636
Salaries Football Staff (incl Super)	204,470	219,553
Travel & Motor Vehicle	57,661	43,923
Trophies & Awards	2,078	8,431
Sundry Expenses	3,394	35,388
	<u>783,251</u>	<u>832,464</u>

Note 32. Community Programs Expenses

	2019	2018
	\$	\$
Computer IT, Office & Rates	50,472	43,531
Insurance & Sundry Expenses	32,890	31,391
Management Fees	279,300	384,000
Employee Costs	1,213,137	1,180,193
Program Expenses & Communities	244,292	358,879
Rent & Accommodation	133,401	144,695
	<u>1,953,492</u>	<u>2,142,689</u>

Swan Districts Football Club (Inc)
Directors' declaration
31 October 2019

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the *Associations Incorporation Act 2015 (WA)* and associated regulations;
- the attached financial statements and notes give a true and fair view of Swan Districts Football Club (Inc)'s financial position as at 31 October 2019 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that Swan Districts Football Club (Inc) will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Peter Hodyl
President

22 January 2020
Perth



Des Hardiman
Treasurer

Swan Districts Football Club (Inc)

Independent auditor's report to members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial report of Swan Districts Football Club (Inc) (the Club), which comprises the statement of financial position as at 31 October 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the director's declaration.

In our opinion the financial report of Swan Districts Football Club (Inc) has been prepared in accordance with the *Associations Incorporations Act 2015 (WA)*, including:

- a) giving a true and fair view of the Club's financial position as at 31 October 2019 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards Reduced Disclosure Regime.

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 Club in accordance with the auditor independence requirements of the *Associations Incorporations Act 2015 (WA)*, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board are responsible for the other information. The other information comprises the information included in the Club's annual report for the year ended 31 October 2019, but does not include the financial report and our auditor's report thereon.

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

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

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

ACCOUNTANTS & ADVISORS

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williambuck.com

Independent auditor's report to members (cont.)

Responsibilities of the Directors for the Financial Report

The directors of the Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Regime and the *Associations Incorporations Act 2015 (WA)* 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 related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Club or to cease operations, or has no realistic alternative but to do so.

The directors are responsible for overseeing the Club's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our independent auditor's report.

William Buck

William Buck Audit (WA) Pty Ltd

ABN 67 125 012 124

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Conley Manifis

Director

Dated this 22nd day of January 2020