

# **West Perth Football Club Inc**

**ABN 92 978 459 481**

## **Financial Report - 31 October 2019**

**West Perth Football Club Inc  
Directors' report  
31 October 2019**

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

**Directors**

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

Neale Fong  
Ross Kelly  
Jimmy Caffieri  
Peter Cutler  
Sam Modica  
Paul Murray  
Brett Raponi (Appointed – 12 December, 2018)  
Philip O'Donnell (Co-opted – 21 August, 2019)

**Principal activities**

During the financial year the principal continuing activities of West Perth Football Club Inc were the promotion and provision of Australian Rules Football for the community within the West Perth Football Club Inc district and zones.

The fundraising activities and sponsorship of West Perth Football Club Inc have been critical in providing much needed cash to effectively achieve the objectives of West Perth Football Club Inc.

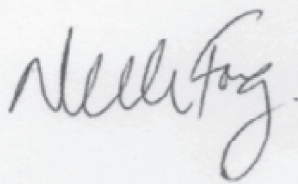
**Significant Changes**

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

**Operating Result**

The deficit for the year amounted to \$85,280 (2018: surplus \$352,012).

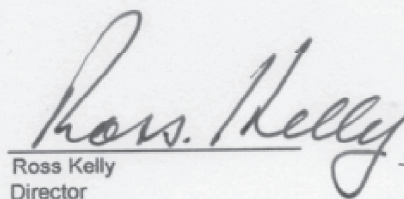
On behalf of the officers



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Neale Fong  
President

21 February 2020  
Perth



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Ross Kelly  
Director

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**General information**

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

West Perth Football Club Inc is a not-for-profit incorporated association.

The financial statements were authorised for issue on 21 February 2020.

**West Perth Football Club Inc**  
**Statement of profit or loss and other comprehensive income**  
**For the year ended 31 October 2019**

	Note	2019 \$	2018 \$
<b>Revenue</b>			
Football	3(a)	337,660	417,375
Marketing	3(b)	558,364	484,118
Catering	3(c)	111,233	16,817
WAFC grant	3(d)	536,558	543,213
Donations		28,115	246,793
Resources received free of charge – Venue fit out	3(e)	-	380,000
Gain from Deed of Company Arrangement	3(f)	82,174	344,446
Other income		7,449	13,099
		<u>1,661,553</u>	<u>2,445,861</u>
<b>Expenses</b>			
Administration	4(a)	951,391	956,345
Football	4(b)	530,929	537,764
Marketing	4(c)	261,475	335,516
Finance costs		2,023	8,916
Depreciation		1,015	59,030
Loss on disposal of non-current assets		-	196,278
		<u>1,746,833</u>	<u>2,093,849</u>
<b>Surplus / (Deficit)</b>		(85,280)	352,012
Other comprehensive income for the year		-	-
<b>Total comprehensive income / (loss) for the year attributable to the members of West Perth Football Club Inc</b>		<u>(85,280)</u>	<u>352,012</u>

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

**West Perth Football Club Inc**  
**Statement of financial position**  
**As at 31 October 2019**

	Note	2019 \$	2018 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	180,948	190,547
Trade and other receivables	6	28,566	208,423
Inventories	7	23,408	21,383
Prepayments		1,542	-
Total current assets		<u>234,464</u>	<u>420,353</u>
<b>Non-current assets</b>			
Property, plant and equipment	8	330,104	331,119
Total non-current assets		<u>330,104</u>	<u>331,119</u>
<b>Total assets</b>		<u>564,568</u>	<u>751,472</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and Other Payables	9	252,511	369,506
Financial Liabilities – WAFC Loan	11	254,167	241,667
Hire Purchase		378	5,010
Provisions	10	24,826	17,324
Total current liabilities		<u>531,882</u>	<u>633,506</u>
<b>Total liabilities</b>		<u>531,882</u>	<u>633,506</u>
<b>Net assets</b>		<u>32,686</u>	<u>117,966</u>
<b>Equity</b>			
Retained surplus		<u>32,686</u>	<u>117,966</u>
<b>Total equity</b>		<u>32,686</u>	<u>117,966</u>

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

**West Perth Football Club Inc**  
**Statement of changes in equity**  
**For the year ended 31 October 2019**

	<b>Retained surplus \$</b>	<b>Total equity \$</b>
Balance at 1 November 2017	(234,046)	(234,046)
Surplus / (deficit) for the year	352,012	352,012
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>352,012</u>	<u>352,012</u>
Balance at 31 October 2018	<u>117,966</u>	<u>117,966</u>
	<b>Retained surplus \$</b>	<b>Total equity \$</b>
Balance at 1 November 2018	117,966	117,966
Surplus / (deficit) for the year	(85,280)	(85,280)
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>(85,280)</u>	<u>(85,280)</u>
Balance at 31 October 2019	<u>32,686</u>	<u>32,686</u>

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

**West Perth Football Club Inc**  
**Statement of cash flows**  
**For the year ended 31 October 2019**

	Note	2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		1,193,423	975,589
Payments to suppliers and employees		<u>(1,774,679)</u>	<u>(1,911,855)</u>
		(581,256)	(936,266)
Donations Received		28,115	214,793
Grants received		<u>536,558</u>	<u>543,213</u>
Net cash from / (used in) operating activities		<u>(16,583)</u>	<u>(178,260)</u>
<b>Cash flows from investing activities</b>			
Interest received		<u>1,140</u>	<u>173</u>
Net cash from / (used in) investing activities		<u>1,140</u>	<u>173</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		25,000	320,000
Repayment of borrowings		(17,132)	(28,133)
Interest paid		<u>(2,023)</u>	<u>(8,916)</u>
Net cash from / (used in) financing activities		<u>5,844</u>	<u>282,951</u>
Net increase / (decrease) in cash and cash equivalents		(9,599)	104,864
Cash and cash equivalents at the beginning of the financial year		<u>190,547</u>	<u>85,683</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>180,948</u></u>	<u><u>190,547</u></u>

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

**West Perth 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**

West Perth 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.

**Revenue recognition**

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



**West Perth Football Club Inc**  
**Notes to the financial statements**  
**For the year ended 31 October 2019**

**Note 1. Significant accounting policies (continued)**

*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**

West Perth 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 West Perth 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.

A liability is classified as current when: it is either expected to be settled in the West Perth 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.

**West Perth Football Club Inc**  
**Notes to the financial statements**  
**For the year ended 31 October 2019**

**Note 1. Significant accounting policies (continued)**

**Cash and cash equivalents**

Cash and cash equivalents include 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**

Trade and 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 company 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 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.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimate. 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.

**West Perth Football Club Inc**  
**Notes to the financial statements**  
**For the year ended 31 October 2019**

**Note 1. Significant accounting policies (continued)**

*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	5-15 years
Motor vehicles	3-5 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 West Perth 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 West Perth 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.

*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.

**West Perth Football Club Inc**  
**Notes to the financial statements**  
**For the year ended 31 October 2019**

**Note 1. Significant accounting policies (continued)**

**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.

**Going Concern**

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At the reporting date the Club has a working capital deficit of \$297,418 and net assets of \$32,686. Included in current liabilities is a loan repayable to the West Australian Football Commission of \$254,167. The West Australian Football Commission have agreed to delay future loan repayments for the period November 2019 to October 2020, however interest is payable on the loan balance at the rate of 3% per annum. The West Australian Football Commission have also provided West Perth Football Club Inc with a Letter of Comfort to the value of \$150,000. This surety is provided only if the Club require additional financial support should they require it. The going concern basis of the Club is dependent upon the Club being able to generate sufficient revenue and to effectively manage its costs to pay its debts as and when they become due. On this basis, the Directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Club be unable to generate sufficient revenue and manage its costs, there is a material uncertainty that may cast significant doubt on whether the Club will be able to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

**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.

**West Perth Football Club Inc**  
**Notes to the financial statements**  
**For the year ended 31 October 2019**

**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*

West Perth 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.

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

West Perth 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 West Perth 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.

West Perth Football Club Inc.  
Notes to the financial statements  
For the year ended 31 October 2019

**Note 3. Revenue**

	2019 \$	2018 \$
<b>3(a) Football Income</b>		
Corporate Box Sales	19,227	21,746
Gate Receipts	56,618	99,578
Membership Fees	84,071	103,554
Raffle and Auction Proceeds	57,122	36,316
Talent Development Fees	55,000	53,054
Transfer & Draft Fees	22,500	63,000
Uniform / Apparel Sales	21,780	32,668
Other	21,342	7,459
	<u>337,660</u>	<u>417,375</u>
<b>3(b) Marketing Income</b>		
Advertising	2,000	7,727
Functions and Events	147,336	222,963
Pourage Distribution	-	21,485
Sponsorship	315,156	172,943
Venue Hire	12,341	23,591
Merchandise	20,441	35,409
Other	61,090	-
	<u>558,364</u>	<u>484,118</u>
<b>3(c) Catering Income</b>		
Sales - Bar	91,506	15,558
Sales - Catering	12,647	200
Catering Commission	7,080	1,059
	<u>111,233</u>	<u>16,817</u>
<b>3(d) WAFC Grant Income</b>		
Grant - WAFC	536,558	543,213
	<u>536,558</u>	<u>543,213</u>

**3(e) Resources received free of charge – Venue fit out**

West Perth Football Club Inc moved into their new offices at the Joondalup Arena on 2 November 2017. It was West Perth Football Club Inc's understanding that the fixtures and fittings at the offices were "gifted" to West Perth Football Club Inc as part of the project funding to redevelop HBF Arena. In September 2019, the ownership of the fixed assets has been challenged by Venues West and at this point there is no clear indication as to whether the assets belong to West Perth Football Club Inc or to Venues West. As a result, the board of West Perth Football Club Inc will continue to recognise the value of these assets in the Clubs statement of financial position until such time that it is proven otherwise.

**3(f) Gain from Deed of Company Arrangement**

In 2018, the financial statements contained certain provisions for expenses relating to the calculation of the Deed of Company Arrangement. ("DOCA"). These conservative provisions were made to ensure that the club had accounted for all potential expenses relating to the administrators and creditor payments. In October 2019, on approval and finalisation of the DOCA with KordaMentha, it was found that that there was a provision excess of \$82,174. These excess provisions have now been recognised as a gain from the Deed of Company Arrangement.

**West Perth Football Club Inc**  
**Notes to the financial statements**  
**For the year ended 31 October 2019**

**Note 4. Expenses**

	2019	2018
	\$	\$
<b>4(a) Administration expenses</b>		
Accounting/Bookkeeping Fees	11,685	33,460
Audit fees	8,150	4,800
Bad debts expense	9,303	15,591
Bank fees	4,103	6,196
Cleaning	32,323	34,771
Consultancy & Legal expenses	12,714	56,197
Electricity	49,663	20,666
Information Technology	30,374	32,765
Insurance	15,077	24,140
Motor Vehicle leases / hire	11,038	11,708
Repairs & Maintenance	8,139	11,796
Postage & Stationery	5,696	15,594
Telephone	13,762	12,765
Venue Hire / Rent	1,053	73,388
Other	226,986	51,875
Administration Salaries & Wages	468,077	503,946
Administration Superannuation	43,248	47,679
Payroll costs - other	-	(992)
	<u>951,391</u>	<u>956,345</u>
<b>4(b) Football expenses</b>		
Bar & canteen stock purchases	38,857	37,030
Equipment hire / purchases	10,697	22,215
Match day expenses	12,492	21,168
Media & Video	16,898	13,996
Medical consumables & services	15,833	23,884
Motor Vehicle costs - other	7,592	17,141
Stats Production	-	13,786
Transfer fees	13,000	6,000
Umpire payments	5,680	3,925
Uniforms	46,352	57,079
Football Salaries & Wages	309,140	286,453
Football superannuation (players & coaching staff)	28,732	24,554
Other	25,656	10,553
	<u>530,929</u>	<u>537,764</u>
<b>4(c) Marketing expenses</b>		
Advertising	1,317	15,619
Food and beverage - Events	110,138	122,064
Honorariums	55,150	92,550
Hospitality	-	16,885
Membership expenses	6,106	25,489
Merchandise purchases	-	60,275
Sponsorship / signage	43,542	366
Other	45,222	2,268
	<u>261,475</u>	<u>335,516</u>

West Perth Football Club Inc  
Notes to the financial statements  
For the year ended 31 October 2019

**Note 5. Current assets - cash and cash equivalents**

	2019 \$	2018 \$
Cash on hand	500	2,300
Cash at bank	180,448	188,247
	<u>180,948</u>	<u>190,547</u>

**Note 6. Current assets - trade and other receivables**

	2019 \$	2018 \$
Trade Debtors	36,252	130,020
Allowance for expected credit losses	(8,226)	-
Accrued Income	390	78,403
	<u>28,416</u>	<u>208,423</u>
Other receivables	150	-
	<u>28,566</u>	<u>208,423</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.

**Note 7. Current assets - inventories**

	2019 \$	2018 \$
Items held for resale - at lower of cost and net realisable value (i)		
Merchandise	15,064	10,309
Bar Stock	8,344	11,073
	<u>23,408</u>	<u>21,383</u>

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



West Perth Football Club Inc  
Notes to the financial statements  
For the year ended 31 October 2019

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

	2019 \$	2018 \$
Leasehold improvements - at cost	323,000	380,000
Less: Accumulated depreciation	-	(57,000)
	<u>323,000</u>	<u>323,000</u>
Motor vehicles - at cost	19,582	19,582
Less: Accumulated depreciation	(12,478)	(11,463)
	<u>7,104</u>	<u>8,119</u>
	<u>330,104</u>	<u>331,119</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial year are set out below. Due to the uncertainty surrounding the ownership of leasehold improvements, depreciation expense has not been included for the 2019 financial year:

	Leasehold improvements \$	Motor vehicles \$	Total \$
Balance at 1 November 2018	323,000	8,119	331,119
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	-	(1,015)	(1,015)
Balance at 31 October 2019	<u>323,000</u>	<u>7,104</u>	<u>330,104</u>

**West Perth Football Club Inc**  
**Notes to the financial statements**  
**For the year ended 31 October 2019**

**Note 9. Current liabilities - trade and other payables**

	2019 \$	2018 \$
Trade payables	166,813	60,008
GST payable	64,879	46,948
Accrued expenses	19,728	248,514
Superannuation payable	-	11,740
Other payables	1,091	2,296
	<u>252,511</u>	<u>369,506</u>

**Trade payables ageing summary**

	Number of days outstanding				Total \$
	0 – 30 days \$	30 – 60 days \$	60 – 90 days \$	More than 90 days \$	
<b>2019</b>					
Trade payables (a)	51,127	648	-	115,038	166,813
BAS payable	64,879	-	-	-	64,879
Accrued expenses	19,728	-	-	-	19,728
Superannuation payable	-	-	-	-	-
Other payables (a)	1,091	-	-	-	1,091
	<u>136,825</u>	<u>648</u>	<u>-</u>	<u>115,038</u>	<u>252,511</u>

	Number of days outstanding				Total \$
	0 – 30 days \$	30 – 60 days \$	60 – 90 days \$	More than 90 days \$	
<b>2018</b>					
Trade payables (a)	53,113	1,253	165	5,477	60,008
BAS payable	46,948	-	-	-	46,948
Accrued expenses	248,514	-	-	-	248,514
Superannuation payable	11,740	-	-	-	11,740
Other payables (a)	2,296	-	-	-	2,296
	<u>362,611</u>	<u>1,253</u>	<u>165</u>	<u>5,477</u>	<u>369,506</u>

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

- (i) Trade payables are non-interest bearing and generally on 30-day terms.
- (ii) Other payables and other receivables are non-interest bearing and have repayment terms between 30 and 90 days.

**Note 10. Current liabilities - employee benefits provisions**

	2019 \$	2018 \$
Employee benefits – annual leave	<u>24,826</u>	<u>17,324</u>
Total current employee benefits	<u>24,826</u>	<u>17,324</u>

**West Perth Football Club Inc**  
**Notes to the financial statements**  
**For the year ended 31 October 2019**

**Note 11. Financial liabilities**

	2019	2018
	\$	\$
WAFC Loan facility – current	254,167	241,667
	<u>254,167</u>	<u>241,667</u>

**Note 12. Contingent liabilities**

West Perth Football Club Inc had no contingent liabilities as at 31 October 2019 and 31 October 2018.

**Note 13. Commitments**

	2019	2018
	\$	\$
(a) Operating lease expenditure commitments		
- Not later than one year	88,386	92,166
- Later than one year and not later than five years	4,579	92,965
- Later than five years	-	-
	<u>92,965</u>	<u>185,131</u>

**Note 14. 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	5,500
- Other services in relation to the entity	-	1,200
	<u>5,500</u>	<u>6,700</u>

**Note 15. Related party transactions**

*Transactions with related parties*

There were the following transactions with related parties during the current and previous financial year:

- Ballem Civil Contracting Pty Ltd provided Player Awards to West Perth Football Club Inc and purchased auction items to the value of \$4,715 during the year, as well as purchasing tickets to luncheons and functions that were paid for during the year. Former President, Scott Ballem has an interest in Ballem Civil Contracting Pty Ltd.
- Onebos Pty Ltd provided financial, accounting and compliance services to West Perth Football Club Inc to the value of \$3,306. Sam Modica is a director of West Perth Football Club Inc. and is the director / owner of Onebos Pty Ltd.

*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.

**West Perth Football Club Inc**  
**Notes to the financial statements**  
**For the year ended 31 October 2019**

**Note 16. Events after the reporting period**

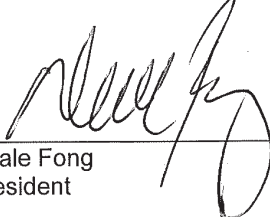
No matter or circumstance has arisen since 31 October 2019 that has significantly affected or may significantly affect West Perth Football Club Inc's operations, the results of those operations, or West Perth Football Club Inc's state of affairs in future financial years.

**West Perth 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 West Perth Football Club Inc 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 West Perth Football Club Inc will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



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Neale Fong  
President

---

Ross Kelly  
Director

21 February 2020  
Perth

**West Perth 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 West Perth Football Club Inc 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 West Perth Football Club Inc will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

---

Neale Fong  
President

21 February 2020  
Perth



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Ross Kelly  
Director

## West Perth Football Club Inc.

Independent auditor's report to members of West Perth Football Club Inc.

## Report on the Audit of the Financial Report

### Disclaimer of Opinion

We were engaged to audit the financial report of West Perth 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 directors' declaration.

We do not express an opinion on the accompanying financial report of the Club. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

### Basis for Disclaimer of Opinion

The Club's leasehold improvements have a net book value of \$323,000 on the statement of financial position, which represents a significant portion of the Club's total assets as at 31 October 2019. We were not able to obtain sufficient appropriate audit evidence to establish the Club's ownership of the leasehold improvements as the Club is still undergoing negotiations with the lessor to determine ownership as at the date of our audit report. As a result of this matter, we were unable to determine whether any adjustments might have been found necessary in respect of recorded leasehold improvements. Potential adjustments, if required, would impact depreciation expense within the statement of profit or loss and other comprehensive income and the net asset/liability position within the statement of financial position.

On 24 July 2018, West Perth Football Club Inc. went into administration and control was handed back to the directors on 14 September 2018. As the Club was subject to external administration through a Deed of Company Arrangement, complete accounting records were not available. Therefore, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to the results of the financial performance and cash flows for the year ended 31 October 2018 and the statement of financial position as at that date. Accordingly, we are not in a position to, and do not, express an opinion on the 31 October 2018 comparatives. Since opening balances enter into the determination of the financial performance for the year ended 31 October 2019, we were unable to determine whether adjustments might have been necessary in respect

#### ACCOUNTANTS & ADVISORS

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## Independent auditor's report to members West Perth Football Club Inc. (cont'd.)

of the income for the year reported in the statement of profit or loss and other comprehensive income.

Due to their nature and quantum, the above matters are considered both material and pervasive to the financial report.

### **Material Uncertainty Related to Going Concern**

We draw attention to Note 1 in the financial report, which indicates that the Club has a working capital deficit of \$297,418 and net assets of \$32,686. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1 indicate that a material uncertainty exists that may cast significant doubt on the Club's ability to continue as a going concern.

### **Other Information**

The Board of Directors 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.

### **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 management 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.



## Independent auditor's report to members West Perth Football Club Inc. (cont'd.)

In preparing the financial report, the Board of 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 Board of Directors are responsible for overseeing the Club's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our responsibility is to conduct an audit of the Club's financial report in accordance with Australian Auditing Standards and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

We are independent of the Club in accordance with 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.

William Buck

William Buck Audit (WA) Pty Ltd  
ABN 67 125 012 124

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Conley Manifis  
Director

Dated this 21<sup>st</sup> day of February 2020