

# **East Fremantle Football Club Inc.**

## **Financial Statements**

**For the Year Ended 31 October 2017**

**East Fremantle Football Club Inc.**

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**For the Year Ended 31 October 2017**

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**East Fremantle Football Club Inc.**

**Statement of Profit or Loss  
For the Year Ended 31 October 2017**

	Note	2017 \$	2016 \$
<b>Income</b>			
Administration and Management Fees	3	608,694	606,413
Bar Income	3	335,506	457,136
Facilities Income	3	129,801	121,081
Football Participation Income		8,482	24,201
Marketing & Fundraising Income		249,038	247,229
Member Subscriptions		77,161	94,675
Other Bar Income		35,103	20,028
Senior Football Income		69,277	72,419
Social Function Income		40,151	30,916
Sponsorship Income		469,807	458,262
Sports Store		27,220	39,543
Talent Development Income		68,868	71,099
<b>Total Income</b>		<b>2,119,108</b>	<b>2,243,002</b>
<b>Expenditure</b>			
Bar Expenses	4(c)	171,592	235,264
COS - Sports Bar		22,807	33,251
COS - Bar		123,857	140,009
COS - Canteen		5,774	28,834
Depreciation		47,081	45,014
Kitchen Expenses		6,586	-
Facilities Expenses	4(b)	187,348	170,172
Fees and Charges		28,910	31,629
Football Participation Expense		11,260	14,038
Marketing & Fundraising Expenses		86,228	78,802
Member Expenses		14,500	17,957
Other Expenses		21,659	30,279
Senior Football Expenses	4(d)	792,842	806,460
Social Functions Expenses		8,370	37,199
Sponsorship Expenses		95,507	79,908
Stationery, Staff & Office Expenses	4(a)	386,104	427,517
Talent Development Expenses	4(e)	100,569	101,606
<b>Total Expenditure</b>		<b>2,110,994</b>	<b>2,277,939</b>
Income Tax Expense		-	-
Profit after Income Tax		8,114	(34,937)
Retained profit at the Beginning of the Financial Year		888,813	923,751
<b>Retained profits at the End of the Financial Year</b>		<b>896,927</b>	<b>888,814</b>

The accompanying notes form part of these financial statements.

East Fremantle Football Club Inc.

**Statement of Assets and Liabilities**

31 October 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on Hand	5	51,160	36,190
Debtors and Receivables		73,591	74,188
Other Current Assets		800	800
Stock on Hand		39,844	30,440
<b>TOTAL CURRENT ASSETS</b>		<u>165,395</u>	<u>141,618</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment		978,053	1,002,438
<b>TOTAL NON-CURRENT ASSETS</b>		<u>978,053</u>	<u>1,002,438</u>
<b>TOTAL ASSETS</b>		<u>1,143,448</u>	<u>1,144,056</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Credit Cards		(148)	(702)
Employee Entitlements		67,527	59,634
Finance Contract Liabilities - Current		5,653	8,362
GST Liabilities		13,311	13,213
Payroll Liabilities		28,131	29,715
Trade & Sundry Creditors		132,047	139,717
<b>TOTAL CURRENT LIABILITIES</b>		<u>246,521</u>	<u>249,939</u>
<b>NON-CURRENT LIABILITIES</b>			
Accruals		-	521
Finance Contract Liabilities - Non Current		-	4,782
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>-</u>	<u>5,303</u>
<b>TOTAL LIABILITIES</b>		<u>246,521</u>	<u>255,242</u>
<b>TOTAL MEMBERS FUNDS</b>		<u>896,927</u>	<u>888,814</u>
<b>MEMBERS' FUNDS</b>			
Accumulated Funds		888,813	923,751
Retained Profits		8,114	(34,937)
<b>NET ASSETS</b>		<u>896,927</u>	<u>888,814</u>

The accompanying notes form part of these financial statements.

East Fremantle Football Club Inc.

**Statement of Changes in Equity**

For the Year Ended 31 October 2017

	2017
	Retained Earnings
	\$
<b>Balance at 1 November 2016</b>	<u>888,814</u>
Profit/(Loss) For the Year	8,114
Rounding	(1)
<b>Balance at 31 October 2017</b>	<u><u>896,927</u></u>
	2016
	Retained Earnings
	\$
<b>Balance at 1 November 2015</b>	<u>923,751</u>
Profit/(Loss) for the Year	(34,937)
<b>Balance at 31 October 2016</b>	<u><u>888,814</u></u>

The accompanying notes form part of these financial statements.

**East Fremantle Football Club Inc.**

**Statement of Cash Flows**  
**For the Year Ended 31 October 2017**

	2017	2016
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from Marketing, Fundraising, Football and Patrons	2,033,137	2,152,715
Receipts from Member Subscriptions	77,161	94,675
Payments to Suppliers and Members	(2,061,582)	(2,266,065)
Interest Received	4	4
Interest Paid	(2,691)	(3,160)
Net cash provided by/(used in) Operating Activities	6 <u>46,029</u>	<u>(21,831)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for Property, Plant and Equipment	<u>(22,697)</u>	<u>(25,281)</u>
Net cash used by Investing Activities	<u>(22,697)</u>	<u>(25,281)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of Borrowings	<u>(8,362)</u>	<u>(8,411)</u>
Net cash used by Financing Activities	<u>(8,362)</u>	<u>(8,411)</u>
Net increase/(decrease) in Cash and Cash Equivalents held	14,970	(55,523)
Cash and Cash Equivalents at Beginning of Year	<u>36,190</u>	<u>91,713</u>
Cash and Cash Equivalents at End of Financial Year	5 <u><u>51,160</u></u>	<u><u>36,190</u></u>

The accompanying notes form part of these financial statements.



## East Fremantle Football Club Inc.

# Notes to the Financial Statements

For the Year Ended 31 October 2017

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

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

Comparatives are consistent with prior years, unless otherwise stated.

### 1 Basis of Preparation

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

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

### 2 Summary of Significant Accounting Policies

#### (a) Income Tax

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

#### (b) Leases

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

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

#### (c) Revenue and other income

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

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

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

#### Sale of goods

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

## Notes to the Financial Statements

### For the Year Ended 31 October 2017

#### 2 Summary of Significant Accounting Policies continued

##### (c) Revenue and other income continued

###### Subscriptions

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

###### Other income

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

##### (d) Goods and Services Tax (GST)

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

##### (e) Inventories

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

##### (f) Property, plant and equipment

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

###### Depreciation

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

##### (g) Cash and cash equivalents

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

##### (h) Provisions

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

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



East Fremantle Football Club Inc.

**Notes to the Financial Statements**  
For the Year Ended 31 October 2017

**3 Bar, Facilities and Administration Income**

	2017	2016
	\$	\$
<b>Bar Income</b>		
- Canteen Sales	-	59,454
- Function Food Catering	3,836	13,088
- Sales - Members Kitchen	8,122	-
- Sales - Bar	294,250	355,914
- Sales - Internal	29,298	28,680
<b>Total Bar Income</b>	<u>335,506</u>	<u>457,136</u>
<b>Facilities Income</b>		
- Gate Takings	75,025	69,837
- Ground Hire	5,936	-
- Rent	48,726	51,020
- Sundry Facilities Income	114	224
<b>Total Facilities Income</b>	<u>129,801</u>	<u>121,081</u>
<b>Administration Income</b>		
- Grants and Subsidies	9,031	11,718
- Insurance Claims	-	5,498
- Interest Received	4	4
- Sundry Income	-	154
- WAFC Management Grants	599,659	589,039
<b>Total Administration Income</b>	<u>608,694</u>	<u>606,413</u>

East Fremantle Football Club Inc.

**Notes to the Financial Statements**  
For the Year Ended 31 October 2017

4 Expenses

(a) Stationery, Staff & Office Expenses

	2017	2016
	\$	\$
Computer Expenses	10,984	18,592
Postage & Couriers	6,472	7,158
Long Service Leave	1,072	-
Printing & Stationery	11,821	10,372
Professional Development	1,412	1,818
Salaries & Wages	305,547	336,319
Staff Amenities	2,605	1,712
Superannuation	29,902	34,616
Telephone & Internet	14,789	12,482
Website Maintenance	1,500	4,448
<b>Total Stationery, Staff &amp; Office Expenses</b>	<b>386,104</b>	<b>427,517</b>

(b) Facilities Expense

	2017	2016
	\$	\$
Cleaning Consumables	6,187	6,032
Cleaning Contractors	23,862	20,104
Council Share of Gate Proceeds	13,178	14,245
Door & Gatekeeping	7,115	6,255
Electricity & Gas	43,414	46,263
Ground Expenses	7,121	3,670
Hire of Plant and Equipment	-	656
Insurance	26,136	28,289
Pest Control	842	740
Rates, Taxes & Oval Lease	19,463	19,381
Repairs & Maintenance	27,542	17,483
Rubbish Removal	1,882	-
Security	10,606	7,054
<b>Total Facilities Expense</b>	<b>187,348</b>	<b>170,172</b>

East Fremantle Football Club Inc.

**Notes to the Financial Statements**  
For the Year Ended 31 October 2017

**4 Expenses continued**

**(c) Bar Expenses**

	2017	2016
	\$	\$
Bar Expenses	16,647	16,817
Bar Services	106,533	101,355
Facility Setup Expense	7,399	12,762
Food/Catering Expenses	18,409	39,246
Gas & Cylinder Rental	3,826	3,355
Glassware & Consumables	733	1,778
Management Fee - Delaware	13,058	40,790
Linen Expenses	-	3,993
Miscellaneous Expenses	2,567	3,572
Repairs and Maintenance	2,420	11,116
Unallocated Delaware Costs	-	(520)
<b>Total Bar Expenses</b>	<b>171,592</b>	<b>234,264</b>

**(d) Senior Football Expenses**

	2017	2016
	\$	\$
Advertising and Promotion	8,245	11,674
Coaches/Trainers Payments	185,608	189,940
Colts	1,122	1,759
Footballs & Uniforms	25,431	23,291
Insurance	7,530	9,962
Match Expenses - Team	8,523	8,827
Medical & Injury Expenses	40,101	41,957
Miscellaneous Expenses	29,289	26,406
Player and Fee Transfer Fee Expenses	54,426	30,234
Player Payments	209,447	240,494
Recruiting Expenses	6,094	13,392
Salaries & Wages	157,920	154,178
Strength and Conditioning	39,719	40,208
Training Expenses	11,576	4,354
Travelling and Motor Vehicle Expenses	7,811	9,784
<b>Total Senior Football Expenses</b>	<b>792,842</b>	<b>806,460</b>

East Fremantle Football Club Inc.

**Notes to the Financial Statements**  
For the Year Ended 31 October 2017

4 Expenses continued

(e) Talent Development Expenses

	2017	2016
	\$	\$
Development Squad Coaches	70	909
Development Squad Expenses - Metro	39,660	44,263
Development Squad Expenses - Country	12,310	12,425
Football Academy Expenses	711	6,450
Motor Vehicle Expenses	5,366	1,030
Salaries & Wages	37,932	33,110
Superannuation	1,917	1,736
Telephones - Mobile	-	232
Travelling Exp - Country Zone	1,697	1,356
Zone - Sundry Expenses	906	95
<b>Total Talent Development Expenses</b>	<b>100,569</b>	<b>101,606</b>

5 Cash and Cash Equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	6,199	5,546
Bendigo Cheque Account	17,521	18,475
Bankwest Cheque Account	27,440	12,169
<b>Total Cash and Cash Equivalents</b>	<b>51,160</b>	<b>36,190</b>

6 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

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

	2017	2016
	\$	\$
Profit for the year	8,114	(34,937)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	47,081	45,013
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	598	4,388
- (increase)/decrease in inventories	(9,404)	16,585
- (increase)/decrease in shares held	-	300
- increase/(decrease) in trade and other payables	(8,253)	(61,916)
- increase/(decrease) in provisions	7,893	8,736
Cashflow from operations	<b>46,029</b>	<b>(21,831)</b>

## East Fremantle Football Club Inc.

### Notes to the Financial Statements

For the Year Ended 31 October 2017

#### 7 Events after the end of the Reporting Period

The financial report was authorised for issue on 24 November 2017 by the Board of Directors.

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

#### 8 Auditors' Remuneration

##### Audit Services

	2017	2016
	\$	\$
Auditors of the Association - Francis A Jones	4,200	3,700
<b>Total Auditors' Remuneration</b>	<b>4,200</b>	<b>3,700</b>

#### 9 Going Concern

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

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

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

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

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

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

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



**East Fremantle Football Club Inc.**

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2017**

### **10 Association Details**

The registered office and principle place of the business of the association is:  
East Fremantle Football Club Inc.  
Cnr Moss & Marmion Streets, East Fremantle WA 6158  
East Fremantle WA 6158



East Fremantle Football Club Inc.

**Directors' Declaration**

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

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

1. Presents fairly the financial position of East Fremantle Football Club Inc. as at 31 October 2017 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that East Fremantle Football Club Inc. will be able to pay its debts as and when they fall due.

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

President.....

CEO.....

Dated this 28<sup>th</sup> day of November 2017



Francis A Jones  
Where people count.

## **East Fremantle Football Club Inc.**

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

#### **Report on the Audit of the Financial Report**

##### **Opinion**

We have audited the financial report of East Fremantle Football Club Inc. (the association), which comprises the statement of assets and liabilities as at 31 October 2017, the statement of profit or loss, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the association is in accordance with the Associations Incorporation Act (WA) 2015, including:

- (i) giving a true and fair view of the association's financial position as at 31 October 2017 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the Associations Incorporation Act (WA) 2015.

##### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the association in accordance with the auditor independence requirements of the Associations Incorporation Act (WA) 2015 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

##### **Emphasis of Matter**

Without qualifying our opinion, we draw attention to Note 9 of the financial statements which indicated that the club incurred a net operating profit of \$8,114 during the year ended 31 October 2017 and, the club's current liabilities still exceed its current assets by \$81,126. These conditions indicate the existence of a material uncertainty that may cast doubt about the club's ability to continue as a going concern and therefore the club may be unable to realise its assets and discharge its liabilities in the normal course of business

##### **Responsibilities of Directors for the Financial Report**

The directors of the association are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Associations Incorporation Act (WA) 2015 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Francis A Jones

Where people count.

## **East Fremantle Football Club Inc.**

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

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

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

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

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

Dated: 28 November 2017

