

SWAN DISTRICTS FOOTBALL CLUB (INC.)

FINANCIAL STATEMENTS

For the year ended

31 October 2018

**Ray Woolley
Auditor
17 Russley Grove
Yanchep
WA 6035**

Swan Districts Football Club Inc.
INCOME STATEMENT
For the Year Ended 31 October 2018

	Note	2018	2017
INCOME			
Administration	10	984,681	1,202,386
Commercial Operations (net)	11	262,871	331,854
Marketing & Business Development	12	651,070	566,991
Facility		1,000	0
Football Operations	13	246,057	251,239
Community Engagement		26,607	0
Profit on Sale of Fixed Assets		3,269	0
Talent		161,604	47,463
V Swans	14	2,118,377	2,249,088
		<u>4,455,536</u>	<u>4,649,021</u>
EXPENDITURE			
Administration	15	487,235	761,154
Commercial Operations	16	132,758	114,919
Marketing & Business Development	17	434,695	312,501
Facility	18	189,735	0
Football Operations	19	832,464	1,022,704
Community Engagement		3,711	0
Talent		77,180	53,338
V Swans	20	2,138,978	2,249,479
		<u>4,296,756</u>	<u>4,514,095</u>
(Less) Depreciation		96,581	100,204
SURPLUS FOR THE YEAR		<u>\$62,199</u>	<u>\$34,722</u>

SWAN DISTRICTS FOOTBALL CLUB INC.
BALANCE SHEET
AS AT 31 OCTOBER 2018

	<i>Note</i>	2018	2017
CURRENT ASSETS			
Cash Assets	2	417,042	269,919
Receivables	3	105,317	275,422
Inventories	4	45,232	40,055
Other Current Assets		0	-5,523
Total Current Assets		<u>567,591</u>	<u>579,873</u>
NON-CURRENT ASSETS			
Property, Plant & Equipment	5	512,605	625,665
Swan Districts Sports Clinic		21,375	11,375
Total non-current Assets		<u>533,980</u>	<u>637,040</u>
TOTAL ASSETS		<u>1,101,571</u>	<u>1,216,913</u>
CURRENT LIABILITIES			
Payables	6	351,028	447,503
Grants & Income Received in Advance	7	320,335	173,555
Provisions & Accruals	8	175,986	384,829
Total Current Liabilities		<u>847,349</u>	<u>1,005,887</u>
NON-CURRENT LIABILITIES			
Hire Purchase Contracts	9	53,375	72,378
TOTAL LIABILITIES		<u>900,724</u>	<u>1,078,265</u>
NET ASSETS		<u>\$200,847</u>	<u>\$138,648</u>
ACCUMULATED FUNDS			
Accumulated Surplus at beginning of year		138,648	103,926
NET PROFIT for the year		62,199	34,722
ACCUMULATED SURPLUS AT YEAR END		<u>\$200,847</u>	<u>\$138,648</u>

**SWAN DISTRICTS FOOTBALL CLUB INC.
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2018**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations	4,768,614	4,418,742
Payments to suppliers and employees	-4,608,154	-4,611,843
Interest received	513	153
Hire Purchase Charges	-4,620	-4,620
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>156,353</u>	<u>-197,568</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds of sale of Fixed Assets	22,441	0
Repayment of Hire Purchase	-19,003	-18,619
Loan Repayment	-10,000	10,000
Additions of Fixed Assets	-2,668	-6,920
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>-9,230</u>	<u>-15,539</u>
NET INCREASE IN CASH HELD	<u>147,123</u>	<u>-213,107</u>
Cash brought forward	269,919	483,026
CLOSING CASH CARRIED FORWARD	<u>\$417,042</u>	<u>\$269,919</u>
Reconciliation of Net Cash Flow from Operating Activities		
Operating Profit	62,199	34,722
Depreciation and Amortisation (including V Swans depreciation)	96,581	109,789
Profit on Sale of Fixed Assets	-3,269	0
Change in Market Value of Shares	-25	10,200
Change in:		
Receivables	170,105	-22,250
Inventories	-5,177	-3,354
Other Current Assets	-5,523	4,493
Payables	-96,475	30,907
Grants & Income Received In Advance	146,780	-207,877
Provisions & Accruals	-208,843	-154,199
Net Cash from Operating Activities	<u>\$156,353</u>	<u>-\$197,568</u>

**SWAN DISTRICTS FOOTBALL CLUB (INC.)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2018**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Framework

The financial statements are special purpose financial statements prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 2015 (WA). The Board has determined that the club is not a reporting entity.

Statement of Compliance

The financial report has been prepared in accordance with the Associations Incorporation Act 2015 (WA), the basis of accounting specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101: *Presentation of Financial Statements*, AASB 107: *Cash Flow Statements*, AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*, AASB 1031: *Materiality* and AASB 1054: *Australian Additional Disclosures*.

Basis of Preparation

The financial statements have been prepared on an accruals basis and are based on historic costs. They do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Income Tax

The Club is not subject to income tax and as such there is no provision for income tax payable.

(b) Property, Plant and Equipment

Depreciation on Buildings and Club House Improvements is calculated on a prime cost basis so as to write off the net cost of the fixed assets over its expected useful life of 25 years. It is anticipated that existing Buildings and Club House Improvements will be fully written off by 31st October 2022.

Depreciation on Plant and Equipment and Motor Vehicles is calculated on a diminishing value or prime cost basis so as to write off the net cost of each fixed asset over its expected useful life.

(c) Impairment of Assets

At the end of each reporting period, the committee review the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, the asset's carrying value. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income statement. SportsHero Limited Shares were revalued in 2017 and 2018.

(d) Inventories

Inventories are valued at the lower of cost and net realisable value.

(e) Leases

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

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight line basis.

Finance leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased item to the club are capitalised at the present value of the minimum lease payments and disclosed as motor vehicles under lease. A lease liability of equal value is also recognised.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the assets and the lease term. Minimum lease payments are allocated between interest expense and reduction of the lease liability with the interest expense calculated using the interest rate implicit in the lease and charged directly to profit and loss.

- (f) **Employee Entitlements**
Provision is made for annual leave and long service leave estimated to be payable to employees on the basis of statutory and contractual requirements. Vested entitlements are classified as current liabilities. The contributions made to superannuation funds by the Club are charged against profit.
- (g) **Provisions**
Provisions are recognised when the club 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 readily measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.
- (h) **Cash and Cash Equivalents**
Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term highly liquid investments with the original maturities of three months or less.
- (i) **Accounts Receivable and Other Debtors**
Accounts receivable are recognised and carried forward at the original invoice amount less any provision for any uncollectible debts. An estimate for doubtful debts is made when collection of full amount is no longer probable. Bad Debts are written off as incurred.
- (j) **Revenue and Other Income**
Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.
Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive the dividend has been established.
Grant and donation income is recognised when the entity obtains control over the funds, amounts are carried forward to be matched with expenditure in regard to those grants.
- (k) **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 Taxation Office (ATO). Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.
- (l) **Financial Assets**
Investments in financial assets are recognised at current value.
- (m) **Accounts Payable and Other Payables**
Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the club during the reporting period that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

	2018	2017
2 CASH ASSETS		
National Australia Bank Trading	304,254	148,862
Bank of Queensland Accounts	5,851	5,847
Bankwest Telenet Saver (Memorial A/cs)	12,687	12,566
ANZ Saving	92,050	97,177
Cash on Hand	2,200	5,467
	<u>417,042</u>	<u>269,919</u>
3 RECEIVABLES		
Trade Debtors	55,507	221,450
Sundry Debtors	22,703	15,025
Rental Bonds	14,990	20,020
Prepayments	12,117	18,927
	<u>105,317</u>	<u>275,422</u>
4 INVENTORIES		
Stock on Hand - Bar (at cost)	17,171	15,424
Stock on Hand - Merchandise (at cost)	25,381	22,887
Stock on Hand - Canteen (at cost)	2,680	1,744
	<u>45,232</u>	<u>40,055</u>

5	PROPERTY, PLANT & EQUIPMENT		
	Buildings (at 1997 Independent Sworn Valuation)	550,000	550,000
	Buildings Improvements (at cost)	<u>297,509</u>	<u>297,509</u>
		847,509	847,509
	(less) Accumulated Depreciation	<u>575,330</u>	<u>538,483</u>
		272,179	309,026
	Plant, Fixtures & Fittings (at cost)	1,215,470	1,198,754
	(less) Accumulated Depreciation	<u>980,297</u>	<u>911,025</u>
		235,173	287,729
	Motor Vehicles & Trailers (at cost)	52,087	103,905
	(less) Accumulated Depreciation	<u>47,159</u>	<u>75,295</u>
		4,928	28,610
	SportsHero Limited Shares	325	300
	Total Property, Plant & Equipment	<u>512,605</u>	<u>625,665</u>
6	PAYABLES		
	Trade Creditors	127,163	126,244
	Sundry Creditors	7,384	32,614
	PAYG & Superannuation	205,692	166,970
	GST Liabilities (net)	<u>10,789</u>	<u>121,675</u>
		351,028	447,503
7	GRANTS & INCOME RECEIVED IN ADVANCE		
	Grants Received in Advance (V Swans)	307,029	164,559
	Memberships Received in Advance	<u>13,306</u>	<u>8,996</u>
		320,335	173,555

8	ACCRUALS & PROVISIONS		
	Accrued Wages & Salaries	19,324	15,105
	Business Development	18,425	128,391
	Employee Entitlements	138,237	187,517
	Penalties & Interest ATO	0	53,816
		<u>175,986</u>	<u>384,829</u>
9	HIRE-PURCHASE CONTRACTS		
	Solar Energy Panels (2016)	<u>53,375</u>	<u>72,378</u>
10	GENERAL INCOME		
	Asset & Venue Rentals & Dividends	93,971	93,131
	Corporate/ Management Fees	384,000	416,400
	Sundry Income	23,593	18,628
	WAFC Grants	483,117	674,227
		<u>984,681</u>	<u>1,202,386</u>
11	COMMERCIAL OPERATIONS		
	Sales - Bar	279,584	342,739
	Sales - Catering	114,748	74,712
	Sales - Merchandise	53,382	n/a
	Total Gross Sales	<u>447,714</u>	<u>417,451</u>
	Cost of Sales:		
	Cost of Sales - Bar	120,476	118,287
	Cost of Sales - Catering	59,228	42,326
	Cost of Sales - Merchandise	38,066	n/a
	Total Cost of Sales	<u>217,770</u>	<u>160,613</u>
	Gross Profit	229,944	256,838
	Venue Hire & Sundry Income	32,927	18,808
	Total Bar & Functions Income	<u>262,871</u>	<u>275,646</u>
12	MARKETING & BUSINESS DEVELOPMENT		
	Functions & Fundraising	196,912	84,282
	Membership Fees	64,497	71,248
	Sponsorship	388,274	411,461
	Sundry Income	1,387	0
		<u>651,070</u>	<u>566,991</u>
13	FOOTBALL INCOME		
	Gate Receipts	100,532	126,801
	Sundry Income	97,401	61,256
	Transfer Fees	48,124	63,182
		<u>246,057</u>	<u>251,239</u>
14	V SWANS INCOME		
	Program Funding Government	545,762	664,612
	Program Funding Private	1,490,178	1,496,573
	Sundry Income & Donations	82,437	87,903
		<u>2,118,377</u>	<u>2,249,088</u>

15	ADMINISTRATION EXPENSES		
	Audit Fees	7,000	7,000
	Bad & Doubtful Debts	25,935	10,084
	Balance Sheet Impairment	0	10,200
	Bank Charges & Interest	14,528	63,422
	Computing, Telephone & Office Expenses	39,688	53,498
	FBT, Payroll Tax & Superannuation	64,733	57,093
	Insurance & Workers Comp	39,597	59,570
	Printing & Stationery	26,727	18,983
	Salaries & Employee Expenses	262,556	299,068
	Sundry Admin Expenses	6,471	20,579
		<u>487,235</u>	<u>599,497</u>
16	COMMERCIAL EXPENSES		
	General Bar Expenses	14,568	17,641
	Maintenance, Replacements & Security	3,717	10,472
	Salary & Employee Costs	114,473	68,540
		<u>132,758</u>	<u>96,653</u>
17	MARKETING & BUSINESS DEVELOPMENT EXPENSES		
	Advertising Promotion & Office Expenses	60,422	33,379
	Functions & Sponsorship Servicing	206,343	176,918
	Salary & Employee Costs	149,780	80,806
	Sundry Expenses	18,150	21,398
		<u>434,695</u>	<u>312,501</u>
18	FACILITY EXPENSES		
	Cleaning, R&M, Security	57,972	74,723
	Light Power & Gas	42,321	39,763
	Rates & Facility Lease	66,064	47,171
	Salary & Employee Costs	15,095	0
	Sundry Expenses	8,283	0
		<u>189,735</u>	<u>161,657</u>
19	FOOTBALL DEPARTMENT EXPENSES		
	Catering	16,011	10,572
	Equipment, Footballs & Uniforms	55,497	23,842
	Insurance & General Expenses	15,091	6,371
	Match & Training Expenses	18,104	19,415
	Medical and Game Day Staff	100,600	46,119
	Medical Supplies	18,348	20,734
	Player Payments	255,992	303,938
	Recruitment & Transfer Fees	24,636	12,018
	Salaries Football Staff	200,322	463,960
	Superannuation	40,121	66,393
	Travel & Motor Vehicle	43,923	42,607
	Trophies & Awards	8,431	6,735
	Sundry Expenses	35,388	n/a
		<u>832,464</u>	<u>1,022,704</u>
20	V SWANS EXPENSES		
	Computer IT, Office & Rates	43,531	39,430
	Insurance & Sundry Expenses	27,680	26,740
	Management Fees	384,000	416,400
	Employee Costs	1,180,193	1,236,450
	Program Expenses & Communities	358,879	350,194
	Rent & Accommodation	144,695	180,265
		<u>2,138,978</u>	<u>2,249,479</u>

SWAN DISTRICTS FOOTBALL CLUB (INC)

STATEMENT BY MEMBERS OF THE BOARD

The Board has determined that the club is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the attached financial report

1. Presents a true and fair view of the financial position of Swan Districts Football Club (Inc.) as at 31 October 2018 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that Swan Districts 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 Board and is signed for and on behalf of the Board by:

President

Treasurer

Dated this day of January 2019

SWAN DISTRICTS FOOTBALL CLUB (INC)
Independent Auditor Report
to the members of
SWAN DISTRICTS FOOTBALL CLUB (INC)

Opinion

We have audited the accompanying financial report, being a special purpose financial report, of Swan Districts Football Club Inc. (the club), which comprises the director's report, the balance sheet as at 31 October 2019, the income and expenditure statement and the statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information, and the statement by directors.

In our opinion, subject for the effects, if any, of the qualification mentioned below, the financial report presents fairly, in all material respects, the financial position of the club. as at 31 October 2018 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Associations Incorporation Act of WA. and other appropriate Australian Accounting Standards.

Qualification

The Club, in common with other similar organisations, only records amounts received relating to voluntary activities when these amounts are banked as it is not practical to establish control over such income, prior to its initial entry in the accounting records. Our audit relating to such income was therefore limited to ensuring that the amounts banked are properly recorded in the financial statements. Accordingly, we do not express an opinion on whether all receipts have been banked and we cannot determine the effects of such adjustments, if any, as might have been required had this limitation not existed.

Going Concern

The accounts have been prepared on a going concern basis which is dependent on the continued financial support of The WA Football Commission and major sponsors. There is no reason that this will not be forthcoming.

Basis of 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 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.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the club to meet the requirements of the Associations Incorporation Act of WA and the Australian Charities and other appropriate Australian Accounting Standards. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Director's Responsibility for the Financial Report

The directors of Swan Districts Football Club Inc. is responsible for the preparation of the financial report, and has determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Associations Incorporation Act of WA and other appropriate Australian Accounting Standards and is appropriate to meet the needs of the members. The director's responsibility also includes such internal control as the directors determines is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

SWAN DISTRICTS FOOTBALL CLUB (INC)
Independent Auditor Report
to the members of
SWAN DISTRICTS FOOTBALL CLUB (INC)

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

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

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



Ray Woolley Pty Ltd
Ray Woolley
Registered Auditor No 16396
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WA 6035
18 January 2019