

East Fremantle Football Club Inc

ABN 68 020 160 814

Financial Report - 31 October 2019

East Fremantle Football Club Inc
Directors' report
31 October 2019

The Directors present their report, together with the financial statements, on East Fremantle Football Club ('the Club') for the year ended 31 October 2019.

Directors

The following persons were Directors of the Club during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mark Stewart
Bob Uittenbroek
John Ipsen
David Edinger
Kim Chatfield
Steve Nugent
Micheal Brennan
Damien Condon
Adam Drake-Brockman (appointed 17 July 2019)
Kerryne Batten (resigned 3 June 2019)

Principal activities

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

Significant Changes

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

Operating Results

The surplus for the year amounted to \$10,621 (2018: Loss of (\$6,158)).

On behalf of the Directors



Mark Stewart
President



Bob Uittenbroek
Vice President

20 November 2019

East Fremantle Football Club Inc
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31 October 2019

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General information

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

East Fremantle Football Club Inc is a not-for-profit incorporated association.

The financial statements were authorised for issue on 20 November 2019.

East Fremantle Football Club Inc
Statement of profit or loss and other comprehensive income
For the year ended 31 October 2019

| | Note | 2019 \$ | 2018 \$ |
|--|------|---------------|----------------|
| Revenue | 3 | 1,863,596 | 1,910,809 |
| Expenses | | | |
| Cost of Sales | | (118,475) | (145,255) |
| Administration Expenses | | (605,268) | (622,274) |
| Finance Expenses | | (9,400) | (9,329) |
| Depreciation and amortisation expense | | (38,002) | (45,108) |
| Football Expenses | | (297,925) | (273,298) |
| Salaries & Wages | | (783,905) | (821,703) |
| Surplus/(deficit) before income tax expense | | 10,621 | (6,158) |
| Income tax expense | | - | - |
| Surplus/(deficit) after income tax expense for the year attributable to the members of East Fremantle Football Club Inc | 10 | 10,621 | (6,158) |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income for the year attributable to the members of East Fremantle Football Club Inc | | <u>10,621</u> | <u>(6,158)</u> |

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

East Fremantle Football Club Inc
Statement of financial position
As at 31 October 2019

| | Note | 2019 \$ | 2018 \$ |
|--------------------------------|------|------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and Cash Equivalents | 4 | 39,321 | 31,504 |
| Trade and other receivables | 5 | 41,731 | 105,227 |
| Inventories | 6 | 34,079 | 32,241 |
| Total current assets | | <u>115,131</u> | <u>168,972</u> |
| Non-current assets | | | |
| Property, Plant & Equipment | 7 | <u>1,065,310</u> | <u>1,023,246</u> |
| Total non-current assets | | <u>1,065,310</u> | <u>1,023,246</u> |
| Total assets | | <u>1,180,441</u> | <u>1,192,218</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 8 | 133,616 | 162,658 |
| Provisions | 9 | 44,083 | 38,925 |
| Total current liabilities | | <u>177,699</u> | <u>201,583</u> |
| Non-current liabilities | | | |
| Provisions | 9 | <u>22,701</u> | <u>21,215</u> |
| Total non-current liabilities | | <u>22,701</u> | <u>21,215</u> |
| Total liabilities | | <u>200,400</u> | <u>222,798</u> |
| Net assets | | <u>980,041</u> | <u>969,420</u> |
| Equity | | | |
| Retained Earnings | 10 | 901,387 | 890,766 |
| Asset Revaluation Reserve | 10 | 78,654 | 78,654 |
| Total equity | | <u>980,041</u> | <u>969,420</u> |

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

East Fremantle Football Club Inc
Statement of changes in equity
For the year ended 31 October 2019

| | Reserves \$ | Retained profits \$ | Total equity \$ |
|---|-----------------------|-------------------------------|---------------------------|
| Balance at 1 November 2017 | - | 896,924 | 896,924 |
| Deficit after income tax expense for the year | - | (6,158) | (6,158) |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | (6,158) | (6,158) |
| Movement of Reserves | <u>78,654</u> | - | <u>78,654</u> |
| Balance at 31 October 2018 | <u>78,654</u> | <u>890,766</u> | <u>969,420</u> |
| | Reserves \$ | Retained profits \$ | Total equity \$ |
| Balance at 1 November 2018 | 78,654 | 890,766 | 969,420 |
| Surplus after income tax expense for the year | - | 10,621 | 10,621 |
| Other comprehensive income for the year, net of tax | - | - | - |
| Total comprehensive income for the year | - | 10,621 | 10,621 |
| Balance at 31 October 2019 | <u>78,654</u> | <u>901,387</u> | <u>980,041</u> |

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

East Fremantle Football Club Inc
Statement of cash flows
For the year ended 31 October 2019

| | Note | 2019 \$ | 2018 \$ |
|--|------|----------------------|----------------------|
| Cash flows from operating activities | | | |
| Receipts from Customers | | 1,903,835 | 1,742,317 |
| Payments to Suppliers and Employees | | (1,814,270) | (1,743,251) |
| Interest Received | | 2 | 3 |
| Interest Paid | | (1,684) | (1,426) |
| Net cash from/(used in) operating activities | | <u>87,883</u> | <u>(2,357)</u> |
| Cash flows from investing activities | | | |
| Payments for Property, Plant and Equipment | | <u>(80,066)</u> | <u>(11,647)</u> |
| Net cash used in investing activities | | <u>(80,066)</u> | <u>(11,647)</u> |
| Cash flows from financing activities | | | |
| Repayment of Borrowings | | <u>-</u> | <u>(5,652)</u> |
| Net cash used in financing activities | | <u>-</u> | <u>(5,652)</u> |
| Net increase/(decrease) in cash and cash equivalents | | 7,817 | (19,656) |
| Cash and cash equivalents at the beginning of the financial year | | <u>31,504</u> | <u>51,160</u> |
| Cash and cash equivalents at the end of the financial year | 4 | <u><u>39,321</u></u> | <u><u>31,504</u></u> |

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

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

The Club 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:

New and Revised Accounting Standard

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.

Accounting Standard Issued but not yet Applied by the Club

AASB 16 Leases

The Club will adopt AASB 16 from 1 November 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Note 1. Significant accounting policies (continued)

AASB 1058 Income of Not-for-Profit Entities

The Club will adopt AASB 1058 from 1 November 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

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'), Western Australian legislation the Associations Incorporation Act 2015, 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, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 East Fremantle Football Club Inc and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sales Revenue

Events, fundraising and raffles are recognised when received or receivable.

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.

Other revenue

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

Note 1. Significant accounting policies (continued)

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.

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

The Club 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 the Club'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 Club's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

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

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Club has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables

Other receivables are recognised at amortised cost, less any provision for impairment.

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.

Property, plant and equipment

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

Note 1. Significant accounting policies (continued)

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 | 2.5% p.a. |
| Plant and equipment | 10% - 33.3% p.a. |
| Office equipment | 10% - 33.3% p.a. |

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 Club. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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 Club 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 30-60 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.

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.

Note 1. Significant accounting policies (continued)

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 \$62,568 and net assets of \$980,041. The net asset position of the company is primarily the plant and equipment and building owned by the Club. 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 in the opinion that the use of the going concern basis is appropriate in the circumstances.

Should the Club be unable to trade profitably, generate sufficient revenue from operations and manage the expenditure, 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.

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.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The Club determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. 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.

East Fremantle Football Club Inc
Notes to the financial statements
31 October 2019

Note 2. Critical accounting judgements, estimates and assumptions (continued)

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

The Club assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Club 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.

Note 3. Revenue

| | 2019 | 2018 |
|----------------------|------------------|------------------|
| | \$ | \$ |
| <i>Revenue</i> | | |
| Bar Sales | 276,726 | 312,961 |
| Gate Receipts | 78,432 | 55,707 |
| Function & Events | 266,565 | 294,428 |
| Grants | 599,836 | 594,288 |
| Sponsorship Income | 395,135 | 438,119 |
| Football Income | 108,239 | 118,478 |
| Donation Income | 50,014 | 39,249 |
| | <u>1,774,947</u> | <u>1,853,230</u> |
| <i>Other revenue</i> | | |
| Other Income | 88,649 | 57,579 |
| Revenue | <u>1,863,596</u> | <u>1,910,809</u> |

Note 4. Current assets - Cash and Cash Equivalents

| | 2019 | 2018 |
|--------------------------|---------------|---------------|
| | \$ | \$ |
| Cash at Bank and in Hand | 4,605 | 12,830 |
| Bendigo Cheque Account | 11,023 | 6,726 |
| Bankwest Cheque Account | 23,693 | 11,948 |
| | <u>39,321</u> | <u>31,504</u> |

Note 5. Current assets - trade and other receivables

| | 2019 | 2018 |
|-------------------|---------------|----------------|
| | \$ | \$ |
| Trade receivables | 40,931 | 106,758 |
| Other receivables | 800 | (1,531) |
| | <u>41,731</u> | <u>105,227</u> |

Note 5. Current assets - Trade and other receivables (continued)

Trade and other receivables ageing summary

| | Carrying amount | Assessed amount with potential expected credit losses | Expected credit loss rate | Allowance for expected credit losses |
|-----------------------|-----------------|---|---------------------------|--------------------------------------|
| | 2019 \$ | 2019 \$ | 2019 % | 2019 \$ |
| Not overdue | 11,265 | 0 | 0% | 0 |
| 30 to 60 days overdue | 10,931 | 0 | 0% | 0 |
| 60 to 90 days overdue | 4,890 | 0 | 0% | 0 |
| Over 90 days overdue | 13,845 | 0 | 0% | 0 |
| Total | 40,931 | 0 | | 0 |

Note 6. Current assets - Inventories

| | 2019 \$ | 2018 \$ |
|---------------------------|------------|------------|
| Items held for resale (i) | | |
| - Bar stock | 16,020 | 18,669 |
| - Merchandise | 18,059 | 13,020 |
| - Kitchen | - | 552 |
| | 34,079 | 32,241 |

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

Note 7. Non-current assets - Property, plant and equipment

| | 2019 \$ | 2018 \$ |
|-------------------------------------|------------|------------|
| Buildings - fair value (i) | 890,000 | 890,000 |
| Plant and equipment - at cost | 889,106 | 876,531 |
| Less: Accumulated depreciation | (735,687) | (743,285) |
| | 153,419 | 133,246 |
| Capital works in progress - at cost | 21,891 | - |
| Less: Accumulated depreciation | - | - |
| | 21,891 | - |
| | 1,065,310 | 1,023,246 |

East Fremantle Football Club Inc
Notes to the financial statements
31 October 2019

Reconciliations

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

| | Buildings \$ | Plant and Equipment \$ | Capital works In progress \$ | Total \$ |
|----------------------------|-----------------|------------------------------|------------------------------------|------------------|
| Balance at 1 November 2018 | 890,000 | 133,246 | - | 1,023,246 |
| Additions | - | 58,175 | 21,891 | 80,066 |
| Disposals / write off | - | - | - | - |
| Depreciation expense | - | (38,002) | - | (38,002) |
| Balance at 31 October 2019 | <u>890,000</u> | <u>153,419</u> | <u>21,891</u> | <u>1,065,310</u> |

- (i) The building was independently valued as at 31 October 2018. The building will be revalued once every 3 years. As the last valuation was performed on the 23 October 2018, the Directors of the Club are comfortable that the carried forward value of the building remains consistent for the year ended 31 October 2019.

Note 8. Current liabilities - trade and other payables

| | 2019 \$ | 2018 \$ |
|--------------------------|----------------|----------------|
| Trade payables | 134,684 | 116,361 |
| GST / PAYG / FBT payable | 6,754 | 16,322 |
| Other payables | (7,822) | 29,975 |
| | <u>133,616</u> | <u>162,658</u> |

Note 8. Current liabilities - Trade and other payables (continued)

Trade and other payables ageing summary

| | Number of days outstanding | | | | Total |
|--------------------------|----------------------------|-----------------------|-----------------------|----------------------------|----------------|
| | 0 – 30 days \$ | 30 – 60 days \$ | 60 – 90 days \$ | More than 90 days \$ | |
| 2019 | | | | | |
| Trade payables | 71,938 | 11,001 | 40,589 | 11,156 | 134,684 |
| GST / PAYG / FBT payable | 6,754 | - | - | - | 6,754 |
| Other payables | (7,822) | - | - | - | (7,822) |
| | <u>70,870</u> | <u>11,001</u> | <u>40,589</u> | <u>11,156</u> | <u>133,616</u> |

| | Number of days outstanding | | | | Total |
|--------------------------|----------------------------|-----------------------|-----------------------|----------------------------|----------------|
| | 0 – 30 days \$ | 30 – 60 days \$ | 60 – 90 days \$ | More than 90 days \$ | |
| 2018 | | | | | |
| Trade payables | 28,321 | 30,170 | 30,164 | 27,706 | 116,361 |
| GST / PAYG / FBT payable | 16,322 | - | - | - | 16,322 |
| Other payables | 29,975 | - | - | - | 29,975 |
| | <u>74,618</u> | <u>30,170</u> | <u>30,164</u> | <u>27,706</u> | <u>162,658</u> |

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:

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

Note 9. Current liabilities - provisions

| | 2019 \$ | 2018 \$ |
|----------------------------|---------------|---------------|
| Provision for Annual leave | <u>44,083</u> | <u>38,925</u> |

Note 9. Non-current liabilities - provisions

| | 2019 \$ | 2018 \$ |
|----------------------------------|---------------|---------------|
| Provision for Long Service Leave | <u>22,701</u> | <u>21,215</u> |

East Fremantle Football Club Inc
Notes to the financial statements
31 October 2019

Note 10. Equity – Retained surplus / reserves

| | 2019 \$ | 2018 \$ |
|---|----------------|----------------|
| Retained surplus at the beginning of the financial year | 890,766 | 896,924 |
| Surplus / (deficit) for the year | 10,621 | (6,158) |
| Asset revaluation reserve | 78,654 | 78,654 |
| Retained surplus at the end of the financial year | <u>980,041</u> | <u>969,420</u> |

Note 11. Contingent liabilities

East Fremantle Football Club Inc. had no contingent liabilities as at 31 October 2019.

Note 12. Commitments

| | 2019 \$ | 2018 \$ |
|---|--------------|---------------|
| (a) Operating lease expenditure commitments | | |
| - Not later than one year | 2,019 | 8,884 |
| - Later than one year and not later than five years | - | 2,019 |
| | <u>2,019</u> | <u>10,903</u> |

Operating lease commitments includes contracted amounts for the Club under non-cancellable operating lease and license agreements. Increases in lease and license commitments may occur in line with CPI or market rent reviews in accordance with the agreements.

Note 13. 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 | 5,000 | - |
| - Other services in relation to the entity | 1,200 | - |
| | <u>6,200</u> | <u>-</u> |
| Amounts received or due and receivable by Francis A Jones Pty Ltd for: | | |
| - Audit or review of the financial report of the entity | - | 4,200 |
| | <u>-</u> | <u>4,200</u> |

Note 14. Related party transactions

Transactions with related parties

The following transactions with related parties occurred during the current financial year:

- Nepean Building & Infrastructure Pty Ltd donated \$225, purchased \$2,977 worth of function and events and sponsored \$5,000 to East Fremantle Football Club Inc during the year. Director of Player Welfare, Steve Nugent has an interest in Nepean Building & Infrastructure Pty Ltd.
- Gerard Lighting Pty Ltd purchased \$600 worth of function and events and sponsored \$13,000 to East Fremantle Football Club Inc during the year. Director of Business Development, Kim Chatfield has an interest in Gerard Lighting Pty Ltd.
- Specialist Finance Pty Ltd purchased \$3,100 worth of function and events and sponsored \$2,400 to East Fremantle Football Club Inc during the year. Director of Finance, Damien Condon has an interest in Specialist Finance Pty Ltd.
- Edinger Real Estate Pty Ltd donated \$200, purchased \$1,000 worth of function and events and sponsored \$7,000 to East Fremantle Football Club Inc during the year. Director of Fundraising Projects, David Edinger has an interest in Edinger Real Estate Pty Ltd.
- Classic Contractors Pty Ltd donated \$425, purchased \$14,477 worth of function and events and sponsored \$8,500 to East Fremantle Football Club Inc during the year. President, Mark Stewart has an interest in Classic Contractors Pty Ltd.
- Vice President, Bob Uittenbroek purchased \$636 worth of function and events during the year.

Receivable from and payable to related parties

There is a trade receivable balance due from Edinger Real Estate Pty Ltd of \$2,600 and Classic Contractors of \$450 at the current reporting date.

Note 15. Events after the reporting period

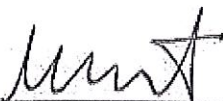
No matters or circumstance has arisen since 31 October 2019 that has significantly affected or may significantly affect East Fremantle Football Club Inc's operations, the results of those operations, or East Fremantle Football Club Inc's state of affairs in future financial years.

East Fremantle Football Club Inc
Directors' declaration
31 October 2019

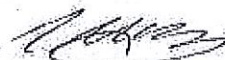
In the Directors' opinion:

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

On behalf of the Directors



Mark Stewart
President



Bob Uittenbroek
Vice President

20 November 2019

