East Fremantle Football Club Inc

ABN 68 020 160 814

Financial Report - 31 October 2020

East Fremantle Football Club Inc
Directors' report
31 October 2020

The Directors present their report, together with the financial statements, on the Club for the year ended 31 October 2020.

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 (resigned November 2019)
John Ipsen
David Edinger
Adam Drake-Brockman
Kim Chatfield
Steve Nugent
Micheal Brennan
Damien Condon
Flora Furness (appointed December 2019)

Principal activities
During the financial year the principal continuing activities of East Fremantle Football 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 $250,784 (2019: Surplus of $10,621).

Impact of COVID-19
The impact of COVID-19 in March 2020 created a massive change to how the Club conducted their operations, with the Board reacting by setting up a "Go Fund Me" campaign to raise funds for the Club if they were not able to raise income throughout the year. Full-time employees, including support staff were on reduced wages during the first couple of months of the pandemic. The "Go Fund Me campaign" raised a total of $107,000. The Club received Federal Government's Job keeper & cash flow boost subsidies, which allowed the Club to produce a healthy profit for 2020. As such the funds generated from the campaign were not utilised. These funds had been placed in a future fund account for the Club.

Subsequent Events
The Masterplan for the Redevelopment of East Fremantle Precinct is now complete and approved by the Town of East Fremantle, with the Redevelopment is in front of State & Federal government for funding. The Club is about to start a Redevelopment Fund for members & supporters to purchase large step pavers for the entrance to the new facility.

On behalf of the Directors

Mark Stewart
President

Steve Nugent
Vice President

24 November 2020

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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 24 November 2020.

East Fremantle Football Club Inc
Statement of profit or loss and other comprehensive income
For the year ended 31 October 2020

	Note	2020 $	2019 $
Revenue	3	2,097,090	1,863,596
Expenses			
Cost of Sales		(142,411)	(118,475)
Administration Expenses		(579,807)	(605,268)
Finance Expenses		(9,188)	(9,400)
Depreciation and amortisation expense		(36,849)	(38,002)
Football Expenses		(243,942)	(297,925)
Salaries & Wages		(834,109)	(783,905)
Surplus before income tax expense		250,784	10,621
Income tax expense		-	-
Surplus after income tax expense for the year attributable to the members of East Fremantle Football Club Inc	16	250,784	10,621
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		250,784	10,621

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 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	4	144,389	39,321
Trade and other receivables	5	38,865	41,731
Inventories	6	27,795	34,079
Total current assets		211,049	115,131
Non-current assets			
Right-of-use assets	7	17,221	-
Property, plant and equipment	8	1,078,873	1,065,310
Total non-current assets		1,096,094	1,065,310
Total assets		1,307,143	1,180,441
Liabilities			
Current liabilities			
Trade and other payables	9	20,447	133,616
Lease liabilities	10	5,172	-
Provisions	12	25,454	44,083
Total current liabilities		51,073	177,699
Non-current liabilities			
Lease liabilities	11	12,331	-
Provisions	13	12,916	22,701
Total non-current liabilities		25,247	22,701
Total liabilities		76,320	200,400
Net assets		1,230,823	980,041
Equity			
Prior Years' Surplus	14	896,927	896,927
Asset Revaluation Reserve	15	78,654	78,654
Retained Earnings / (Accumulated Losses)	16	255,242	4,460
Total equity		1,230,823	980,041

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 2020

	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	78,654	901,387	980,041

	Reserves $	Retained profits $	Total equity $
Balance at 1 November 2019	78,654	901,387	980,041
Surplus after income tax expense for the year	-	250,782	250,782
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	250,782	250,782
Balance at 31 October 2020	78,654	1,152,169	1,230,823

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 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers		1,598,571	1,903,835
Receipts from Government Subsidies		505,003	-
Payments to suppliers and employees		(1,928,518)	(1,814,270)
Interest received		19	2
Interest paid		(2,091)	(1,426)
Interest paid – lease liabilities		(282)	-
Net cash from/ (used in) operating activities		172,702	87,883
Cash flows from investing activities			
Payments for property, plant and equipment		(50,413)	(80,066)
Net cash (used in) investing activities		(50,413)	(80,066)
Cash flows from financing activities			
Repayment of lease liabilities		(17,221)	-
Net cash (used in) financing activities		(17,221)	-
Net increase/ (decrease) in cash and cash equivalents		105,068	7,817
Cash and cash equivalents at the beginning of the financial year		39,321	31,504
Cash and cash equivalents at the end of the financial year	4	144,389	39,321

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:

AASB 16 Leases
The Club has adopted 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.

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained earning as at 1 November 2019 was as follows:

Right-of-use Assets (AASB 16)	20,665
Lease Liabilities – current (AASB 16)	(3,444)
Lease Liabilities – non-current (AASB 16)	(17,221)
Reduction in opening retained profits as at 1 November 2019	0

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Club expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Club has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Club's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts

Note 1. Significant accounting policies (continued)

expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities
AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, the Club shall recognise revenue when (or as) the Club satisfies a performance obligation by transferring a promised good or service to a customer and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue when or as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 Income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the Club.

The Club adopts the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the association recognises the cumulative effect of initially applying the Standards as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 November 2019).

Under this transition method, the Club elects to apply the standards retrospectively to non-completed contracts at the date of initial application.

There is no material impact of adopting AASB 15 and AASB 1058.

Refer to revenue recognition accounting policies adopted from 1 November 2019.

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 Australian Charities and Not-for-profits Commission Act 2012 and 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.

Note 1. Significant accounting policies (continued)

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
Until 31 October 2019, revenue was recognised and measured at the fair value of consideration received or receivable. From 1 November 2019, revenue is recognised at the transaction price when the Club transfers control of the services to their members and customers. The performance obligations are satisfied when the services have been provided to the customer.

Revenue is recognised for the major activities as follows:

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

Donations and sponsorships
Donations and sponsorships are recognised as revenue when received.

Grants
Grant revenue is recognised in profit or loss when the Club obtains control of the grant, it is probable that the economic benefits gained from the grant will flow to the Club and the amount of the grant can be measured reliably. If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Club incurs an obligation to deliver economic value directly back to the contributor, the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

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.

Government Subsidies
Income from government COVID-19 subsidies are recognised in profit or loss when the Club obtains control of the subsidies as the criteria for the subsidies are not sufficiently specific to apply AASB 15 and are recognised under AASB 1058.

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

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.

Note 1. Significant accounting policies (continued)

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.

Inventories
Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

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

Leasehold improvements	2.5%
Plant and equipment	10% - 33.3%
Office equipment	10% - 33.3%

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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.

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.

Note 1. Significant accounting policies (continued)

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 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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.

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.

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.

Note 1. Significant accounting policies (continued)

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.

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 and finite life intangible assets. 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.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Club assesses impairment of non-financial 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

	2020 $	2019 $
Revenue from contracts with customers		
Bar Sales	231,339	276,726
Gate Receipts	32,751	78,432
Function & Events	164,562	266,565
Grants	477,835	599,836
Sponsorship Income	366,170	395,135
Football Income	120,775	108,239
Donation Income	127,994	50,014
	1,521,426	1,774,947
Other revenue		
Other Income	70,661	88,649
Government Subsidies	505,003	-
	575,664	88,649
Revenue	2,097,090	1,863,596

Note 4. Current assets - Cash and Cash Equivalents

	2020 $	2019 $
Cash at Bank and in Hand	6,605	4,605
Bendigo Cheque Account	5,425	11,023
Bankwest Cheque Account	25,359	23,693
Go Fund Me Account	107,000	-
	144,389	39,321

Note 5. Current assets - trade and other receivables

	2020 $	2019 $
Trade receivables	15,417	40,931
Contra payments	(785)	-
Other receivables	800	800
Prepayment	23,432	-
	38,864	41,731

Trade and other receivables ageing summary

	Carrying amount 2020 $	Assessed amount with potential expected credit losses 2020 $	Expected credit loss rate 2020 %	Allowance for expected credit losses 2020 $
Not overdue	2,451	0	0%	0
30 to 60 days overdue	11,806	0	0%	0
60 to 90 days overdue	0	0	0%	0
Over 90 days overdue	1,160	0	0%	0
Total	15,417	0		0

Note 6. Current assets - inventories

	2020 $	2019 $
Items held for resale (i):		
-Bar stock	15,702	16,020
-Merchandise	12,093	18,059
Stock on hand - at cost	27,795	34,079

(i) There is no deed of consignment over inventories as at 31 October 2020.

Note 7. Current assets - right-of-use assets

	2020 $	2019 $
Plant and equipment - right-of-use	17,221	-

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

	2020 $	2019 $
Buildings - fair value (i)	890,000	890,000
Plant and equipment - at cost	890,200	889,106
Less: Accumulated depreciation	(735,868)	(735,687)
	154,332	153,419
Capital works in progress - at cost	34,541	21,891
Less: Accumulated depreciation	-	-
	34,541	21,891
	1,078,873	1,065,310

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 2019	890,000	153,419	21,891	1,065,310
Additions	-	34,547	12,650	47,197
Disposals / write off	-	(229)	-	(229)
Depreciation expense	-	(33,405)	-	(33,405)
Balance at 31 October 2020	890,000	154,332	34,541	1,078,873

(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 23rd 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 2020.

Note 9. Current liabilities - trade and other payables

	2020 $	2019 $
Trade payables	33,905	134,684
GST/ PAYG/ FBT payable	(23,031)	6,754
Other payables	9,573	(7,822)
	20,447	133,616

Trade and other payables ageing summary

	Number of days outstanding				
	0 – 30 days $	30 – 60 days $	60 – 90 days $	More than 90 days $	Total $
2020					
Trade payables	25,171	8,734	-	-	33,905
GST / PAYG / FBT payable	(23,031)	-	-	-	(23,031)
Other payables	9,573	-	-	-	9,573
	11,713	8,734	-	-	20,447

Trade and other payables ageing summary

	Number of days outstanding				
	0 – 30 days $	30 – 60 days $	60 – 90 days $	More than 90 days $	Total $
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)
	70,870	11,001	40,589	11,156	133,616

Note 10. Lease Liability - Current

	2020 $	2019 $
Lease liability (Current)	5,172	-

Note 11. Lease Liability – Non- Current

	2020 $	2019 $
Lease liability (Non Current)	12,331	-

Note 12. Current liabilities - provisions

	2020 $	2019 $
Provision for Annual leave	25,454	44,083

Note 13. Non-current liabilities - provisions

	2020 $	2019 $
Provision for Long Service Leave	12,916	22,701

Note 14. Equity - Prior Years' Surplus

	2020 $	2019 $
Prior Years' Surplus	896,927	896,927

Note 15. Equity - Asset Revaluation Reserve

	2020 $	2019 $
Asset Revaluation Reserve	78,654	78,654

Note 16. Equity - Retained Earnings / (Accumulated Losses)

	2020 $	2019 $
Retained surpluses/(accumulated deficits) at the beginning of the financial year	4,461	(6,160)
Surplus after income tax expense for the year	250,781	10,621
Retained surpluses at the end of the financial year	255,242	4,461

Note 17. Auditors Remuneration

	2020 $	2019 $
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	5,000
- Other services in relation to the entity	1,200	1,200
	6,200	6,200

Note 18. Related party transactions

Transactions with related parties

- Nepean Building & Infrastructure Pty Ltd purchased $2,359 worth of function and events and sponsored $5,395 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 $4,000 to East Fremantle Football Club Inc during the year. Director of Business Development, Kim Chatfield has an interest in Gerard Lighting Pty Ltd.
- Edinger Real Estate Pty Ltd donated $200, purchased $1,600 worth of function and events and sponsored $4,000 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 $200 and sponsored $4,856 to East Fremantle Football Club Inc during the year. Classic Contractors Pty Ltd painted out of goodwill the entire Football Club during the months of May to June 2020, which represented a total value of $100,000 worth of services and labour. The paint was sponsored by Dulux and Classic Contractors also received $10,000 from Town of East Fremantle as reimbursement for their work performed. President, Mark Stewart has an interest in Classic Contractors Pty Ltd.

Note 19. Events after the reporting period

The impact of COVID-19 in March 2020 created a massive change to how the Club conducted their operations, with the Board reacting by setting up a “Go Fund Me” campaign to raise funds for the Club if they were not able to raise income throughout the year. Full-time employees, including support staff were on reduced wages during the first couple of months of the pandemic. The “Go Fund Me campaign” raised a total of $107,000. The Club received Federal Government’s Job keeper & cash flow boost subsidies, which allowed the Club to produce a healthy profit for 2020. As such the funds generated from the campaign were not utilised. These funds had been placed in a future fund account for the Club. All staff wages had since been back to normal and the Club had received all eligible government subsidies during the year.

No matter or circumstance has arisen since 31 October 2020 that has significantly affected, or may significantly affect the Club's operations, the results of those operations, or the Club's state of affairs in future financial years.

East Fremantle Football Club Inc
Directors' declaration
31 October 2020

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Australian Charities and Not-for-profits Commission Act 2012 and 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 2020 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

Steve Nugent
Vice President

24 November 2020

East Fremantle Football Club Inc.

Independent auditor's report to members of East Fremantle Football Club Inc.

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial report of East Fremantle Football Club Inc. (the Club) which comprises the statement of financial position as at 31 October 2020, 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.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of East Fremantle Football Club Inc. has been prepared in accordance with the *Associations Incorporations Act 2015 (WA)*, including:

a) giving a true and fair view of the Club's financial position as at 31 October 2020 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards – Reduced Disclosure Regime.

Basis for Qualified Opinion

Cash receipts consisting of bar sales and gate receipts are a significant source of revenue for the Club. Although the Club has established certain internal control procedures over the collection of cash from bar sales and gate receipts prior to entry into its financial records, there is no procedures that we could perform to ensure that all bar sales and gate receipts received are recorded in the financial records. Accordingly, as the evidence available to us regarding bar sales and gate receipts was limited, our audit procedures with respect to bar sales and gate receipts had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether bar sales and gate receipts of the Club recorded are complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Club in accordance with the auditor independence requirements of the *Associations Incorporations Act 2015 (WA)* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 qualified opinion.

ACCOUNTANTS & ADVISORS
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williambuck.com

East Fremantle Football Club Inc.

Independent auditor's report to members of East Fremantle Football Club Inc.

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 2020, 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 Board of Directors and Those Charged with Governance for the Financial Report

The Board of 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.

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 management 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 Statements

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

East Fremantle Football Club Inc.

Independent auditor's report to members of East Fremantle Football Club Inc.

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

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

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

William Buck

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

CM

Conley Manifis
Director

Dated this 24th day of November 2020