

Swan Districts Football Club (Inc)

ABN 97 835 019 730

Financial Report - 31 October 2020

Swan Districts Football Club (Inc)
Directors' Report
31 October 2020

The Directors present their report, together with the financial statements, of Swan Districts Football Club (Inc) ('the Club') for the year ended 31 October 2020.

Directors

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

Jim Benson (resigned 31 October 2020)
Roanna Edwards
Des Hardiman
Matt Hewitson
Peter Hodyl
Andrew Holmes
Sarah Reilly (resigned 31 October 2020)

Joanne Taylor (appointed 1 November 2020)
Ian Westmore (appointed 1 November 2020)

Principal activities

During the financial year the principal continuing activities of Swan Districts Football Club (Inc) were the promotion and provision of Australian Rules Football and community programs within the Swan Districts Football Club (Inc) district and zones.

Grant funding, sponsorship revenue and other fundraising activities have been critical in providing much needed cash to effectively achieve the objectives of Swan District Football Club (Inc).

Significant Changes

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

Operating Result

The surplus for the year amounted to \$902,794 (2019: \$202,791).

Impact of COVID-19

The impact of COVID-19 in March 2020 created a massive change to how the Club conducted their operations. The Club received Federal Government's JobKeeper & cash flow boost subsidies, which allowed the Club to produce a healthy profit for 2020.



Peter Hodyl
President



Des Hardiman
Treasurer

15 January 2021

Swan Districts Football Club (Inc)

Contents

31 October 2020

Statement of profit or loss and other comprehensive income	3
Statement of financial position	4
Statement of changes in equity	5
Statement of cash flows	6
Notes to the financial statements	7
Directors' declaration	22
Independent auditor's report to the members of Swan Districts Football Club (Inc)	23

General information

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

Swan Districts Football Club (Inc) is a not-for-profit incorporated association.

The financial statements were authorised for issue on 15 January 2021.

Swan Districts Football Club (Inc)
Statement of profit or loss and other comprehensive income
For the year ended 31 October 2020

		2020	2019
		\$	\$
Revenue			
Administration	21	1,697,264	915,929
Commercial Operations	22	314,585	454,226
Marketing and Business Development	23	457,659	636,872
Facility		198,100	45,816
Football Operations	24	85,254	192,725
Talent		76,631	96,536
Community Programs	25	2,780,814	2,148,055
Interest Received		2,367	1,877
Fair value adjustment of financial assets		(250)	158
		<u>5,612,424</u>	<u>4,492,194</u>
Expenses			
Administration	26	(463,004)	(437,145)
Commercial Operations	22&27	(217,322)	(332,616)
Marketing and Business Development	28	(244,639)	(413,059)
Facility	29	(205,511)	(161,554)
Football Operations	30	(656,499)	(783,251)
Talent		(94,351)	(111,368)
Community Programs	31	(2,696,696)	(1,953,492)
Depreciation/Amortisation		(131,608)	(96,918)
		<u>(4,709,630)</u>	<u>(4,289,403)</u>
Surplus		902,794	202,791
Other comprehensive income for the year		-	-
Total comprehensive income / (loss) for the year attributable to the members of Swan Districts Football Club (Inc)		<u>902,794</u>	<u>202,791</u>

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

Swan Districts Football Club (Inc)
Statement of financial position
As at 31 October 2020

	Note	2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	4	1,576,455	814,839
Trade and other receivables	5	22,849	83,873
Inventories	6	33,086	39,585
Prepayments		85,703	3,333
Financial assets	7	233	483
Total current assets		<u>1,718,326</u>	<u>942,113</u>
Non-current assets			
Property, plant and equipment	8	669,278	462,541
Investment in joint venture	9	21,837	8,825
Right-of-use assets	10	33,790	-
Total non-current assets		<u>724,905</u>	<u>471,366</u>
Total assets		<u>2,443,231</u>	<u>1,413,479</u>
Liabilities			
Current liabilities			
Trade and other payables	11	178,365	150,627
Employee benefits provisions	12	131,273	144,122
Financial liabilities	13	-	23,623
Other liabilities	14	630,983	527,651
Lease Liabilities	15	31,437	-
Total current liabilities		<u>972,058</u>	<u>846,023</u>
Non-current liabilities			
Lease Liabilities	15	923	-
Total non-current liabilities		<u>923</u>	<u>-</u>
Total liabilities		<u>972,981</u>	<u>846,023</u>
Net assets		<u>1,470,250</u>	<u>567,456</u>
Equity			
Retained surplus	16	<u>1,470,250</u>	<u>567,456</u>
Total equity		<u>1,470,250</u>	<u>567,456</u>

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

Swan Districts Football Club (Inc)
Statement of changes in equity
For the year ended 31 October 2020

	Note	Retained surplus \$	Total equity \$
Balance at 1 November 2018 (Restated)		364,665	364,665
Surplus for the year		202,791	202,791
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>202,791</u>	<u>202,791</u>
Balance at 31 October 2019	16	<u><u>567,456</u></u>	<u><u>567,456</u></u>
		Retained surplus \$	Total equity \$
Balance at 1 November 2019		567,456	567,456
Surplus for the year		902,794	902,794
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>902,794</u>	<u>902,794</u>
Balance at 31 October 2020	16	<u><u>1,470,250</u></u>	<u><u>1,470,250</u></u>

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

Swan Districts 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		5,117,901	4,851,567
Receipts from Government Subsidies		643,500	-
Payments to suppliers and employees		<u>(4,610,272)</u>	<u>(4,399,284)</u>
		1,151,129	452,283
Interest received		2,367	1,877
Interest paid		(16,131)	(7,876)
Interest paid- lease liabilities		<u>(1,890)</u>	<u>-</u>
Net cash from / (used in) operating activities		<u>1,135,475</u>	<u>446,284</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(311,615)	(50,338)
Proceeds from disposal of property, plant and equipment		-	-
Dividends received from joint venture		<u>-</u>	<u>20,856</u>
Net cash from / (used in) investing activities		<u>(311,615)</u>	<u>(29,482)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(38,621)	-
Hire purchase repayment		<u>(23,623)</u>	<u>(19,005)</u>
Net cash from / (used in) financing activities		<u>(62,244)</u>	<u>(19,005)</u>
Net increase in cash and cash equivalents		761,616	397,797
Cash and cash equivalents at the beginning of the financial year		<u>814,839</u>	<u>417,042</u>
Cash and cash equivalents at the end of the financial year	4	<u><u>1,576,455</u></u>	<u><u>814,839</u></u>

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

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

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

Swan Districts Football Club (Inc) has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Club.

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 earnings as at 1 November 2019 was as follows:

Right-of-use Assets (AASB 16)	70,980
Lease Liabilities	<u>(70,980)</u>
Reduction in opening retained profits as at 1 November 2019	-

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

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

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 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.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

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

Donations 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.

Recruitment Revenue and Expenditure

Transfer fees both received and paid for players are brought to account as income/expenses on an accrual basis upon obtaining a contractual agreement.

Other revenue

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

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

Swan Districts Football Club (Inc) is exempt from paying income tax under the *Income Tax Assessment Act 1997*.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Note 1. Significant accounting policies (continued)

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in Swan Districts Football Club (Inc)'s normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Swan Districts Football Club (Inc)'s normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Club commits itself to either purchase or sell the asset.

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified at 'fair value through profit or loss', in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement of financial assets

Financial assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset, unless, an accounting mismatch is being avoided.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Club intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Club has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all a financial asset, its carrying value is written off.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Note 1. Significant accounting policies (continued)

Impairment of financial assets

The Club recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Club's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognised, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimate. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Classification and subsequent measurement of financial liabilities

The Club's financial liabilities include trade and other payables.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Property, plant and equipment

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

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

Leasehold improvements	20 - 25 years
Plant and equipment	2 - 20 years
Motor vehicles	6 - 7 years

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Swan Districts Football Club (Inc). Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Swan Districts Football Club (Inc) prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Note 1. Significant accounting policies (continued)

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.

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.

Swan Districts Football Club Inc
Notes to the financial statements
For the year ended 31 October 2019

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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. 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

Swan Districts Football Club (Inc) 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.

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

Swan Districts Football Club (Inc) assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to Swan Districts Football Club (Inc) and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Expenses

	2020 \$	2019 \$
Surplus includes the following specific expenses:		
<i>Superannuation expense</i>		
Defined contribution superannuation expense	<u>194,550</u>	<u>164,820</u>

Swan Districts Football Club Inc
Notes to the financial statements
For the year ended 31 October 2019

Note 4. Current assets - cash and cash equivalents

	2020 \$	2019 \$
Cash on hand	2,400	2,400
Cash at bank	1,574,055	812,439
	<u>1,576,455</u>	<u>814,839</u>

Note 5. Current assets - trade and other receivables

	2020 \$	2019 \$
Trade receivables	16,409	73,698
Other receivables	6,440	6,580
Accrued revenue	-	3,595
	<u>22,849</u>	<u>83,873</u>

Management have considered the impact of expected credit losses under AASB 9 by determining the value of aged receivables that could potentially have expected credit losses, and then applying an expected credit loss rate to determine the allowance for expected credit losses. Based on management's assessment of the expected credit losses, no allowance for credit losses is required to be recognised as at 31 October 2020 as it is considered immaterial.

Note 6. Current assets - inventories

	2020 \$	2019 \$
Items held for resale - at lower of cost and net realisable value (i)		
- Merchandise	9,937	18,014
- Bar	20,626	19,201
- Canteen	2,523	2,370
	<u>33,086</u>	<u>39,585</u>

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

Note 7. Current assets – financial assets

	2020 \$	2019 \$
Financial assets – at fair value	233	483
	<u>233</u>	<u>483</u>

The fair value of financial assets of \$233 (2019: \$483) has been assessed by reference to ASX published price quotations to determine market value.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Movements in financial assets – at fair value

Movements in financial assets during the current financial year are set out below:

	Financial assets \$
Balance at 1 November 2019	483
Fair value adjustment through profit or loss	<u>(250)</u>
Balance at 31 October 2020	<u>233</u>

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

	2020 \$	2019 \$
Buildings and leasehold improvements - at cost	1,052,545	851,753
Less: Accumulated depreciation	<u>(652,472)</u>	<u>(609,225)</u>
	400,073	242,528
Plant and equipment - at cost	794,805	1,254,911
Less: Accumulated depreciation	<u>(555,141)</u>	<u>(1,034,898)</u>
	239,664	220,013
Motor vehicles - at cost	82,078	52,087
Less: Accumulated depreciation	<u>(52,537)</u>	<u>(52,087)</u>
	29,541	-
	<u>669,278</u>	<u>462,541</u>

Reconciliations

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

	Buildings and leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	Total \$
Balance at 1 November 2019	242,528	220,013	-	462,541
Additions	200,792	80,833	29,990	311,615
Disposals	-	(10,462)	-	(10,462)
Depreciation expense	<u>(43,247)</u>	<u>(50,720)</u>	<u>(449)</u>	<u>(94,416)</u>
Balance at 31 October 2020	<u>400,073</u>	<u>239,664</u>	<u>29,541</u>	<u>669,278</u>

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Note 9. Non-current assets - Investments

	2020	2019
	\$	\$
Investment accounted for using the equity method	21,837	8,825
	<u>21,837</u>	<u>8,825</u>

Note 10. Non-current assets - right-of-use assets

	2020	2019
	\$	\$
Right-of-use asset	70,981	-
Less: Accumulated depreciation	(37,191)	-
	<u>33,790</u>	<u>-</u>

Right-of-use assets relates to a Motor Vehicle used in Onslow and a House located in Newman. Both assets are utilised in the delivery of community programs.

Note 11. Current liabilities - trade and other payables

	2020	2019
	\$	\$
Trade payables	72,582	50,845
Accruals	37,912	27,114
Sundry creditors	4,158	3,148
PAYG and superannuation	59,234	65,141
GST liabilities (net)	4,479	4,379
	<u>178,365</u>	<u>150,627</u>

Note 12. Current liabilities - employee benefits provisions

	2020	2019
	\$	\$
Employee benefits – annual leave	110,381	111,979
Employee benefits – long service leave	20,892	32,143
	<u>131,273</u>	<u>144,122</u>

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Note 13. Financial liabilities

	2020	2019
	\$	\$
Current liabilities		
Hire purchase contract liability	-	28,062
Unexpired interest charges	-	(4,439)
	<u> </u>	<u>23,623</u>
Non-current liabilities		
Hire purchase contract liability	-	-
Unexpired interest charges	-	-
	<u> </u>	<u> </u>
Total financial liabilities	<u> </u>	<u>23,623</u>

Note 14. Current liabilities – Other liabilities

	2020	2019
	\$	\$
Income in advance – Community Programs	621,763	346,911
Income in advance - Memberships	9,220	12,640
Unexpended grant – Australian Sports Commission	-	168,100
	<u> </u>	<u> </u>
	<u>630,983</u>	<u>527,651</u>

Note 15. Lease liability

	2020	2019
	\$	\$
Lease liability (Current)	31,437	-
Lease liability (Non-Current)	923	-
	<u> </u>	<u> </u>
Total lease liability	<u>32,360</u>	<u> </u>

Note 16. Equity - retained surplus

	2020	2019
	\$	\$
Retained surplus at the beginning of the financial year	567,456	364,665
Surplus for the year	902,794	202,791
Other comprehensive income for the year	-	-
	<u> </u>	<u> </u>
Retained surplus at the end of the financial year	<u>1,470,250</u>	<u>567,456</u>

Note 17. Contingent liabilities

Swan Districts Football Club (Inc) had no contingent liabilities as at 31 October 2020 and 31 October 2019.

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Note 18. 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	5,500	5,500
- Other services in relation to the entity	1,200	1,200
Amounts received or due and receivable by Ray Wooley Pty Ltd		
- Audit 2018 final payment in 2019	-	5,000
	<u>6,700</u>	<u>11,700</u>

Note 19. Related party transactions

Transactions with related parties

Swan Districts Football Club (Inc) is a unit holder of Swan Districts Sports Clinic Unit Trust (Swan Districts Sports Clinic Pty Ltd). The club has recognised their 50% ownership share as an investment accounted for using the equity method.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 October 2020 that has significantly affected or may significantly affect Swan Districts Football Club (Inc)'s operations, the results of those operations, or Swan Districts Football Club (Inc)'s state of affairs in future financial years, except for noting the loss of the BHP partnership in 2021 (approx. \$1.5M) that has been offset by the cancellation of the relevant programs and staffing.

Note 21. Administration Income

	2020 \$	2019 \$
Asset & Venue Rentals & Dividends	128,502	59,792
Corporate/Management Fees	357,984	283,683
Sundry Income	38,751	60,211
WAFC Grants	393,389	512,243
JobKeeper & COVID Subsidies	778,638	-
	<u>1,697,264</u>	<u>915,929</u>

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Note 22. Commercial Operations Income

	2020	2019
	\$	\$
Sales - Bar	196,301	245,555
Sales - Catering	61,555	97,681
Sales - Merchandise	38,913	52,612
Total Gross Sales	<u>296,769</u>	<u>395,848</u>
Cost of Sales - Bar	(89,556)	(113,467)
Cost of Sales - Catering	(22,311)	(40,356)
Cost of Sales - Merchandise	(27,482)	(47,645)
Total Cost of Sales	<u>(139,349)</u>	<u>(201,468)</u>
Gross Profit	157,420	194,380
Venue Hire & Sundry Income	17,817	58,378
	<hr/>	<hr/>
Total Bar & Functions Income	<u>175,236</u>	<u>252,758</u>

Note 23. Marketing & Business Development Income

	2020	2019
	\$	\$
Functions & Fundraising	71,376	101,468
Membership Fees	82,190	69,082
Sponsorship	303,907	462,955
Sundry Income	185	3,367
	<hr/>	<hr/>
	<u>457,659</u>	<u>636,872</u>

Note 24. Football Operations Income

	2020	2019
	\$	\$
Gate Receipts	54,564	89,969
Sundry Income	20,689	85,256
Transfer Fees	10,000	17,500
	<hr/>	<hr/>
	<u>85,254</u>	<u>192,725</u>

Note 25. Community Programs Income

	2020	2019
	\$	\$
Program Funding Government	757,050	619,034
Program Funding Private	2,015,189	1,460,451
Sundry Income & Donations	8,574	68,570
	<hr/>	<hr/>
	<u>2,780,814</u>	<u>2,148,055</u>

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Note 26. Administration Expenses

	2020	2019
	\$	\$
Audit Fees	6,700	11,700
Bad & Doubtful Debts	-	237
Bank Charges & Interest	17,909	11,260
Computing, Telephone & Office Expenses	24,006	21,800
FBT, Payroll Tax & Superannuation	34,434	55,450
Insurance & Workers Comp	10,604	45,438
Printing & Stationery	22,419	16,204
Salaries & Employee Expenses	173,852	270,211
Sundry Admin Expenses	5,306	4,845
Jobkeeper Payments- Top up payments	167,773	-
	<u>463,004</u>	<u>437,145</u>

Note 27. Commercial Operations (excluding Cost of Sales)

	2020	2019
	\$	\$
General Bar Expenses	7,013	6,003
Catering Expenses	4,053	35,853
Salary & Employee Costs	66,907	89,293
	<u>77,973</u>	<u>131,149</u>

Note 28. Marketing & Business Development Expenses

	2020	2019
	\$	\$
Advertising Promotion & Office Expenses	16,557	60,087
Functions & Sponsorship Servicing	81,884	181,546
Salary & Employee Costs	145,144	162,481
Sundry Expenses	1,053	8,945
	<u>244,639</u>	<u>413,059</u>

Note 29. Facility Expenses

	2020	2019
	\$	\$
Cleaning, R&M, Security	98,988	62,314
Light Power & Gas	40,877	29,731
Rates & Facility Lease	29,246	49,415
Salary & Employee Costs	15,089	17,936
Sundry Expenses	21,310	2,158
	<u>205,511</u>	<u>161,554</u>

Swan Districts Football Club (Inc)
Notes to the financial statements
For the year ended 31 October 2020

Note 30. Football Operations Expenses

	2020	2019
	\$	\$
Catering	18,662	14,553
Equipment, Footballs & Uniforms	87,291	57,961
Insurance & General Expenses	7,162	7,654
Match & Training Expenses	22,200	40,160
Medical and Game Day Staff	82,009	135,533
Medical Supplies	15,887	16,937
Player Payments (incl Super)	123,784	230,850
Recruitment & Transfer Fees	26,385	12,000
Salaries Football Staff (incl Super)	234,573	204,470
Travel & Motor Vehicle	23,987	57,661
Trophies & Awards	3,693	2,078
Sundry Expenses	10,868	3,394
	<u>656,499</u>	<u>783,251</u>

Note 31. Community Programs Expenses

	2020	2019
	\$	\$
Computer IT, Office & Rates	71,048	50,472
Insurance & Sundry Expenses	95,592	32,890
Management Fees	357,984	279,300
Employee Costs	1,823,470	1,213,137
Program Expenses & Communities	237,617	244,292
Rent & Accommodation	110,985	133,401
	<u>2,696,696</u>	<u>1,953,492</u>

Swan Districts Football Club (Inc)

Independent auditor's report to the members of Swan Districts Football Club (Inc)

In the Directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the *Associations Incorporation Act 2015 (WA)* and associated regulations;
- the attached financial statements and notes give a true and fair view of Swan Districts Football Club (Inc)'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 Swan Districts Football Club (Inc) will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Peter Hodyl
President



Des Hardiman
Treasurer

15 January 2021

Swan Districts Football Club (Inc)
Independent auditor's report to the members of Swan Districts Football Club (Inc)

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Swan Districts Football Club (Inc)
Independent auditor's report to the members of Swan Districts Football Club (Inc)

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