

ASC agent number 110
agent name FJA SECRETARIAL SERVICES P/L
address 14th Fl, 600 St.Kilda Rd,
MELBOURNE VIC 3004
telephone (03) 529 5355
facsimile (03) 529 1946
DX Number

AUSTRALIAN SECURITIES COMMISSION



007310271

A.S.C. Australian Securities Commission
Approval
No: 291/ari 1993 Annual Return of a company

form 316

Corporations Law
335(1), reg 3.8.01

Declaration

- I declare (a) that the information given on this Annual Return and any annexures is complete and correct at the date of signing
(b) that any key financial data shown at item 13 has been accurately extracted from accounting records in accordance with subsection 289(1)
(c) that there are reasonable grounds to believe that the company will be able to pay its debts when they fall due
(d) that this declaration is made under a resolution by the company's board of directors to adopt the contents of this Annual Return

Dyson Hore-Lacey
Director
sign here

date 17/03/1994

employees of the company 0 1-4 5-9 10-19 20-99 100-199 200-499 500+

1 company name Fitzroy Football Club Limited

2 Australian Company
Number

005 881 201

AUSTRALIAN SECURITIES
COMMISSION

01 JUL 1994

3 financial year ended 31/10/1993

INFORMATION / COMPLIANCE

4 Annual General Meeting

RECEIVED

current financial year meeting held or deemed to have been held
date of meeting 17/03/1994

Page

1

IPC

20 JUL 1994

5 classification of public, limited by shares
company unlisted
Was the company of the same classification
for the whole of the financial year? Yes

6 principal activities Football Club

7 registered Office 2 Charles Street
address Northcote, VIC, 3070 Date of Change: 02.08.1993

- 7 reg. office (cont) Does the company occupy the premises specified as the address of the registered office? Yes
-
- office hours Have the office hours of the registered office changed? No
- 8 principal business address 2 Charles Street
Northcote, VIC, 3070
- telephone 482 4922
facsimile 486 3686
- 9 ultimate holding No Ultimate Holding Company
- 10 current auditor
- name KPMG Peat Marwick
at the office of
office, floor, bldg
street number & name 161 Collins Street
suburb/city Melbourne
state & postcode VIC 3000
- 11 auditor's report Were the company accounts for the financial year audited? Yes
- Did the auditor's report for the financial year contain a statement of:
- reasons for the auditor not being satisfied as to the matters referred to in section 331B? No
- details of deficiency, failure or shortcoming concerning any matter referred to in section 331E? No
- 12 accounts Is the company covered by a class order which relieves the company from preparing accounts? No

13 key financial data

at the end of financial year

current assets	\$	1,627,364
non-current tangible assets	\$	195,028
non-current intangible assets	\$	4,000,000
total assets	\$	5,822,392
current liabilities	\$	3,464,676
non-current liabilities	\$	58,709
shareholders' equity	\$	2,299,007

for the whole financial year

operating profit/(loss) after income tax	\$	(32,027)
profit/(loss) on extraordinary items after income tax	\$	0

Does the company act as a trustee? No

if yes, complete the following for each trust

amount of liabilities incurred by the company as a trustee	\$	0
amount by which the company has the right to be indemnified out of trust assets	\$	0

14 company officers
**

Eales, Robert Alfred
33 Mundarra Drive
Ringwood North, VIC, 3134
born 18/12/1952 at Melbourne, Victoria
DIR appointed 17/03/1994
Officer holds shares in the company? No

Findlay, Elaine Patricia
317 Broadgully Road
Diamond Creek, VIC, 3089
born 19/04/1942 at Melbourne, Victoria
DIR appointed 09/12/1985
Officer holds shares in the company? Yes

Hore-Lacey, Dyson
11 Stirling Street
Kew, VIC, 3101
born 28/12/1940 at Hobart, Tasmania
DIR appointed 22/01/1991
Officer holds shares in the company? No

Levy, Kenneth John
139 Bonds Road
Lower Plenty, VIC, 3093
born 17/04/1929 at Melbourne, Victoria
DIR appointed 22/01/1991
Officer holds shares in the company? No

McMahon, David Anthony
75 Newmans Road
Templestowe, VIC, 3106
born 19/10/1951 at Burnie, Tasmania
DIR appointed 25/05/1988
Officer holds shares in the company? No

Mitchell, Peter Julian
190 Ferguson Street
Williamstown, VIC, 3016
born 04/11/1948 at Melbourne, Victoria
DIR appointed 26/05/1993
Officer holds shares in the company? Yes

Pettinella, John
726-728 Maroondah Highway
Coldstream, VIC, 3770
born 06/07/1961 at Melbourne, Victoria
DIR appointed 26/01/1993
Officer holds shares in the company? No

Ryan, Kevin John
14 Wooded Way
Montmorency, VIC, 3094
born 06/09/1939 at Korumburra, Victoria
DIR appointed 18/12/1991
SEC appointed 17/06/1992
PEO appointed 17/06/1992
Officer holds shares in the company? No

Stewart, John Charles
44 Derwent Street
Mentone, VIC, 3194
born 26/07/1955 at Melbourne, Victoria
DIR appointed 28/04/1993
Officer holds shares in the company? Yes

15 issued shares and options

class code	description, full title of shares	nominal value/share
ORD	Ordinary	1.00

class code		
ORD	Shares	
	total number issued	583000
	total nominal value \$	583000.00
	total amount paid	583000.0000
	balance of share premium account \$	0.0000
Options		
	number of shares entitled to average exercise price per share	0 0.0000

16 list of members (shareholders)

member's full name and address	class code	total no of shares held	shares fully paid	beneficial owner of shares
BSR Mortgage Corporation Limited 5th Floor 140 Queen Street Melbourne, VIC, 3000	ORD	33300	Yes	Yes
Des Wittingslow PO Box 40 Ascot Vale, VIC, 3032	ORD	20000	Yes	Yes
Edward William Percy Hart 100 Williamsons Road Doncaster, VIC, 3108	ORD	30000	Yes	Yes
Elaine Patricia Findlay 20-22 Quinn Street Preston, VIC, 3072	ORD	20000	Yes	Yes
Keith Henry Miller 16 Midway Street Mount Waverley, VIC, 3149	ORD	50000	Yes	Yes

Fitzroy Football Club Limited
A.C.N. 005 881 201

member's full name and address	class code	total no of shares held	shares fully paid	beneficial owner of shares
Melcorp Securities Limited Ground Floor 84-104 Johnston Street Fitzroy, VIC, 3065	ORD	33300	Yes	Yes
National Investment Corporation Pty. Ltd. 84 Johnston Street Fitzroy, VIC, 3065	ORD	33300	Yes	Yes
Peter Julian Mitchell & Theodore Engelbert Verlaan 562 Flinders Street Melbourne, VIC, 3000	ORD	100000	Yes	Yes
Phillip Thomas Taylor PO Box 262 Burwood, NSW, 2134	ORD	40000	Yes	Yes
Raymond Henry Paton & Pauline May Paton - Held Jointly 32 Sarah Crescent Templestowe, VIC, 3106	ORD	20000	Yes	Yes

FITZROY FOOTBALL CLUB LIMITED
A.C.N. 005 881 201

**APPLICATION FOR EXEMPTION
FROM LISTING SHAREHOLDERS**

1. The Club has in excess of 500 Shareholders (774)
2. The Principal Register is held at the office of KPMG Peat Marwick, Collins Street Melbourne.
3. Reasonable accommodation and facilities are available for persons to inspect and take copies of the Members List and details of Shares Transferred.

Dated: 17th March, 1994



D. Hore-Lacey
Director

COMPANY:

Fitzroy Football Club Limited

AUSTRALIAN COMPANY NO:


005 881 201

I, **Dyson Hore-Lacey**

of **2 Charles Street, Northcote, Victoria, 3070**

"certify that this is a true copy of all accounts and group accounts (if any) required to be laid before the company at the Annual General Meeting, together with a copy of every other document required by section 316 to be laid before the Annual General Meeting."

DATED this 17th day of March, 1994.


.....
D. Hore-Lacey
DIRECTOR

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

(ACN. 005 881 201)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 1993

The Directors present their report together with the accounts of Fitzroy Football Club Limited ("the Company") and the consolidated accounts of the economic entity, being the Company and its controlled entities, for the year ended 31 October 1993 and the auditors' report thereon.

(a) Directors

Directors in office at the date of this report are:

Name	Qualifications
Mr Dyson Hore-Lacy	Barrister
Mrs Elaine Findlay	Managing Director
Mr Ken Levy	Managing Director
Mr David McMahon	Managing Director
Mr Kevin Ryan	Retired
Mr John Stewart	Chartered Accountant
Mr John Pettinella	Managing Director
Mr Peter Mitchell	Hotelier

(b) Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the financial year are:

Director	Directors Meetings	
	No. of Meetings attended	No. of Meetings held*
Mr Dyson Hore-Lacy	16	18
Mr John Dawson - Resigned 28/4/93	5	9
Mrs Elaine Findlay	16	18
Mr Ken Levy	17	18
Mr David McMahon	11	18
Mr Kevin Ryan	15	18
Dr Henry Pinskiar - Resigned 17/7/93	11	11
Mr David Sandground - Resigned 19/10/93	12	17
Mr John Stewart	9	10
Mr John Pettinella	13	14
Mr Peter Mitchell	9	10

* reflects the number of meetings held during the time the director held office during the year.

(c) Principal Activities

The principal activities of the economic entity during the course of the financial year were to conduct the Fitzroy Football Club and to manage its affairs, and to trade as a Hotel licensee.

There were no significant changes in the nature of the activities of the economic entity during the year.

(d) Consolidated Result

The consolidated profit of the economic entity for the year ended 31 October 1993 was \$29,939 (1992 loss \$958,546). The contribution to the profit by each entity in the economic entity is set out in Note 18 to the financial statements.

(e) Dividends

The Directors do not recommend payment of a dividend. No dividends were paid to shareholders during the year.

(f) Review of Operations

The economic entity has returned a net profit for the year of \$29,939, representing a significant achievement when compared to the heavy losses incurred in prior years. The Fitzroy Football Club Hotel has traded profitably in difficult economic circumstances, with the introduction of Poker Machines contributing significantly. The Football Club has shown improved trading due mainly to:

- increased membership;
- significant sponsorship package provided by Carlton & United Brewery;
- the Schweppes Solo Promotion and
- overall cost control.

Of course the Club continued to carry its debt burden resulting in interest paid amounting to \$174,082 for the year.

During the year the Club reassessed the useful life of leasehold improvements at Bulleen Park. The original lease entered into in 1983 for a period of 9 years was renegotiated for a 20 year term. Accordingly, to amortise the leasehold improvements (cost \$208,247) over a 9 year period is clearly incorrect and requiring adjustment. This has meant that our trading results in prior years have been adversely effected by the charge for amortisation on leasehold improvements. The financial effect of this change in policy is disclosed in the accounts.

(g) Changes in Affairs

There were no significant changes in the state of affairs of the economic entity not otherwise disclosed in this report.

(h) Future Developments

There are no likely developments in the operations of the economic entity and the expected results of those operations in subsequent financial years other than as referred to herein and in the preceding reports of the Chairman and the Chief Executive.

(i) Events Subsequent to Balance Date

- (a) The Club has executed an Agreement with the Footscray Football Club to play its home games at the Western Oval for the next 20 years commencing from Season 1994.
- (b) The Westpac Bank has withdrawn its banking facility to the Club and other financial arrangements have been put in place. Refer Subsequent Events - Note 23 to the accounts.
- (c) The Club is seeking alternative financial arrangements for funding requirements - Refer Subsequent Events - Note 23 to the accounts.
- (d) The Club has attracted new Sponsors to the Club for 1994, namely :
 - * Schweppes
 - * Nike
 - * Recycling & Resource Recovery Council

Other than as referred to above there has been no other matter or circumstance between the end of the financial year and the date of this report that has significantly affected or may significantly affect the results, operations or state of affairs of the economic entity in subsequent financial years.

(j) Directors Interests and Benefits

The relevant interests of each Director in the share capital of the Company shown in the Register of Directors' shareholdings as at the date of this report are set out in Note 19 to the financial statements.

Since the end of the previous financial year no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors shown in the consolidated accounts) because of a contract made by the Company, or its controlled entities, with the Director or with a firm of which the Director is a member, or with an entity in which the Director has a substantial interest, other than Messrs D Hore-Lacy and E Findlay. These Directors are shareholders and Directors of Fitzroy Football Club Finances Pty Ltd, which has advanced and borrowed funds from the economic entity. Mrs E Findlay is a Director and shareholder of Findlay Air Conditioning Pty Ltd, which installed an air conditioning system in the Fitzroy Club Hotel. Further details of these transactions are set out in Note 19 to the financial statements.

Signed at Melbourne this 2nd day of March 1994 in accordance with a resolution of the Directors.



Dyson Hore-Lacy
Director



Elaine Findlay
Director

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

PROFIT AND LOSS ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Note	Consolidated		The Company	
		1993	1992	1993	1992
		\$	\$	\$	\$
Revenue	3	6,421,443	4,608,278	3,966,296	3,434,537
Operating profit / (loss)	3, 4	29,939	(958,546)	(32,027)	(896,580)
Income tax attributable to operating profit / (loss)	5	-	-	-	-
Operating profit / (loss) after income tax		29,939	(958,546)	(32,027)	(896,580)
Accumulated losses at the beginning of the financial year		(2,313,932)	(1,355,386)	(2,251,966)	(1,355,386)
Accumulated losses at the end of the financial year		(2,283,993)	(2,313,932)	(2,283,993)	(2,251,966)

To be read in conjunction with the notes to the accounts.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

BALANCE SHEETS AS AT 31 OCTOBER 1993

	Note	Consolidated		The Company	
		1993	1992	1993	1992
		\$	\$	\$	\$
Current Assets					
Cash		83,393	53,009	17,000	3,379
Receivables	6	1,454,867	1,125,377	1,563,622	1,208,807
Inventories (finished goods - at cost)		78,614	94,729	21,111	27,624
Other	7	72,405	39,416	25,631	500
Total current assets		<u>1,689,279</u>	<u>1,312,531</u>	<u>1,627,364</u>	<u>1,240,310</u>
Non-Current Assets					
Property, plant & equipment	8	423,043	345,790	195,028	151,356
Intangibles	9	4,094,236	4,105,578	4,000,000	4,000,000
Total non-current assets		<u>4,517,279</u>	<u>4,451,368</u>	<u>4,195,028</u>	<u>4,151,356</u>
Total assets		<u>6,206,558</u>	<u>5,763,899</u>	<u>5,822,392</u>	<u>5,391,666</u>
Current Liabilities					
Creditors & borrowings	10	3,532,163	3,213,290	3,438,797	2,955,647
Provisions	11	33,124	31,992	25,879	28,725
Total current liabilities		<u>3,565,287</u>	<u>3,245,282</u>	<u>3,464,676</u>	<u>2,984,372</u>
Non-Current Liabilities					
Creditors & borrowings	12	342,264	249,549	58,709	76,260
Total non-current liabilities		<u>342,264</u>	<u>249,549</u>	<u>58,709</u>	<u>76,260</u>
Total liabilities		<u>3,907,551</u>	<u>3,494,831</u>	<u>3,523,385</u>	<u>3,060,632</u>
Net assets		<u>2,299,007</u>	<u>2,269,068</u>	<u>2,299,007</u>	<u>2,331,034</u>

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

BALANCE SHEETS AS AT 31 OCTOBER 1993

	Note	Consolidated		The Company	
		1993	1992	1993	1992
		\$	\$	\$	\$
Shareholders' Equity					
Share Capital	13	583,000	583,000	583,000	583,000
Reserves	14	4,000,000	4,000,000	4,000,000	4,000,000
Accumulated losses		(2,283,993)	(2,313,932)	(2,283,993)	(2,251,966)
		<u>1,716,007</u>	<u>1,686,068</u>	<u>1,716,007</u>	<u>1,748,034</u>
Total shareholders' equity		<u><u>2,299,007</u></u>	<u><u>2,269,068</u></u>	<u><u>2,299,007</u></u>	<u><u>2,331,034</u></u>

To be read in conjunction with the notes to the accounts.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 1993

		Consolidated		The Company	
	Note	1993	1992	1993	1992
		\$	\$	\$	\$
Cash Flows from Operating Activities					
Cash receipts in the course of operations		6,096,563	3,985,547	3,474,535	2,728,376
Cash payments in the course of operations		(6,158,919)	(4,861,577)	(3,624,032)	(3,718,267)
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	16	(62,356)	(876,030)	(149,497)	(989,891)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Cash Flows from Investing Activities					
Interest received		-	508	-	508
Payments for property, plant & equipment		(63,496)	(210,686)	(6,602)	(8,478)
Payments for intangible assets		(100,000)	(13,418)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided (used) by investing activities		(163,496)	(223,596)	(6,602)	(7,970)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Cash Flows from Financing Activities					
Interest paid		(174,028)	(125,190)	(150,278)	(103,296)
Proceeds from borrowings		877,266	423,289	767,000	250,000
Repayments of borrowings		(205,399)	(60,000)	(205,399)	(60,000)
Proceeds from issue of shares		-	630	-	630
Lease payments		(47,280)	(68,436)	(47,280)	(68,436)
		<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided (used) by financing activities		450,559	170,293	364,043	18,898
		<hr/>	<hr/>	<hr/>	<hr/>
Net increase (decrease) in cash held		224,707	(929,333)	207,944	(978,963)
		<hr/>	<hr/>	<hr/>	<hr/>
Cash at beginning of the financial year		(664,801)	264,532	(714,431)	264,532
		<hr/>	<hr/>	<hr/>	<hr/>
Cash at end of the financial year	16	(440,094)	(664,801)	(506,487)	(714,431)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

To be read in conjunction with the notes to the accounts.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

1. FITZROY FOOTBALL CLUB LIMITED

Fitzroy Football Club Limited is a Company limited by shares and guarantee under the Corporations Law. The Company is a licensee operating within the Australian Football League.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Underlying Principles

The accounts of the Company and the consolidated accounts of the economic entity have been drawn up in accordance with applicable Australian Accounting Standards, the provisions of Schedule 5 to the Corporations Regulations and the Corporations Law.

The accounts have been prepared on the basis of historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The carrying values of all non current assets are reviewed at least annually to determine whether they are in excess of their recoverable amount. If the carrying value of a non current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts the relevant cash flows have not been discounted to their present value.

The company and the economic entity's accounts have been prepared on a going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The company and the economic entity's financial statements disclose an excess of current liabilities over current assets of \$1,837,312 and \$1,876,008 respectively and total liabilities exceeded total tangible assets by \$1,700,993 and \$1,795,229 respectively.

Despite the abovementioned factors the Directors believe the going concern basis appropriate as the Directors have reduced all asset values to that which they consider realisable in the ordinary course of business. Further, in making this determination, the Directors have had regard to and considered the following factors:

- cash flow and profit projections for 1994 and subsequent years which, from financial information currently available, reveal continued improved trading and profitability and a surplus in cash flow;
- indications that the financial backer obtained subsequent to balance date is willing to continue with financial support in subsequent financial years;
- commitments from sponsors to the Club to maintain or increase levels of sponsorship for Season 1994 and the securing of new sponsorship arrangements;

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(a) Underlying Principles (Cont'd)

- the leasehold on the Fitzroy Club Hotel which is a valuable asset, is in the opinion of the Directors, worth significantly more than as reflected in these financial statements. The significant net equity in the leasehold will be used to secure finance for the economic entity of which a significant portion is already pledged. A recent independent valuation has assessed the current market value of the leasehold interest at \$725,000;
- reduced level of debt and therefore interest commitment;
- support of members and supporters subsequent to year end with pledges, loans, donations and guarantees; and
- securing of financial arrangements with the move to the Western Oval enabling repayment of AFL Debt by April 1994.

These and other factors based on current information available lead the Directors to believe that there are reasonable grounds to expect the company and the economic entity can pay its debts as and when they fall due.

As a licensee, the Company will continue to operate within the rules and conditions of the licence.

(b) Principles of Consolidation

The consolidated accounts comprise the accounts of the Company being the chief entity and its controlled entities.

Where a controlled entity has been sold or acquired during the year, its results are included in consolidated profit up to the date of sale or from the date of acquisition.

All inter-entity balances and transactions have been eliminated.

(c) Segment Information

The economic entity operates in the sporting and hotelkeeping industries. These activities are carried out wholly from within Australia.

(d) Plant & Equipment

Plant and equipment has been depreciated at rates calculated to absorb the cost of the assets over their estimated useful lives. Leasehold improvements are amortised over the period of the lease or their estimated useful lives whichever is the shorter.

Leasehold improvements at Bulleen Park were being amortised over the term of the initial lease (9 years). However, this lease was extended for a period of 20 years. Accordingly, a reassessment of the amortisation of these leasehold improvements was required and it has been determined that a period of 20 years from execution of the initial lease is appropriate. An adjustment in respect of prior years was made resulting in an abnormal credit in the profit and loss account of \$87,971 of the company and the economic entity.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(d) Plant & Equipment (Cont'd)

This policy has also resulted in a reduction in amortisation in the current year of \$12,727 of the company and the economic entity, thus increasing the operating profit after income tax by the same amount.

(e) Income Tax

The liability method of tax effect accounting has been adopted by the economic entity ie. income tax expense is calculated on operating profit adjusted for permanent differences between taxable and accounting income. Income tax on timing differences which arise from items being brought to account in different periods for income tax and accounting purposes is carried forward in the balance sheet as a future income tax benefit or a deferred tax liability.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits which include tax losses are only brought to account when their realisation is virtually certain.

(f) Inventories

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

(g) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incident to ownership of the leased property, and operating leases under which the lessor effectively retains all such risks and benefits. Where non-current assets are acquired by means of finance leases, the present value of minimum lease payments is established as a non-current asset at the beginning of the lease term and amortised on a straight line basis over its expected economic life. A corresponding liability is also established and each lease payment is allocated between such liability and interest expense. Operating lease payments are charged to the profit and loss account in the periods in which they are incurred.

(h) Australian Football League (AFL) Licence

A license was granted to the company under a licence agreement with the AFL dated 17 September 1985. In 1988 the directors valued the Company's AFL Licence at \$4 million. In view of the company complying with, and the reasonable expectation of continuing to comply with, the requirements of the licence agreement the Directors consider it appropriate to carry that asset in the financial statements. As the license agreement grants the company the rights of usage of associated trademarks for products and services throughout Australia relating to the Fitzroy Football Club this provides further support for capitalisation of the asset. All circumstances and conditions for the carrying of this asset are reviewed by the Directors on an annual basis. Having regard to its value to the company as a going concern, the Directors believe that this value does not exceed the amount that would have been reasonable to expend to acquire this asset at year end, and therefore no amortisation of this asset is considered necessary.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Goodwill

Goodwill, representing the excess of the purchase consideration over the fair value of the identifiable net assets acquired on the acquisition of the Hotel business, is amortised on a straight line basis over 10 years, the period during which benefits are expected to arise. A recent independent valuation of the current market value of leasehold interest of the Hotel has been assessed at \$725,000, which supports the carrying of the goodwill.

(j) Transfer Fees

The company has adopted a policy of capitalising transfer fees. These transfer fees represent payments made on the initial registration of a player. These costs are amortised on a straight line basis over 2 years, the period during which the Directors' believe the benefits are expected to arise. The costs are immediately expensed if the player is de-listed.

3. OPERATING RESULTS

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
The operating profit/loss has been arrived at after including:				
Operating Revenue				
AFL distributions	1,264,606	1,403,617	1,264,606	1,403,617
Sponsorship	950,265	662,400	950,265	662,400
Membership	455,923	359,920	455,923	359,920
Donations from coteries and other supporters	259,791	168,926	259,791	168,926
Donations - Fitzroy Football Club Social Club	-	-	43,876	68,065
Distribution - The Fitzroy Club Hotel Trust	-	-	104,856	-
Gaming machines	656,653	-	-	-
Bar sales	855,198	484,042	-	-
Bottle shop sales	718,814	376,828	-	-
Food sales	258,848	187,020	-	-
Gate receipts	163,430	138,887	163,430	138,887
Interest received - other persons	-	508	-	508
Marketing activities, functions & other	837,915	826,130	723,549	632,214
	<u>6,421,443</u>	<u>4,608,278</u>	<u>3,966,296</u>	<u>3,434,537</u>

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

3. OPERATING RESULTS (Cont'd)

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
Operating Expenses				
Amortisation of transfer fees	21,750	-	21,750	-
Amortisation of goodwill	11,342	7,840	-	-
Amortisation of hire purchase assets	1,834	1,833	1,834	1,833
Amortisation of leased assets	29,318	29,145	29,318	29,145
Amortisation of leasehold improvements	18,827	23,999	11,412	23,139
Auditors remuneration				
- Auditing the accounts	17,000	16,000	11,000	11,000
- Other services	5,000	16,650	4,000	5,000
Depreciation of plant & equipment	25,049	14,672	8,334	7,758
Interest paid to other persons	116,908	97,430	116,908	82,427
Interest paid to related parties				
- AFL	33,370	20,869	33,370	20,869
- Fitzroy Football Club Finances Pty Ltd	23,804	6,891	-	-
Lease finance charges	16,554	21,759	16,554	21,759
Transfers to/from provisions				
- Long service leave	-	-	-	-
- Annual leave	1,132	12,781	(2,846)	9,514
- Doubtful debts	(4,610)	12,964	(4,610)	12,964
Operating lease rental charges	263,224	184,798	35,386	33,998
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

4. ABNORMAL ITEM

Write back of amortisation upon reassessment of the estimated useful life of leasehold improvements (no income tax applicable)

87,971	-	87,971	-
<u> </u>	<u> </u>	<u> </u>	<u> </u>

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
5. INCOME TAX				
(a) Prime facie income tax expense/ (benefit) calculated at 33% (1992: 39%) on the operating profit/ loss	9,880	(373,833)	(10,569)	(349,666)
Non-deductible expenses	100,231	20,411	91,138	10,819
Trust distribution	-	-	7,300	-
Non-assessable income	(109,303)	(92,426)	(109,303)	(92,426)
Income tax benefit relating to recovery of The Fitzroy Club Hotel Trust tax losses not previously brought to account	(24,097)	-	-	-
Income tax expense relating to timing differences and tax losses not carried forward	23,289	445,848	21,434	431,273
Income tax benefit	-	-	-	-
Comprising:				
- Current income tax	-	-	-	-
- Deferred income tax	-	-	-	-
	-	-	-	-
(b) Future income tax benefit not brought to account calculated at 33% (1992: 39%)				
The potential future income tax benefits arising from tax losses and timing differences have not been recognised as an asset because recovery is not virtually certain:				
Tax losses carried forward	961,547	1,139,384	970,429	1,124,808
Timing differences	-	8,538	1,226	8,538
	961,547	1,147,922	971,655	1,133,346

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

5. INCOME TAX (Cont'd)

These income tax benefits will only be obtained if:

- (i) the economic entity derives future assessable income of a nature and amount sufficient to enable the benefit to be realised;
- (ii) the economic entity continues to comply with the conditions for deductibility imposed by the law;
- (iii) no changes in the tax legislation adversely affect the economic entity in realising the benefit; and
- (iv) past losses as per taxation returns lodged being accepted by the taxation authorities if and when an assessment is issued.

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
CURRENT ASSETS				
6. RECEIVABLES				
Debtors	55,991	106,277	53,635	105,883
Provision for doubtful debts	(1,310)	(5,920)	(1,310)	(5,920)
	<hr/>	<hr/>	<hr/>	<hr/>
	54,681	100,357	52,325	99,963
Accrued income	127,986	23,820	127,986	23,820
AFL	1,221,000	950,000	1,221,000	950,000
Fitzroy Football Club Finances Pty Ltd	51,200	51,200	51,200	51,200
Fitzroy Football Social Club	-	-	111,111	51,734
The Fitzroy Club Hotel Trust	-	-	-	32,090
	<hr/>	<hr/>	<hr/>	<hr/>
	1,454,867	1,125,377	1,563,622	1,208,807
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
7. OTHER				
Capitalised transfer fees	43,500	-	43,500	-
Less provision for amortisation	21,750	-	21,750	-
	<u>21,750</u>	<u>-</u>	<u>21,750</u>	<u>-</u>
Prepaid expenses	50,655	39,416	3,881	500
	<u>72,405</u>	<u>39,416</u>	<u>25,631</u>	<u>500</u>

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
NON-CURRENT ASSETS				
8. PROPERTY, PLANT & EQUIPMENT				
Leasehold improvements	376,956	344,823	213,802	212,802
Less provision for amortisation	114,399	182,543	106,124	181,683
	<u>262,557</u>	<u>162,280</u>	<u>107,678</u>	<u>31,119</u>
Gymnasium and medical equipment	48,424	48,424	48,424	48,424
Less provision for depreciation	40,463	37,474	40,463	37,474
	<u>7,961</u>	<u>10,950</u>	<u>7,961</u>	<u>10,950</u>
Office equipment, furniture and fittings	105,899	96,104	96,369	89,767
Less provision for depreciation	78,021	71,963	77,311	71,963
	<u>27,878</u>	<u>24,141</u>	<u>19,058</u>	<u>17,804</u>
Leased motor vehicles and office equipment	130,852	153,323	130,852	153,323
Less provision for amortisation	74,521	63,674	74,521	63,674
	<u>56,331</u>	<u>89,649</u>	<u>56,331</u>	<u>89,649</u>
Hire purchase assets	-	5,500	-	5,500
Less provision for amortisation	-	3,666	-	3,666
	<u>-</u>	<u>1,834</u>	<u>-</u>	<u>1,834</u>
Other plant & equipment	97,235	63,850	10,000	-
Less provision for depreciation	28,919	6,914	6,000	-
	<u>68,316</u>	<u>56,936</u>	<u>4,000</u>	<u>-</u>
	<u>423,043</u>	<u>345,790</u>	<u>195,028</u>	<u>151,356</u>

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
NON-CURRENT ASSETS (Cont'd)				
9. INTANGIBLE ASSETS				
Goodwill at cost	113,418	113,418	-	-
Less provision for amortisation	(19,182)	(7,840)	-	-
	<u>94,236</u>	<u>105,578</u>	-	-
AFL licence at Director's valuation October 1988	4,000,000	4,000,000	4,000,000	4,000,000
	<u>4,094,236</u>	<u>4,105,578</u>	<u>4,000,000</u>	<u>4,000,000</u>

CURRENT LIABILITIES

10. CREDITORS & BORROWINGS

Trade creditors	1,613,580	1,817,973	1,485,208	1,660,330
Lease liabilities (note 15)	39,836	36,011	39,836	36,011
Bank loan (1)	10,000	40,000	10,000	40,000
Bank overdraft (2)	523,487	717,810	523,487	717,810
Commercial bill (2)	1,000,000	250,000	1,000,000	250,000
Hire purchase liability	-	2,222	-	2,222
Unexpired interest charges	-	(199)	-	(199)
Balance payable on business acquisition	-	100,000	-	-
AFL - Interest bearing loan	74,074	249,473	74,074	249,473
- Trading account	271,186	-	271,186	-
The Fitzroy Club Hotel Trust	-	-	35,006	-
	<u>3,532,163</u>	<u>3,213,290</u>	<u>3,438,797</u>	<u>2,955,647</u>

(1) The National Australia Bank Limited loan is guaranteed by Collingwood Football Club Limited.

(2) At 31 October 1993 the Westpac Bank overdraft and Commercial bill were secured by a guarantee from the AFL (\$400,000) and an agreement that the AFL pay \$1,100,000 from the 1993 distribution to Westpac Banking Corporation Ltd. The AFL's obligation is secured by a second ranking fixed and floating charge over the assets of The Fitzroy Club Hotel Trust.

The AFL subsequently paid out the Westpac Bank for both the overdraft and guarantee amounts on 1 November 1993, and existing facilities with the Westpac Bank were withdrawn effective on that date.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
11. PROVISIONS.				
Annual leave	33,124	31,992	25,879	28,725
	<u>33,124</u>	<u>31,992</u>	<u>25,879</u>	<u>28,725</u>
	<u><u>33,124</u></u>	<u><u>31,992</u></u>	<u><u>25,879</u></u>	<u><u>28,725</u></u>
NON-CURRENT LIABILITIES				
12. CREDITORS & BORROWINGS				
Lease Liabilities (note 15)	33,309	67,860	33,309	67,860
Sundry Creditors	8,400	8,400	8,400	8,400
Unsecured Loans	17,000	-	17,000	-
Loan from Fitzroy Football Club Finances Pty Ltd	283,555	173,289	-	-
	<u>342,264</u>	<u>249,549</u>	<u>58,709</u>	<u>76,260</u>
	<u><u>342,264</u></u>	<u><u>249,549</u></u>	<u><u>58,709</u></u>	<u><u>76,260</u></u>

The loan from Fitzroy Football Club Finances Pty Ltd is secured up to \$240,000 by a first ranking fixed and floating charge over the assets of The Fitzroy Club Hotel Trust.

SHAREHOLDERS' EQUITY

13. AUTHORISED CAPITAL

Share Capital

10,000,000 ordinary shares of \$1 each	10,000,000	10,000,000	10,000,000	10,000,000
	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

Issued Capital

583,000 ordinary shares of \$1 each fully paid	583,000	583,000	583,000	583,000
	<u>583,000</u>	<u>583,000</u>	<u>583,000</u>	<u>583,000</u>

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
14. RESERVES				
Asset Revaluation Reserve				
Directors' valuation of licence to operate as a Football Club under AFL guide-lines	4,000,000	4,000,000	4,000,000	4,000,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
15. LEASE COMMITMENTS				
(i) Details of finance leases are as follows:				
Current liabilities (note 10)	39,836	36,011	39,836	36,011
Non-current liabilities (note 12)	33,309	67,860	33,309	67,860
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	73,145	103,871	73,145	103,871
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Finance lease commitments:				
Due within 1 year	49,707	52,033	49,707	52,033
Due within 1-2 years	20,278	44,110	20,278	44,110
Due within 2-5 years	18,537	38,815	18,537	38,815
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Less future finance charges	88,522	134,958	88,522	134,958
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	73,145	103,871	73,145	103,871
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
(ii) Operating leases contracted for not capitalised in the accounts:				
Due within 1 year	250,289	264,280	13,298	38,080
Due within 1-2 years	245,566	232,032	8,575	5,832
Due within 2-5 years	358,766	546,650	25,725	-
Due later than 5 years	102,900	-	102,900	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	957,521	1,042,962	150,498	43,912
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
16. NOTES TO THE STATEMENTS OF CASH FLOWS				
(i) Reconciliation of Cash				
For the purposes of the Statements of Cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the balance sheets as follows:				
Cash	83,393	53,009	17,000	3,379
Bank overdraft	(523,487)	(717,810)	(523,487)	(717,810)
	<hr/>	<hr/>	<hr/>	<hr/>
	(440,094)	(664,801)	(506,487)	(714,431)
	<hr/>	<hr/>	<hr/>	<hr/>
(ii) Reconciliation of Operating Profit/ (loss) after Income Tax to Net Cash Provided (Used) by Operating Activities				
Operating profit/ (loss) after income tax	29,939	(958,546)	(32,027)	(896,580)
Add (less) items classified as investing/financing activities:				
Interest paid	174,082	125,190	150,278	103,296
Interest received	-	(508)	-	(508)
Add (less) non-cash items:				
Abnormal item - amortisation write back	(87,971)	-	(87,971)	-
Amortisation of transfer fees	21,750	-	21,750	-
Amortisation of leased assets	29,318	29,145	29,318	29,145
Amortisation of hire purchase assets	1,834	1,833	1,834	1,833
Amortisation of leasehold improvements	18,827	23,999	11,412	23,139
Amortisation of goodwill	11,342	7,840	-	-
Amounts set aside to provisions	(3,478)	25,745	(7,456)	22,478
Depreciation	25,049	14,672	8,334	7,758
Lease finance charges	16,554	21,759	16,554	21,759
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities before change in assets and liabilities	237,246	(708,871)	112,026	(687,680)

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
16. NOTES TO THE STATEMENTS OF CASH FLOWS (Cont'd)				
Change in assets and liabilities adjusted for effects of purchase and disposal of controlled entities during the financial year:				
(Increase)/decrease in inventories	16,115	(66,033)	6,531	1,072
(Increase)/decrease in other assets	(54,739)	33,549	(46,881)	72,465
(Increase)/decrease in receivables	(324,880)	(622,731)	(386,905)	(706,161)
(Decrease)/increase in trade creditors	63,902	530,257	165,732	372,614
(Decrease)/increase in other creditors	-	(42,201)	-	(42,201)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash provided (used) by operating activities	(62,356)	(876,030)	(149,497)	(989,891)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(iii) Business Acquisition **1992**
\$

In February 1992 the economic entity acquired a Hotel business. Details of the acquisition are as follows:

Consideration:	
Cash	50,000
Deferred cash settlement	100,000
Incidental costs to the acquisition	13,418
	<hr/>
	163,418
	<hr/>

Assets acquired:	
Fixed assets	50,000
Goodwill	113,418
	<hr/>
	163,418
	<hr/>

(iv) Financing Facilities

As at 31 October 1993 the economic entity had access to banking facilities of \$1,500,000 of which \$1,484,289 was drawn at that date. On 1 November 1993, these facilities were extinguished and subsequently the financier withdrew the available facilities. Alternative financing arrangements were put in place.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

	Consolidated		The Company	
	1993	1992	1993	1992
	\$	\$	\$	\$
17. DIRECTORS' REMUNERATION				
Income received, or due and receivable by all Directors from the Company or controlled entities:	56,308	60,000	56,308	60,000

The number of Directors whose remuneration is within the following bands:

\$50,000 - \$59,999	1	-	1	-
\$60,000 - \$69,999	-	1	-	1

No retirement benefits were payable.

18. PARTICULARS RELATING TO THE CONTROLLED ENTITIES

Name	Amount of Investment		Consolidated Profit/(Loss)	
	1993	1992	1993	1992
	\$	\$	\$	\$
Fitzroy Football Club Limited			(180,759)	(964,645)
<i>Controlled entities</i>				
The Fitzroy Club Hotel Trust	-	-	166,822	(61,966)
Fitzroy Football Social Club	-	-	43,876	68,065
Business Enterprises Pty Ltd ⁽¹⁾	-	-	-	-
			<u>29,939</u>	<u>(958,546)</u>

(1) Business Enterprises Pty Ltd has three shareholders. All are Directors of Fitzroy Football Club Limited and hold their shares in trust for Fitzroy Football Club Limited.

19. RELATED PARTIES

Directors

The names of each person holding the position of Director of Fitzroy Football Club Limited during the financial year were Messrs E Findlay, D McMahon, J Dawson, D Hore-Lacy, D Sandground, K Ryan, H Pinskiar, J Stewart, J Pettinella, P Mitchell and K Levy.

Messrs J Dawson, H Pinskiar and D Sandground retired as Directors during the year.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

19. RELATED PARTIES (Cont'd)

Directors' Shareholdings

The following directors or their director related entities hold shares in the Company:

	\$1 Ordinary Shares	
	1993	1992
Mrs E Findlay	20,000	20,000
Mr J Stewart	1,000	1,000
Mr P Mitchell	100,000	100,000

Since the end of the previous financial year, no Director of the Company has been entitled to receive any benefit other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors shown in note 17.

Other Transactions

The directors decided to contribute \$36,000 in aggregate towards the cost of Chairman's lunches and numerous other club functions held during the 1993 season. The total amount owing to the Company at balance date is \$36,000.

Messrs E Findlay and D Hore-Lacy are directors and shareholders in Fitzroy Football Club Finances Pty Ltd. The Company has advanced the sum of \$51,200 (note 6) to Fitzroy Football Club Finances Pty Ltd on an interest free basis. These funds were then on lent to The Fitzroy Club Hotel Trust. At year end the amount owing by The Fitzroy Club Hotel Trust to Fitzroy Football Club Finances Pty Ltd was \$283,555 (1992 - \$173,289) (note 12). Interest on this loan was charged at commercial rates.

Mrs E Findlay is a director and shareholder of Findlay Air Conditioning Pty Ltd. Findlay Air Conditioning Pty Ltd installed an air-conditioning system into the Fitzroy Club Hotel in the ordinary course of business and on normal terms and conditions. The Fitzroy Club Hotel Trust paid Findlay Air Conditioning Pty Ltd \$19,955 for the system and installation costs.

There are no benefits (other than remuneration received as shown Note 17) received by the Directors other than reimbursement of out-of-pocket expenses. However, the Directors, on a regular basis throughout the year, make significant financial contributions to the football Club by way of

- sponsorships;
- coterie memberships; and
- fund raising activities.

These contributions made by all Directors are on an ad hoc basis, however in view of the types of transactions, provision of full particulars is unreasonable because the aggregate amounts cannot be reliably determined.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

19. RELATED PARTIES (Cont'd)

Australian Football League

Fitzroy Football Club Limited receives distributions from the AFL as determined by the AFL Commissioners. Distributions received or receivable for the year are disclosed in note 3.

Fitzroy Football Club Limited has remained indebted to the AFL on which interest was charged at normal commercial rates. The amount of interest paid or payable for the year is disclosed in note 3. The interest bearing loan balance payable to the AFL at year end is disclosed in note 10.

Distributions receivable at year end were \$1,221,000 (1992 - \$950,000) (note 6).

Controlled Entities

The Fitzroy Club Hotel Trust

Fitzroy Football Club Limited conducts normal trade with the Hotel and has received interest free loans. Profits are distributed on an annual basis to the Fitzroy Football Club Limited as an eligible beneficiary of the Trust.

Fitzroy Football Club Social Club

The Fitzroy Football Club Social Club conducts fund raising activities and contributes to the operations of the Football Club by way of annual contribution.

Business Enterprises Pty Ltd

Did not operate during the year.

20. CAPITAL EXPENDITURE COMMITMENTS

There are no material capital expenditure commitments at year end (1992 : \$NIL).

21. CONTINGENT LIABILITIES

Tax penalties and interest of \$68,176 will be payable if the Company does not pay its group tax liability in accordance with Australian Taxation office requirements. The Directors do not believe penalties will be incurred.

There were no material contingent liabilities outstanding at 31 October 1992.

FITZROY FOOTBALL CLUB LIMITED AND ITS CONTROLLED ENTITIES

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 1993

22. INDUSTRY SEGMENTS

	Hotel 1993 \$	Hotel 1992 \$	Sporting 1993 \$	Sporting 1992 \$	Total 1993 \$	Total 1992 \$
Operating revenue	2,560,003	1,173,741	3,861,440	3,434,537	6,421,443	4,608,278
Operating profit/(loss)	166,822	(61,966)	(136,883)	(896,580)	29,939	(958,546)
Total assets	492,330	372,233	5,714,228	5,391,666	6,206,558	5,763,899

23. SUBSEQUENT EVENTS

- (i) The Directors of the Club have executed an occupancy agreement with the Footscray Football Club to utilise the Western Oval as its playing base for a period of 20 years, commencing for season 1994.
- (ii) Following withdrawal of Westpac's banking facilities to the Club in early November 1993 the Club sought other opportunities for funding the Club's operations. Mr Bernie Ahern offered to assist the Club in this regard and in conjunction with the AFL has arranged for the AFL to prepay the 1994 dividend to the Club after deducting amounts owing to the AFL. This resulted in the AFL paying the Club the amount of \$750,000 less interest charges.

The Club has continued to seek further funding opportunities for cash flow requirements and is poised to seek further funding through issue of debentures secured by the Fitzroy Club Hotel, following an independent valuation of the current market value of the leasehold interest of the Hotel at \$725,000.

FITZROY FOOTBALL CLUB LIMITED

STATEMENT BY DIRECTORS

In accordance with a resolution of the Board of Directors, we, Dyson Hore-Lacy and Elaine Findlay being the Directors nominated, hereby state that:

1. In the opinion of the Directors of the Fitzroy Football Club Limited:
 - (a) the accompanying financial statements as set out on pages 4 to 25 are drawn up so as to give a true and fair view of the results and cash flows for the financial year ended 31 October 1993, and the state of affairs at 31 October 1993, of the Company and the economic entity;
 - (b) the consolidated accounts have been made out in accordance with Divisions, 4A and 4B of Part 3.6 of the Corporations Law; and
 - (c) at the date of this statement, in view of the matters referred to in note 2(a) to the accounts there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due;
2. The financial statements have been made out in accordance with applicable Australian Accounting Standards.

Dated at Melbourne this 2nd day of March 1994.



Dyson Hore-Lacy
Director



Elaine Findlay
Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
FITZROY FOOTBALL CLUB LIMITED**

Scope

We have audited the financial statements of Fitzroy Football Club Limited for the financial year ended 31 October 1993 consisting of the profit and loss accounts, balance sheets, statements of cash flows, accompanying notes and statement by directors as set out on pages 4 to 26. The financial statements comprise the accounts of the company and the consolidated accounts of the economic entity, being the company and its controlled entities. The company's directors are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view which is consistent with our understanding of the company's and the economic entity's financial position, the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Qualifications

1. It was not practicable for the economic entity to establish accounting control over cash receipts from certain fund raising activities prior to their receipt by the economic entity. Accordingly, it was not practicable to extend our audit examination of such cash receipts beyond verification of the amounts recorded by the economic entity.
2. As stated in Note 2(a), the economic entity is dependent on continued financial support from its financiers, sponsors, members, supporters and creditors and achievement of future cash flow projections, to meet its debts as and when they fall due. As a result there is significant uncertainty that the economic entity will continue as a going concern. If the economic entity is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.
3. As disclosed in Note 2(d), the Directors have reassessed the useful life of leasehold improvements following an extension to the lease, resulting in an abnormal item of income of \$87,971 from a retrospective adjustment to accumulated amortisation. The ability of the company to recover the restated carrying value of the leasehold improvements, and so the appropriateness of recording the abnormal item of income in the 1993 financial statements, is dependent upon the company continuing as a going concern.

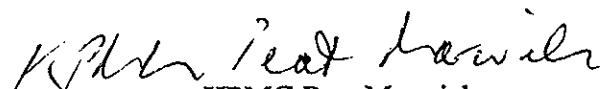
Qualifications (Cont)

4. As shown in Note 9, the Directors have valued the AFL licence at \$4,000,000 on the basis set out in Note 2(h). We are not able to ascertain a reliable basis for measurement of the value of the AFL licence and accordingly we are unable to determine whether this carrying value is greater than its recoverable amount and so whether the company has complied with Accounting Standard AASB 1010: Accounting for the Revaluation of Non-Current Assets. Should the revaluation be reversed in total, Intangible Assets and the Asset Revaluation Reserve would decrease by \$4,000,000.

Qualified Audit Opinion

In our opinion, except for the matter referred to in qualification paragraph 4, and subject to the financial effects, if any, of the matters referred to in qualification paragraphs 1, 2 and 3, the financial statements of Fitzroy Football Club Limited, are properly drawn up:

- (a) so as to give a true and fair view of:
- (i) the state of affairs of the company and the economic entity at 31 October 1993 and the results and cash flows of the company and the economic entity for the financial year ended that date; and
 - (ii) the other matters required by Divisions 4, 4A and 4B of Part 3.6 of the Corporations Law to be dealt with in the financial statements;
- (b) in accordance with the provisions of the Corporations Law; and
- (c) in accordance with applicable Accounting Standards.


KPMG Peat Marwick
Chartered Accountants

Melbourne
3 March 1994


R J Douglas
Partner