

Copy of financial statements and reports

Company details

Company name

FREMANTLE FOOTBALL CLUB LIMITED

ACN

066 055 249

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial
year ends

Financial year end date

31-10-2017

Auditor's report

Were the financial statements audited?

Yes

Is the opinion/conclusion in the report modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

No

Details of current auditor or auditors

Current auditor

Date of appointment **12-09-1994**

Name of auditor

ERNST & YOUNG

Address

**11 MOUNTS BAY ROAD
PERTH WA 6000**

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.

Yes

Signature

Select the capacity in which you are lodging the form
Secretary

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.

Yes

Authentication

This form has been submitted by

Name	Graeme David PARKER
Date	31-01-2018

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FREMANTLE FOOTBALL CLUB LIMITED

ABN 83 066 055 249

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2017

FREMANTLE FOOTBALL CLUB LIMITED

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YEAR ENDED 31 OCTOBER 2017

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FREMANTLE FOOTBALL CLUB LIMITED DIRECTORS' REPORT

Fremantle Football Club Limited.
31 Veterans Parade
COCKBURN CENTRAL WA 6164

Your directors submit their report for the year ended 31 October 2017.

DIRECTORS

The names of the directors in office during the financial year and until the date of this report are as follows. All directors are non-executive and were in office for this entire period unless otherwise stated:

D Alcock (non-executive chairman)
S O'Reilly
P Mann
C Carter
P Bell
A Hall
T Grist
S Murphy
C Hayward (appointed 1 September 2017)

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was to participate in the Australian Football League.

RESULTS

The result of the Company for the year ended 31 October 2017 was a statutory profit of \$2,489,714 (2016: \$525,643).

DIVIDENDS

No dividend has been paid or recommended by the directors since the commencement of the financial year.

REVIEW OF OPERATIONS

The Company has continued to field a team in the Australian Football League competition. From season 2017, the Company also fielded a team in the Australian Football League Women's competition.

CORPORATE STRUCTURE

The Fremantle Football Club Limited is a Company limited by shares that is incorporated and domiciled in Australia. Its ultimate parent Company is the Western Australian Football Commission Incorporated.

EMPLOYEES

Fremantle Football Club Limited employed 144 employees as at 31 October 2017 (2016: 138 employees).

FREMANTLE FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (cont'd)

CHANGES IN THE STATE OF AFFAIRS

During the year ended 31 October 2017, the Directors are aware of the following events impacting the Company's state of affairs:

- **New Elite Training and Administration Facility:** In December 2012 the club Board announced the execution of a Heads of Agreement with the City of Cockburn for the development of a new Elite Training and Administration Facility at Cockburn Central West. The project was completed in February 2017 and the club relocated to its new facility on 20 February 2017.
- **Fremantle Oval Exit Agreement:** In August 2017 the club and the City of Fremantle reached an agreement for the surrender of the Fremantle Oval.

EVENTS SUBSEQUENT TO BALANCE DATE

There were no events which occurred subsequent to year end that would have a material impact on the financial statements.

FUTURE DEVELOPMENTS AND RESULTS

At the time of this report, the Directors are aware of the following items that may have a significant effect in future periods on the Company's operations:

- **New Perth Stadium:** In October 2017 the State Government of Western Australia reached an agreement in relation to the use of the new Perth Stadium, which provides the club access to significantly more inventory to sell. The new financial and operational user agreement includes items such as term and renewal, commercial rights and hire fee and will have a significant impact on the Company's operations and business model in future years.
- **W AFC Royalty Arrangement:** The commitment in 2018 and beyond is subject to negotiation and agreement between the W AFC and the club, and due to the transition to the new Perth Stadium, will be for use of the AFL licence only. This negotiation may potentially have a significant impact on the Company's operations in future years.

AUDITORS INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of Fremantle Football Club Limited with an Independence Declaration in relation to the audit of the financial report for the year ended 31 October 2017. This Independence Declaration can be found on page 4.

DIRECTORS' BENEFITS

During or since the financial year no director of the Company has received or become entitled to receive any benefit, other than a benefit included in the aggregate amounts of emoluments received or due and receivable by the directors shown in the financial statements, by reason of a contract entered into by the Company or body corporate that was related to the Company when the contract was made or when the director received, or became entitled to receive, the benefit with:

- a director; or
- a firm of which a director is a member; or
- an entity in which a director has a substantial financial interest.

DIRECTORS' INDEMNIFICATION

The directors have received an undertaking from the ultimate holding Company, West Australian Football Commission Inc. (W AFC), to indemnify the directors of the Fremantle Football Club Limited (FFC) provided the following conditions are satisfied:

1. In addition to AFL duties and obligations, compliance by FFC and directors with its obligations under the FFC Limited Constitution, including but not restricted to Article 46 – Financial and Operational Governance.

FREMANTLE FOOTBALL CLUB LIMITED
DIRECTORS' REPORT (cont'd)

2. FFC complying with a predetermined list of Management Protocols as set by the WAFC. The undertaking by the WAFC will remain in place providing the FFC complies with the above conditions.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

DIRECTORS' MEETINGS

The number of meetings of directors held during the year and the number of meeting attended by each director were as follows:

	<u>Board Meetings</u>
Number of board meetings held:	11
Number of board meetings attended:	
Dale Alcock	11
Stephen O'Reilly	11
Peter Mann	9
Craig Carter	11
Peter Bell	11
Andrea Hall	10
Tony Grist	9
Sue Murphy	9
Colleen Hayward (commenced 1 September 2017)	2

All directors were eligible to attend all meetings held since their date of appointment, during the current period.

Signed in accordance with a resolution of directors.



D Alcock
Director
Fremantle, Western Australia, 30th January 2018



Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of Fremantle Football Club Limited

As lead auditor for the audit of Fremantle Football Club Limited for the financial year ended 31 October 2017, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Fremantle Football Club Limited during the financial year.

Ernst & Young

Gavin Buckingham
Partner
30 January 2018



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Perth WA 6000 Australia
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Independent auditor's report to the Members of Fremantle Football Club Limited

Opinion

We have audited the financial report of Fremantle Football Club Limited (the Company), which comprises the statement of financial position as at 31 October 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Company's financial position as at 31 October 2017 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

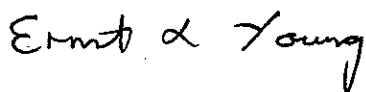
Auditor's responsibilities for the audit of the financial report

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

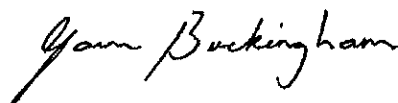
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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



Ernst & Young



Gavin Buckingham
Partner
Perth
30 January 2018

**FREMANTLE FOOTBALL CLUB LIMITED
DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of Fremantle Football Club Limited, I state that:

1. In the opinion of the directors:
 - (a) the financial statements and notes of the Company for the year ended 31 October 2017 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 October 2017 and its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporation Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 October 2017.

On behalf of the Board.



D Alcock
Director

Fremantle, Western Australia, 30th January 2018

FREMANTLE FOOTBALL CLUB LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 OCTOBER 2017

	Notes	2017 \$	2016 \$
REVENUE	2	49,263,474	50,152,735
Cost of goods sold	3(a)	(9,641,163)	(10,794,108)
GROSS PROFIT		39,622,311	39,358,627
Football expenses		25,476,311	23,670,746
Administration expenses		7,051,627	7,098,527
Rental / Royalty expense	3(a)	4,684,642	5,165,795
Marketing expenses		1,016,515	893,829
Corporate expenses		743,851	671,232
Supporter development expenses		463,146	502,855
Communication and corporate affairs		1,064,691	974,754
(LOSS)/PROFIT FROM NORMAL OPERATIONS		(878,472)	380,889
OTHER REVENUE OUTSIDE NORMAL OPERATIONS			
Net Development Funding	2(a)	432,217	144,754
Net loss on Surrender and Release of Fremantle Oval	2(a)	(1,146,219)	-
Net gain on fair value measurement of lease benefit	2(a)	4,082,188	-
PROFIT ATTRIBUTABLE TO MEMBERS OF FREMANTLE FOOTBALL CLUB LIMITED	13	2,489,714	525,643
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		2,489,714	525,643

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

FREMANTLE FOOTBALL CLUB LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2017

	Notes	2017 \$	2016 \$
CURRENT ASSETS			
Cash assets	20(b)	2,167,238	4,831,728
Receivables	4	2,976,210	4,231,139
Inventories	5	477,322	459,080
Other financial assets	6	60,946	1,093,709
TOTAL CURRENT ASSETS		5,681,716	10,615,656
NON-CURRENT ASSETS			
Receivables	4	500,000	11,040,649
Property, plant and equipment	7	18,133,874	3,114,490
Intangible assets	8	4,000,000	4,000,000
TOTAL NON-CURRENT ASSETS		22,633,874	18,155,139
TOTAL ASSETS		28,315,590	28,770,795
CURRENT LIABILITIES			
Payables	9(a)	9,523,940	14,317,584
Provisions	10	1,334,596	1,275,222
TOTAL CURRENT LIABILITIES		10,858,536	15,592,806
NON-CURRENT LIABILITIES			
Payables	9(b)	722,220	-
Provisions	10	759,396	692,265
Borrowings	14	1,000,000	-
TOTAL NON-CURRENT LIABILITIES		2,481,616	692,265
TOTAL LIABILITIES		13,340,152	16,285,071
NET ASSETS		14,975,438	12,485,724
EQUITY			
Contributed equity	11	1	1
Reserves	12	1,882,707	1,882,707
Retained earnings	13	13,092,730	10,603,016
TOTAL EQUITY		14,975,438	12,485,724

The Statement of Financial Position should be read in conjunction with the accompanying notes.

FREMANTLE FOOTBALL CLUB LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 OCTOBER 2017

STATEMENT OF CHANGES IN EQUITY	Contributed Equity	Reserves	Retained Earnings	Total
	\$	\$	\$	\$
Opening balance as at 1 November 2016	1	1,882,707	10,603,016	12,485,724
Net profit for the period ended 31 October 2017	-	-	2,489,714	2,489,714
Closing balance as at 31 October 2017	1	1,882,707	13,092,730	14,975,438
Opening balance as at 1 November 2015	1	1,882,707	10,077,373	11,960,081
Net profit for the period ended 31 October 2016	-	-	525,643	525,643
Closing balance as at 31 October 2016	1	1,882,707	10,603,016	12,485,724

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

FREMANTLE FOOTBALL CLUB LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2017

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		48,755,486	51,297,189
Payments to suppliers and employees		(51,114,883)	(49,724,128)
Development funding and grants received		432,217	144,754
Interest received		161,190	377,399
<hr/>			
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	20 (a)	(1,765,990)	2,095,214
<hr/>			
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of term deposits		1,032,764	1,019,630
Purchase of property, plant and equipment		(3,451,264)	(124,667)
Proceeds from sale of property, plant and equipment		520,000	-
<hr/>			
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES		(1,898,500)	894,963
<hr/>			
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		1,000,000	-
Payments in relation to ETAF		-	(8,923,127)
<hr/>			
NET CASH FLOW (USED IN)/FROM FINANCING ACTIVITIES		1,000,000	(8,923,127)
<hr/>			
NET DECREASE IN CASH		(2,664,490)	(5,932,950)
Add opening cash brought forward		4,831,728	10,764,678
CLOSING CASH CARRIED FORWARD	20 (b)	<u>2,167,238</u>	<u>4,831,728</u>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Fremantle Football Club Limited for the year ended 31 October 2017 was authorised for issue in accordance with a resolution of the directors on 30th January 2018. The principal activity of the Company during the year was to participate in the Australian Football League. The Fremantle Football Club Limited is a not for profit Company limited by shares that is incorporated and domiciled in Australia. Its ultimate parent Company is the Western Australian Football Commission Incorporated.

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest whole dollar unless otherwise stated.

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board ("the AASB") that are relevant to its operations and effective for annual reporting periods beginning on 1 November 2016. The adoption of these standards had no impact on the financial position or performance of the Company.

(b) Going Concern

The statement of financial position of the company reflects total current assets of \$5,681,716 (2016: \$10,615,656) and current liabilities of \$10,858,536 (2016: \$15,592,806). The net current liability position of \$5,176,820 (2016: \$4,977,150) arises as a result of the following:

- Annual leave and long service leave balances of \$1,334,596 (2016: \$1,275,222) classified as current but expected to be replaced by similar amounts next year;
- Unearned revenues of \$2,760,266 (2016: \$6,695,291) relating to membership, corporate and sponsorship sales which are not required to be repaid;
- Trade payables to related parties with payment terms which can be extended.

Subsequent to year end the Company received part payment of its annual distribution in advance from the AFL to assist with cash flow demands, due to one off delays relating to the transition to new Perth Stadium. The advancement represents a portion of the Company's annual AFL distribution. The remainder of the annual distribution is to be received over the course of the upcoming year.

Based on the above considerations the Directors consider it appropriate to prepare the financial statements on a going concern basis.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term deposits with original maturities of 3 months or less.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks net of outstanding bank overdrafts.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate of doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due.

(e) Inventories

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

(f) Property, plant and equipment

All classes of property, plant and equipment are measured at cost.

All assets except for freehold land are depreciated on a straight line basis at rates based upon their expected useful economic lives. Major depreciation rates are:

	2017	2016
• Office Equipment	14%-20%	14%-20%
• Computer Equipment	27%	27%
• Motor Vehicles	17%	17%
• ETAF	2.4%	2.4%
• Gym Equipment	17%	17%
• Multimedia Equipment	27%	-

(g) Recoverable amount

Non-current assets are not carried at an amount above their recoverable amount and where carrying values exceed this recoverable amount assets are written down. The recoverable amount of property, plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(h) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. The company has not entered into any finance leases in the current or prior year period.

Operating leases

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

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the entity.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accruals basis.

(j) Interest-bearing liabilities

All loans are measured at the principal amount less directly attributable transaction costs. After initial recognition, interest-bearing liabilities are subsequently measured at amortised cost using the effective interest method. Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur.

(k) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sponsorship and membership

Revenue is recognised in the year to which it relates at the fair value of consideration received. A liability is recognised at the time of the sale to recognise the income unearned at the date of the sale. The revenue is recognised in equal installments over the AFL season.

Interest

Control of the right to receive the interest payment.

Grant income

Grant income, including contributions of assets, is recognised when the club controls the contribution or right to receive the contribution, and it is probable that the economic benefits comprising the contributions will flow to the club, and the amount of contribution can be measured reliably.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Taxes

Income taxes

The Company has gained a tax exempt status under section 50-45 of the Income Tax Assessment Act (1997) and accordingly is not subject to income tax. As such there is no provision in the financial statements for income tax payable.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(n) New player costs

The Company has taken the view that all new player costs will be expensed in the year incurred given the uncertain nature of players' future with the AFL draft system.

(o) AFL sub-licence

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. The AFL sub-licence has been assessed as having an indefinite useful life. Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Intangible assets with indefinite useful lives are tested for impairment annually as at 31 October, as appropriate, and when circumstances indicate that the carrying value may be impaired. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. A CGU's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the assets value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount.

(p) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on the remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimate future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to commercial bond securities which have terms to maturity approximating the terms of the related liability are used.

Employee benefit expenses and revenues arising in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave, and other leave benefits; and
- other types of employee benefits

are recognised against profits on a net basis in their respective categories.

(q) Comparative amounts

Prior year comparatives have been reclassified, where necessary, to achieve consistency in disclosure and conform with presentation in the current financial period.

(r) New accounting standards, and UIG interpretations

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 31 October 2017. The directors' have assessed the impact of these new or amended standards (to the extent relevant to the Company) and believe that their implementation will not have a material effect on the balances reported in the financial statements.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

2. REVENUE	Notes	2017 \$	2016 \$
Revenue			
AFL Distributions		11,273,943	9,713,488
Membership		16,156,558	16,465,873
Match Revenue		2,101,902	1,688,706
Signage Revenue		2,456,664	2,861,006
Corporate Revenue		5,007,195	6,692,306
Dining Room Revenue		1,539,701	1,948,033
Functions and Events Revenue		1,224,265	1,942,629
Sponsorship Revenue and Finals Bonuses		6,270,183	5,885,937
Merchandise Revenue		1,596,444	1,898,542
Interest Received		161,190	377,399
Other Revenue		1,475,429	678,816
		49,263,474	50,152,735

(a) Other Revenue

Net Development Funding	432,217	144,754
Loss on Surrender and Release of Fremantle Oval (i)	(1,146,219)	-
Net gain on fair value measurement of lease (ii)	4,082,188	-
	3,368,186	144,754

Other revenue represents the net development funding received for the club's new Elite Training and Administration Facility at Cockburn Central West including one-off, abnormal contributions and donations for recognition rights, the loss on surrender and release of Fremantle Oval, and the fair value uplift on transition to the Elite Training and Administration Facility.

(i) Loss on Surrender and Release of Fremantle Oval

Following the move to the new Elite Training and Administration Facility the Company executed an agreement for the surrender and release of the Fremantle Oval.

Total consideration to be received by company in connection with the above is \$1,520,000, with \$520,000 received during the year ended 31 October 2017. The remainder has been recognised as follows:

- Receivable (current) \$500,000 due on 16 July 2018; and
- Receivable (non-current) \$500,000 due on 18 July 2019.

The loss on surrender and release of Fremantle Oval has been calculated based on the following:

Asset	Amounts (\$ million)
Property, plant and equipment – Net book value	2,666,219
Consideration	1,520,000
Loss on Surrender and Release of Fremantle Oval	(1,146,219)

(ii) Net gain on fair value measurement of lease benefit

During the year ended 31 October 2017, the Company moved to its new Elite Training and Administration Facility ("ETAF"). The Company engaged PP&E Valuations to determine the fair value of the lease benefit associated with the use of the facility.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

A description of the valuation technique used and key inputs follow:

Valuation technique	Significant inputs	Value
DCF method	Estimated rental value per sqm	Commercial rates
	Lease Term	42 years
	Rental growth rate	2.5%
	Discount rate	4.0%

Using the discounted cash flow (DCF) method, the fair value of the lease benefit was calculated as \$16,118,429 and will be amortised on a straight line basis over the lease period of 42 years.

The difference between the fair value of the lease benefit (\$16,118,429) and the amount paid by the Company in connection with the ETAF (\$12,036,241) of \$4,082,188 has been recognized in the profit and loss as a net gain on the initial fair value measurement of the lease benefit.

3. EXPENSES AND LOSSES

(a) Expenses	Notes	2017 \$	2016 \$
Cost of goods sold			
- Match expenses		2,641,023	3,160,569
- Membership expenses		2,467,151	2,353,293
- Sponsorship expenses		196,654	228,483
- Arena advertising expenses		14,371	12,295
- Corporate expenses		515,474	552,659
- Dining room expenses		961,510	1,075,716
- Merchandise expenses		1,515,617	1,765,961
- Functions and special events		1,329,363	1,645,132
Total cost of goods sold		9,641,163	10,794,108
Depreciation of non-current assets			
- Depreciation of plant and equipment		530,560	288,826
- Amortisation of lease benefit		357,937	111,958
Total depreciation of non-current assets		888,497	400,784
Total depreciation and amortisation expense		888,497	400,784
Royalty / Subiaco Facilities Licence fee paid to WAFC		4,684,642	5,165,795
Bad and doubtful debts			
- Doubtful debts / (Reversal)		(18,957)	(17,182)

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

	Notes	2017 \$	2016 \$
4. RECEIVABLES			
Current			
Trade debtors		2,880,493	4,160,961
Less: provision for doubtful debts		(245,640)	(264,597)
		2,634,853	3,896,364
Other debtors and prepayments		88,055	250
Accrued interest		1,554	40,854
Related party			
- Fremantle Football Foundation		9,274	9,274
- WAFC		242,474	284,397
		2,976,210	4,231,139

(a) Terms and conditions for all trade debtors and receivables are payable within 30 days unless otherwise specified. Details of the terms and conditions of related party receivables are set out in note 16.

At 31 October, the ageing analysis of trade receivables is as follows:

	Total	Not Due	0-6 months	6-12 months	+12 months
2017	3,132,241	1,967,337	770,315	290,367	104,222
2016	4,454,632	3,525,128	749,362	170,767	9,375

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

Non-current			
Trade debtors		500,000	-
Other debtors and prepayments		-	11,040,649
		500,000	11,040,649

Trade debtors represent the non-current portion of the proceeds owing from the surrender and release of Fremantle Oval. Other debtors and prepayments represent the project costs of the club's new Elite Training and Administration Facility at Cockburn Central West incurred as at 31 October 2016.

5. INVENTORIES

Current			
Finished goods at cost		505,155	486,777
Provision for stock write down		(27,833)	(27,697)
		477,322	459,080

6. OTHER FINANCIAL ASSETS

Short term deposits		60,946	1,093,709
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FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

	Notes	2017 \$	2016 \$
7. PROPERTY, PLANT AND EQUIPMENT			
Non-Current			
Plant and equipment – at cost		6,027,395	5,003,045
Less: Accumulated depreciation		(3,766,342)	(4,631,628)
		<u>2,261,053</u>	<u>371,417</u>
Buildings on leasehold land – at cost		439,911	4,877,185
Less: Accumulated amortisation		(419,391)	(2,134,112)
		<u>20,520</u>	<u>2,743,073</u>
Buildings on leasehold land – at fair value		16,118,429	-
Less: Accumulated amortisation		(266,128)	-
		<u>15,852,301</u>	<u>-</u>
Total property, plant and equipment		<u>18,133,874</u>	<u>3,114,490</u>

Reconciliations

Reconciliations of the carrying amounts of buildings and plant and equipment at the beginning and end of the current and previous financial year:

Plant and Equipment

Opening balance	371,417	535,576
Additions	2,429,053	124,667
Disposals	(8,857)	-
Depreciation	(530,560)	(288,826)
Closing balance	<u>2,261,053</u>	<u>371,417</u>

Buildings

Opening balance	2,743,073	2,855,031
Additions(i)	12,062,860	-
Disposals(ii)	(2,657,363)	-
Net gain on fair value measurement of lease benefit (iii)	4,082,188	-
Amortisation	(357,937)	(111,958)
Closing balance	<u>15,872,821</u>	<u>2,743,073</u>

(i) Additions

Additions represent the total project costs of the club's new Elite Training and Administration Facility at Cockburn Central West.

(ii) Disposals

Disposals represent the assets disposed in accordance with the executed agreement for the surrender and release of Fremantle Oval, following the club's move to the new Elite Training and Administration Facility. Refer to note 2(a)(i) for further details.

(iii) Net gain on fair value measurement of lease benefit

During the year ended 31 October 2017, the Company moved to its new Elite Training and Administration Facility ("ETAF"). The Company engaged PP&E Valuations to determine the fair value of the lease benefit associated with the use of the facility. Refer to note 2(a)(ii) for further details.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

	Notes	2017 \$	2016 \$
8. INTANGIBLES			
AFL sub-licence - at cost		4,000,000	4,000,000
		<u>4,000,000</u>	<u>4,000,000</u>

9. PAYABLES

Current:

Trade creditors and accruals		5,256,111	6,244,957
Related party			
- WAFC		1,507,563	1,377,336
Unearned income		2,760,266	6,695,291
	(a)	<u>9,523,940</u>	<u>14,317,584</u>

At 31 October, the ageing analysis of trade payables is as follows:

	Total	Not Due	0-6 months	6-12 months	+12 months
2017	6,763,674	424,044	6,339,630	-	-
2016	7,622,293	356,931	7,265,362	-	-

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

(a) Unless specified, all trade creditors and payables are paid within 30 days of the invoice. Details of the terms and conditions of related party payables are set out in note 16.

Non-current:

Trade creditors and accruals		272,220	-
Unearned income		450,000	-
	(b)	<u>722,220</u>	-

(b) Trade creditors and accruals represent the non-current portion of the ETAF construction works liability. Unearned income represents the non-current portion of the Curtin University alliance agreement.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

	Notes	2017 \$	2016 \$
10. PROVISIONS			
Current			
Employee benefits	21	1,334,596	1,275,222
Non-current			
Employee benefits	21	759,396	692,265
11. CONTRIBUTED EQUITY			
Issued and paid up capital			
1 ordinary share		1	1
12. RESERVES			
Capital reserve		1,882,707	1,882,707
Nature and purpose of reserve			
The capital reserve relates to initial contributions from foundation members during the year ended 31 October 1994.			
13. RETAINED EARNINGS			
Retained earnings at the beginning of the financial year		10,603,016	10,077,373
Net profit attributable to members of the Fremantle Football Club Limited		2,489,714	525,643
Retained earnings at the end of the financial year		13,092,730	10,603,016
14. BORROWINGS			
	<u>Interest rate %</u>		
Non-current			
Interest-bearing loans and borrowings	0.0	1,000,000	-

This loan is not secured against any of the assets of the club. Interest on the loan did not commence until 11 November 2017, when the loan transitioned from an interest free period to 4% per annum. Whilst the loan is not due to be fully repaid until 11 November 2019, with at least \$650,000 to be repaid by 11 November 2018, the expectation of the club Board is that repayment of the loan will occur during the 2018 financial year.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

15. SEGMENT INFORMATION

The Company operates solely within the sporting industry in Australia.

16. EXPENDITURE COMMITMENTS

- (a) The Company is required, under the terms of agreements with the WAFC, to pay an amount to the WAFC as an annual fee for use of the AFL licence and football assets. The amount paid or payable in relation to Season 2017 is \$4,684,642 (2016: \$5,165,795). These agreements were revised during Season 2008 to cover both the use of Subiaco Oval and the use of the AFL licence. The amount due was calculated as a percentage of stadium revenue. The commitment in 2018 and beyond is subject to negotiation and agreement between the WAFC and the club, and due to the transition to the new Perth Stadium, will be for use of the AFL licence only.
- (b) The Company acknowledges the contractual obligations of player contracts and the commitment to player expenditure. Due to contract terms varying considerably amongst players, it is not practical to estimate the future contingency under player contracts. The Company's minimum commitment is to pay 95% of the AFL imposed salary cap (2017: \$12,445,028). The AFL imposed salary cap for 2018 is \$12,594,368.

17. RELATED PARTY DISCLOSURES

- (a) The directors of Fremantle Football Club Limited ("FFCL") during the financial year were:

D Alcock (non-executive chairman)
S O'Reilly
P Mann
C Carter
P Bell
A Hall
T Grist
S Murphy
C Hayward (appointed 1 September 2017)

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

17. RELATED PARTY DISCLOSURES (CONT'D)

(b) The following related party transactions occurred during the financial year.

Transactions with other related party transactions

- (i) The WAFC is the ultimate controlling entity of the Company.
- (ii) Included in current trade debtors is an amount of \$242,474 (2016: \$284,397) owing from the WAFC. This amount is interest free.
- (iii) Included in trade creditors is an amount of \$1,507,563 (2016: \$1,377,336) owing to the WAFC. This amount is interest free.
- (iv) The Company is required, under the terms of agreements with the WAFC, to pay an amount to the WAFC as an annual fee for use of the AFL licence and football assets, as well as the use of Subiaco Oval. The total amount in relation to Season 2017 is \$4,684,642 (2016: \$5,165,795).

Transactions with other related parties

- (i) Included in accounts receivable is an amount of \$9,274 (2016: \$9,274) owing from the Fremantle Football Foundation ("The Foundation"). No interest is charged for the advance. The Football Foundation is a trust established to facilitate the raising of funds through donations from the public and also to channel grants from the Australian Sports Foundation for the building of the approved project, being the Fremantle Football Club Headquarters. Due to limited assets remaining in the Foundation, this amount has been provided in full.

18. REMUNERATION OF DIRECTORS

No income was paid or payable, or otherwise made available, in respect of the financial year, or the previous financial year, to any director of the Company, directly or indirectly, from the Company or any related party.

	2017	2016
	\$	\$
19. AUDITORS' REMUNERATION		
Amounts receivable or due and receivable by the auditors:		
- Auditing financial report of the entity	52,430	52,430
- Player Payments Audit	7,810	7,810
- Football Department Non-Player Soft Cap audit	9,000	9,000
	69,240	69,240
	69,240	69,240

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

20. STATEMENT OF CASH FLOWS	2017	2016
	\$	\$
(a) Reconciliation of the net profit to the net cash flows from operations		
Net profit	2,489,714	525,643
Non-cash items:		
Depreciation and amortisation		
- Property, plant and equipment	888,497	400,784
Contra movement	(65,458)	31,665
Net loss on Disposal of Fremantle Oval	1,146,219	-
Net gain on fair value measurement of lease benefit	(4,082,188)	-
Changes in assets and liabilities:		
Movement in trade debtors	1,781,088	(2,984,111)
Movement in other debtors and prepayments	-	-
Movement in accrued interest	39,299	7,591
Movement in inventory	(18,242)	(43,036)
Movement in employee benefits	126,505	75,056
Movement in trade creditors and accruals	(586,399)	1,269,678
Movement in unearned income	(3,485,025)	2,811,945
Net cash flow (used in)/from operating activities	<u>(1,765,990)</u>	<u>2,095,214</u>

(b) Reconciliation of cash

Cash balance comprises:

- Cash at bank	2,164,088	4,829,078
- Cash on hand	3,150	2,650
	<u>2,167,238</u>	<u>4,831,728</u>

(c) Non-cash financing and operating activities

(i) The company received total income of \$1,944,269 (2016: \$2,153,348) through contra arrangements with sponsors of the company. The total contra expenses incurred during the financial year were \$1,878,811 (2016: \$2,185,013)

21. EMPLOYEE BENEFITS	2017	2016
	\$	\$
The aggregate employee benefits liability is comprised of:		
- Provisions (current)	1,334,596	1,275,222
- Provisions (non-current)	759,396	692,265
	<u>2,093,992</u>	<u>1,967,487</u>

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (Cont)

22. FINANCIAL INSTRUMENTS

22(a) Terms, conditions and accounting policies

The Company's accounting policies, including terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
(i) Financial assets			
Trade debtors	4	Trade debtors are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Debtors are normally settled on 30 day terms.
Receivables – related parties	4	Amounts (other than trade debts) receivable from related parties are carried at nominal amounts due. Interest (when charged) is taken up as income on an accrual basis.	Details of the terms and conditions are set out in note 16.
Other	6	Other financial assets are carried at fair value since inception. The fair value of term deposits with credit institutions is their carrying value. The carrying value represents the cost of the term deposit and accrued interest.	Other financial assets have a maturity date greater than 3 months of their inception.
(ii) Financial Liabilities			
Trade creditors and accruals	9	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.	Trade liabilities are normally settled on 30 day terms.
Accounts payable related parties	9	Loans from related parties are carried at the principal amount. Interest (when charged by the lender) is taken up when due.	Details are set out in notes 9 and 16.
(iii) Equity			
Ordinary shares	11	Ordinary share capital is recognised at the value of the amount paid up.	Details of shares issued are set out in Note 11.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (cont'd)

22. FINANCIAL INSTRUMENTS (cont)

(b) Interest rate risk

The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and term deposits, both recognised and unrecognised at the balance date, are as follows:

	Notes	2017 \$	2016 \$
Cash and cash equivalents	20(b)	2,167,238	4,831,728
Short term deposits	6	60,946	1,093,709
		<u>2,228,184</u>	<u>5,925,437</u>

Interest rate sensitivity

The following table demonstrates the sensitivity of the Company's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables constant.

Judgements of reasonably possible movements	Effect on Profit (\$)	
	Increase / (decrease)	
	2017	2016
Increase 100 basis points	22,282	59,254
Decrease 100 basis points	(22,282)	(59,254)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term interest rates. The change in basis points is derived from a review of historical movements and management's judgment of future trends. The analysis was performed on the same basis in 2016.

(c) Credit Risk Exposures

The Company's maximum exposures to credit risk at balance date in relation to each class of recognised financial asset is the carrying value of those assets as indicated in the Statement of Financial Position.

Concentrations of Credit Risk

The Company minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a number of low risk customers through sponsorship, members' fees and government grants. Credit risk from balances with banks and financial institutions is managed by management in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2017 (cont'd)

23. EVENTS SUBSEQUENT TO BALANCE DATE

There were no events which occurred subsequent to year end that would have a material impact on the financial statements.

24. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	2017	2016
	\$	\$
Short-term employee benefits	2,829,869	2,696,587
Post-employment benefits	184,377	179,263
Other long-term benefits	-	-
Termination benefits	28,124	-
Total compensation	<u>3,042,370</u>	<u>2,875,850</u>
Number Key Management Personnel	<u>18</u>	<u>17</u>

The number of key management personnel includes any director (whether executive or otherwise).