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Form 388
Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

INDIAN PACIFIC LIMITED

ACN

009 178 894

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
31-10-2019

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 **26-05-1994**

Name of auditor

ERNST & YOUNG

Address

'ERNST & YOUNG BUILDING'
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 authorised by

Name	Richard Frederick White GODFREY , Secretary
Date	20-02-2020

For more help or information

Web	www.asic.gov.au
Ask a question?	www.asic.gov.au/question
Telephone	1300 300 630

INDIAN PACIFIC LIMITED

ABN 31 009 178 894

FINANCIAL REPORT

YEAR ENDED 31 OCTOBER 2019

Corporate Directory

Registered Principal Office:

Mineral Resources Park
42 Bishopsgate Street
LATHLAIN WA 6100

Telephone: (08) 9381 1111
Facsimile: (08) 9388 2541

Correspondence:

PO Box 152
VICTORIA PARK WA 6979

Directors:

R Gibbs (Chairman)
P Fitzpatrick (Deputy Chairman)
T Nisbett
C Wharton
T Bowen
J Langer
Z Yujnovich
P Carter (resigned 31 December 2019)

Secretary:

R Godfrey

Trustee for Unsecured Note Holders:

Perpetual Limited
Corporate & Structured Finance
Level 11, 123 Pitt Street
SYDNEY NSW 2000

Independent Auditors:

Ernst & Young
11 Mounts Bay Road
PERTH WA 6000

Bankers:

Bankwest
50 William Street
PERTH WA 6000

Solicitors:

Corrs Chambers Westgarth Lawyers
Level 6, 123 St Georges Terrace
PERTH WA 6000

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YEAR ENDED 31 OCTOBER 2019

CHAIRMAN'S REPORT

After another solid performance, the Company is pleased to announce a consolidated operating surplus from ordinary activities of $8,026,853 for the year ended 31 October 2019.

This compares to last years' surplus of $7,621,284. As a result, the Company has again delivered a substantial royalty to the West Australian Football Commission (WAFC) of $4,051,091 to support the local football community, the WAFC's community programs and importantly the WAFL Clubs. Since 1987, in total this contribution to the WAFC has exceeded $145 million for the development of AFL in our state.

Overall, we are very satisfied with this result which can largely be attributed to a competitive on field performance leading to strong attendances, excellent corporate and sponsor support and benefits associated with winning the 2018 premiership.

Whilst 2019 has delivered a pleasing outcome, given the increased operational costs associated with the Company's move to our new facilities, the costs incurred with fielding an AFLW team and the anticipated reduction in return from our investment portfolios, we expect that our surpluses in future years will materially reduce. Revenue is also clearly determined by on field performance and other factors.

As we have in past years, we will continue investing our surpluses back into projects and programs to benefit our players, members and the overall community across the State.

Apart from the above, 2019 has seen many highlights including;

- The completion of and transition to our new facilities at Mineral Resources Park which will no doubt provide many new opportunities for our football department, staff, the community and the Wirrpanda Foundation. We remain extremely grateful to the Town of Victoria Park, the Federal and State Governments and Lotterywest for their wonderful support of the project.

- The introduction and development of our AFLW team that will play their first game in 2020.

- The inaugural season for our WAFL team who finished a competitive fourth in their first year in the WAFL competition.

- A Club record of 91,747 members, placing us second in the competition.

- The continued expansion of our community programs to ensure we have a significant impact across our State in helping, motivating and connecting people.

- Participation in our 24th AFL finals series.

- All-Australian selection for Shannon Hurn, Elliot Yeo, Jeremy McGovern and Jack Darling.

- Luke Shuey winning his second John Worsfold Medal.

We would also like to acknowledge and congratulate the Richmond Football Club on winning their second premiership in three years.

The on and off field success of our Club depends on many factors. This includes the wonderful support of our two principal partners, Lendi and Hungry Jack's, to whom we are most grateful.

BHP our principal community partner, has also enabled us to have a very significant impact in helping our Western Australian community and to them and all our other sponsors we would like to extend our gratitude.

It has been several years of significant achievements for our Company and our ongoing sustained success would not have been possible without the efforts and commitment of our staff led by Trevor Nisbett our CEO to whom we are most grateful.

I would also like to acknowledge our board who provide a considerable amount of voluntary personal time to ensure we maintain good governance, process and clear direction. My thanks to our deputy chairman Peter Carter and directors Chris Wharton, Paul Fitzpatrick, Justin Langer, Terry Bowen, Zoe Yujnovich and Trevor Nisbett. In accordance with our Constitution, Peter has now retired and I take this opportunity to personally thank him for his wonderful guidance, advice and support that he has provided over the last nine years.

We look forward with anticipation to 2020 and what it may provide.

Russell Gibbs
West Coast Eagles Chairman

The directors present their report together with the financial report of Indian Pacific Limited ("IPL or "the Company") and of the Consolidated Entity, being the Company and its controlled entity, for the year ended 31 October 2019.

DIRECTORS

The directors of the Company in office during the financial year and until the date of this report are:

R Gibbs (Chairman)
P Fitzpatrick (Deputy Chairman)
T Nisbett
C Wharton
T Bowen
J Langer
Z Yujnovich
P Carter (resigned 31 December 2019)

Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the financial year period were the operation and management of the West Coast Eagles Football Team.

DIVIDENDS

The directors recommend that no dividend be declared or paid for the financial year ended 31 October 2019.

REVIEW OF OPERATIONS

The operating surplus of the Consolidated Entity was $8,026,853 (2018: $7,621,284). The Company obtained tax-exempt status effective on 10 March 2000 on becoming a wholly owned subsidiary of the Western Australian Football Commission. In 2019 the team was in its 33rd year in the Australian Rules football competition.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the Consolidated Entity's state of affairs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in the operations of the Consolidated Entity and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Consolidated Entity.

SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

There have been no significant events occurring after the balance sheet date, which significantly affected or may significantly affect the Consolidated Entity's operations or results of those operations.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity is not subject to any particular or significant environmental regulation.

SHARE OPTIONS

As at the date of this report, there were no unissued ordinary shares under options.

PARTICULARS OF DIRECTORS

Russell Gibbs:
(Chairman)

Russell was appointed as the Director and Chief Executive Officer of Hawaiian in 2000, a privately held WA based property company, which owns and manages a significant commercial, retail, hospitality and developments property portfolio. He was previously State President and National Councillor of the Property Council of Australia, a member of the Murdoch University Senate Committee and Deputy Chair of Youth Focus. Russell is currently a Director of Satterley Property Group (since 2009) and St Ives Group (since 2013). Russell joined the West Coast Eagles Board of Directors in November 2011 and in November 2016 was elevated to the position of Chairman.

Paul Fitzpatrick
(Deputy Chairman)

Paul has been a partner of Clayton Utz since July 1, 1985 and practices in the areas of commercial litigation, competition law, national competition policy, international and domestic arbitration and sports law. He is a former partner in charge of the Perth Office of Clayton Utz, and has conducted a wide range of complex litigation, including contractual disputes and cases relating to the Competition and Consumer Act, the Corporations Law, professional negligence, and intellectual property. He was named Competition Lawyer of the Year, Perth in 2013 by Best Lawyers Australia, and has been named by Best Lawyers as one of Australia's Best Lawyers in litigation, competition and alternative dispute resolution. Paul has represented athletes before appeals tribunals and the Court of Arbitration for Sport, and West Coast Eagles players at the AFL Tribunal. He was a legal advisor to the West Australian Football Commission and the West Australian Institute of Sport (WAIS), is a former director of WAIS and is a current director of the Wally Foreman Foundation Inc. Paul joined the West Coast Eagles board in March 2016.

Trevor Nisbett
(Managing Director)

After achieving a Bachelor of Physical Education and a Diploma of Education from the University of Western Australia, Trevor's career focus turned to football administration. A former player, he was Football Manager at East Perth in 1981, before being elevated to General Manager in 1983. In 1984, he became Football Manager at Subiaco before starting his long and fruitful association with the West Coast Eagles. He was appointed Football Manager in September 1989 and operated in that role until 1999 when he was elevated to the role of Chief Executive, a position he still holds. He joined the West Coast Eagles Board of Directors in November 2003. Trevor is also Deputy Chairman of the Wirrpanda Foundation.

Chris Wharton

Chris Wharton is the Chairman of ASX listed Stealth Global Holdings, a successful international supply and distribution group that is based in Perth. He is the former Chief Executive Officer of Seven West Media WA. Prior to the formation of SWM he was CEO of publicly listed West Australian Newspaper Holdings and before that, CEO of Channel Seven Perth for nine years. He was responsible for all SWM's print, online and broadcasting assets in WA. He began his career as a journalist and worked in all areas of newspaper management in Sydney before being appointed Chief Executive Officer of Perth's Community Newspaper Group in 1995. In 2013, he became Chairman of Community Newspaper Group. His community and business involvement includes board memberships of the Telethon Trust from 2000-2017 and Gold Corporation from 2002-2019. Chris was a member of the WA Olympic Team Appeal Committee from 2000-2017. He is a members of the Australian Institute of Company Directors, the Australian Institute of Management and is a former Councillor and Vice President of the WA Chamber of Commerce and Industry. He is also a former member of the Committee for Perth. He was awarded an Order of Australia Medal in the 2016 Queen's Birthday honours for services to the print and broadcast industries and for services to the community. He joined the West Coast Eagles board in November 2013.

Terry Bowen

Terry Bowen is Head of the Operations Group at BGH. Terry has over 25 years of senior management experience across a broad range of industries within some of Australia's leading companies. Prior to joining BGH, Terry served from 2009 as Finance Director of Wesfarmers Limited. He also served as an Executive Director on the Board of Wesfarmers Limited and as a Director on the Board of each of the Group's subsidiaries.
Prior to serving as Finance Director of Wesfarmers, Terry worked as Finance Director of Coles and as Managing Director of Wesfarmers Industrial and Safety. Prior to re-joining Wesfarmers in 2005, Terry served as Jetstar Airways' inaugural Chief Financial Officer from 2003. Between 1996 and 2003, Terry held various senior management positions at Wesfarmers Landmark, including Chief Financial Officer.
Terry received a Bachelor of Accountancy from the University of South Australia and is a Fellow of the Society of Certified Practising Accountants. He is a Non-Executive Director of BHP Billiton Limited. Terry joined the West Coast Eagles board in May 2017.

Justin Langer

An outstanding Australian left-hand batsman, Justin was part of one of the most successful opening partnerships in cricket history with Queenslander Matthew Hayden. A pugnacious competitor he played 105 Test matches for his country and scored 7696 runs at an impressive average of 45.27. His highest score of 250 came on the biggest stage, against England in the 2002 Boxing Day Test at MCG. Post his own playing career he has proven to be a coach who drives those same elite standards as head coach at the WA Cricket Association. In 2018 Justin was appointed as coach of the Australian national cricket team. Justin joined the West Coast Eagles board in July 2017.

Zoe Yujnovich

Zoe Yujnovich has extensive experience in the resource sector and has been Country Chair/Executive Vice President of Shell Australia since February 2017. Zoe began her career in Australia in a number of frontline mining roles and then broadened her experience internationally, working in the USA, UK, Brazil and Canada. While at Rio Tinto, Zoe held a number of senior leadership positions, including Company President in Brazil and President and CEO of the Iron Ore Company of Canada in Montreal. Zoe joined Shell in 2014 leading Shell's Oil Sands business in Canada. During that time she was a non-executive director of the Potash Corporation of Saskatchewan. Zoe is Chairman of Australia's national oil and gas industry association (APPEA), a board member of the University of WA Business School, Christ Church Grammar School and is a member of the Western Australian Division of the Australian Institute of Company Directors (ACID). Zoe holds an engineering degree from the University of Western Australia and an Executive MBA from the University of Utah. Zoe joined the West Coast Eagles board in June 2018.

Peter Carter
(Resigned 31 December 2019)

Crosby Tiles managing director Peter Carter is involved in several other business ventures, primarily in the building sector. He has been Chairman of Crosby Supply and Fix since 2005 and a director of JH Wilberforce since 2003, Steel Blue since 1995 (Chairman from 1996 to 1999), and is also Chairman and a Trustee of WA Charity Direct. Peter graduated from Curtin University with a Bachelor of Business in 1979. Peter played 12 games for Swan Districts, including the 1979 reserves premiership, before a knee injury ended his career at 21. Peter was appointed to the Board on 1 November 2010 and in November 2016 was elevated to the position of deputy chairman.

DIRECTORS' BENEFITS

During the financial period, no director of the Consolidated Entity has received or become entitled to receive any benefit other than:

(a) a benefit included in the aggregate amount of emoluments received or due and receivable as shown in the financial statements; or

(b) a fixed salary of a full-time employee of the Consolidated Entity,

by reason of a contract made by the Consolidated Entity with the director or with a firm in which he/she is a member, or with a company in which he/she has a substantial financial interest.

DIRECTORS' MEETINGS

During the financial year, and until the date of this report, eight directors' meetings were held. The number of meetings in which directors were in attendance is as follows:

	No. of meetings held while in office	Meetings attended
R Gibbs (Chairman)	8	8
P Fitzpatrick (Deputy Chairman)	8	8
T Nisbett	8	8
C Wharton	8	7
T Bowen	8	5
J Langer	8	3
Z Yujnovich	8	7
P Carter (resigned 31 December 2019)	8	8

INDEMNIFICATION OF DIRECTORS & OFFICERS

The Consolidated Entity has not, during or since the end of the financial year, in respect of any person who is or has been an officer of the Consolidated Entity or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

The Consolidated Entity did however pay a premium in respect of a contract insuring against a liability incurred as a director, secretary or officer to the extent permitted by the *Corporations Act 2001*. It is the policy of the Consolidated Entity that the nature of any liability and the amount of any premium not be disclosed.

INDEMNIFICATION OF AUDITORS

The Consolidated Entity has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against certain liabilities to third parties arising from the audit to the extent permitted by law. The indemnity does not extend to any liability resulting from negligent, wrongful or wilful act or omission by Ernst & Young. No payment has been made to indemnify Ernst & Young during or since the audit.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12 and forms part of this report.

Signed in accordance with a resolution of the directors.

Russell Gibbs
Director
Date: 18/2/20

Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

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Auditor's Independence Declaration to the Directors of Indian Pacific Limited

As lead auditor for the audit of Indian Pacific Limited for the financial year ended 31 October 2019, 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 Indian Pacific Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

D S Lewsen
Partner
18 February 2020

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Independent Auditor's Report to the Members of Indian Pacific Limited

Opinion

We have audited the financial report of Indian Pacific Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 31 October 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

(a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

i giving a true and fair view of the consolidated financial position of the Group as at 31 October 2019 and of its consolidated financial performance for the year ended on that date; and

ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

b) the accompanying financial report of the Group also complies with International Financial Reporting Standards as disclosed in Note 2.

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 Group 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 comprises the Chairman's Report and 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 Group'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 Group 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 judgement 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Building a better working world

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 Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Ernst & Young

Lewsen

D S Lewsen
Partner
Perth
18 February 2020

In accordance with a resolution of the directors of Indian Pacific Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Consolidated Entity are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 31 October 2019 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards and the *Corporations Regulations 2001*;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Russell Gibbs
Director
Date: 18/2/20

	Notes	2019 $	2018 $
REVENUE FROM ORDINARY ACTIVITIES	3	88,660,496	82,265,015
Cost of goods sold	4	(21,922,771)	(18,428,153)
GROSS SURPLUS		66,737,725	63,836,862
Football and administration expenses		(26,581,944)	(26,897,689)
Administration expenses		(14,189,880)	(12,943,365)
Rent expense	4	(8,511,800)	(8,293,655)
Royalty expense	4	(4,051,091)	(3,906,471)
Marketing and community expenses		(5,475,611)	(4,653,771)
Corporate expenses		(84,206)	(92,128)
Impairment of investments		-	(88,435)
Sundry income		66,984	-
Realised gain on investments		116,676	659,936
SURPLUS FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		8,026,853	7,621,284
Income tax expense	2(s)	-	-
SURPLUS FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		8,026,853	7,621,284
OTHER REVENUE OUTSIDE ORDINARY ACTIVITIES			
Development funding		13,086,140	3,330,000
Subiaco lease finalisation		727,273	-
SURPLUS ATTRIBUTABLE TO MEMBERS OF INDIAN PACIFIC LIMITED		21,840,266	10,951,284
Amortisation of unsecured note redemption reserve		(201)	(175)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS ATTRIBUTABLE TO MEMBERS OF INDIAN PACIFIC LIMITED		(201)	(175)
TOTAL SURPLUS ATTRIBUTABLE TO MEMBERS OF INDIAN PACIFIC LIMITED		21,840,065	10,951,109
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit and loss		-	-
Fair value gain/(loss) on assets at fair value through other comprehensive income		340,093	(56,315)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		22,180,158	10,894,794

	Notes	2019 $	2018 $
CURRENT ASSETS			
Cash and cash equivalents	23(b)	20,598,120	39,312,073
Receivables	5	3,085,702	2,885,872
Investments	6	35,294,804	32,536,128
Inventories	7	427,602	1,970,069
TOTAL CURRENT ASSETS		59,406,228	76,704,142
NON-CURRENT ASSETS			
Property, plant and equipment	8	58,373,399	966,564
Other assets	9	3,600,545	28,558,511
TOTAL NON-CURRENT ASSETS		61,973,944	29,525,075
TOTAL ASSETS		121,380,172	106,229,217
CURRENT LIABILITIES			
Unearned income	10	4,068,074	6,812,049
Payables	11	12,032,852	17,383,843
Provisions	12	5,013,786	4,588,347
TOTAL CURRENT LIABILITIES		21,114,712	28,784,239
NON-CURRENT LIABILITIES			
Payables	13	1,543	1,342
Provisions	14	1,069,300	429,177
TOTAL NON-CURRENT LIABILITIES		1,070,843	430,519
TOTAL LIABILITIES		22,185,555	29,214,758
NET ASSETS		99,194,617	77,014,459
EQUITY			
Contributed equity	15	5,446,065	5,446,065
Reserves	16	5,485,262	5,207,176
Accumulated surplus	16	88,263,290	66,361,218
TOTAL EQUITY		99,194,617	77,014,459

	Contributed equity $	Accumulated surplus $	Reserves $	Total equity $
At 1 November 2017	5,446,065	55,307,700	5,365,900	66,119,665
Fair value loss on financial assets	-	-	(56,315)	(56,315)
Transfer to undistributable profits reserve	-	102,234	(102,234)	-
Transfer to unsecured notes reserve	-	175	(175)	-
Surplus for the year	-	10,951,109	-	10,951,109
At 31 October 2018	5,446,065	66,361,218	5,207,176	77,014,459

	Contributed equity $	Accumulated surplus $	Reserves $	Total equity $
At 1 November 2018	5,446,065	66,361,218	5,207,176	77,014,459
Fair value gain on assets through other comprehensive income	-	-	340,093	340,093
Transfer to undistributable profits reserve	-	61,806	(61,806)	-
Transfer to unsecured notes reserve	-	201	(201)	-
Surplus for the year	-	21,840,065	-	21,840,065
At 31 October 2019	5,446,065	88,263,290	5,485,262	99,194,617

	Notes	2019 $	2018 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		59,402,513	68,862,689
Payments to suppliers and employees		(65,899,559)	(57,477,969)
Interest and dividends received		1,540,293	2,023,777
Development funding received		13,086,140	3,330,000
AFL distributions received		11,199,026	11,002,504
Royalty paid to WAFC		(1,818,182)	(1,280,000)
NET CASH FLOWS FROM OPERATING ACTIVITIES	23(a)	17,510,231	26,461,001
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,093,200)	(821,008)
Payments for Lathlain development		(32,760,409)	(17,498,337)
Proceeds from sale of property, plant and equipment		40,123	682
Proceeds from sale of investments		29,566,862	26,079,716
Purchase of investments		(31,977,560)	(16,755,550)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(36,224,184)	(8,994,497)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(18,713,953)	17,466,504
Cash and cash equivalents at beginning of the year		39,312,073	21,845,569
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	23(b)	20,598,120	39,312,073

1. CORPORATE INFORMATION

The financial report of Indian Pacific Limited and its subsidiary (collectively “the Group” or “the Consolidated Entity”) for the year ended 31 October 2019 was authorised for issue in accordance with a resolution of the directors.

The Consolidated Entity is a company limited by shares that is incorporated and domiciled in Australia.

The registered office of Indian Pacific Limited is located at:

Mineral Resources Park
42 Bishopsgate Street
LATHLAIN WA 6100

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors’ Report.

The Consolidated Entity employed 190 permanent employees and players as of 31 October 2019 (2018: 174 employees).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

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 is presented in Australian dollars.

The financial report has been prepared on a historical cost basis except for financial assets which have been measured at fair value.

(b) Statement of Compliance

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

(c) Changes in accounting policies, disclosures, standards and interpretations

Since 1 November 2018, the Group has adopted all the Standards and Interpretations mandatory for annual reporting periods beginning on or after 1 November 2018. This included the adoption of AASB 9, and this Standard and associated Interpretations were considered and incorporated into the Group’s policies. This Standard did not have a significant impact on the financial position or performance of the Group.

AASB 9 Financial Instruments

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria; the Group’s business model for managing the assets; and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding (the

'SPPI criterion'). The SPPI test is applied to the entire financial asset, even if it contains an embedded derivative.

The Group has applied AASB 9 with the initial application date being 1 November 2018. The cumulative impact of applying AASB 9 was not material.

At the date of initial application, existing financial assets and liabilities of the Group were assessed in terms of the requirements of AASB 9. The assessment was conducted on instruments that had not been derecognised as at 1 November 2018. In this regard, the Group has determined that the adoption of AASB 9 has impacted the classification of financial instruments at 1 November 2018 as follows:

Class of financial instrument presented in the statement of financial position	Original measurement category under AASB 139 (i.e. prior to 1 November 2018)	New measurement category under AASB 9 (i.e. from 1 November 2018)
Cash and cash equivalents	Financial assets at amortised cost	Financial assets at amortised cost
Trade and other receivables	Loans and receivables	Financial assets at amortised cost
Financial assets at fair value through other comprehensive income	Available for sale financial asset	Financial assets at fair value through other comprehensive income
Trade and other payables	Financial liability at amortised cost	Financial liabilities at amortised cost

Impairment of financial assets

The adoption of AASB 9 has changed the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss ("ECL") approach. AASB 9 requires the Consolidated Entity to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

The Group's receivables balance consists primarily of trade receivables. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, all bank balances are assessed to have low credit risk as they are held with reputable financial institutions are rated the equivalent of investment grade and above.

The loss allowances for financial assets are based on the assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Given the Group's receivables are primarily from trade receivables, the Group has assessed that the risk of default is minimal and as such, no material adjustment was required against these financial assets as at 1 November 2018.

Issued or amended but are not yet effective Accounting Standards

New and amended Australian Accounting Standards and Interpretations that have been recently issued or amended but are not yet effective have not been adopted for the annual reporting period ended 31 October 2019 and are outlined in the table below.

Reference	**Title**	**Summary**	**Application date of standard***	**Application date for Group***
AASB 15	Revenue from Contracts with Customers	AASB 15 replaces all existing revenue requirements in Australian Accounting Standards (AASB 111 Construction Contracts, AASB 118 Revenue, AASB Interpretation 13 Customer Loyalty Programmes, AASB Interpretation 15 Agreements for the Construction of Real Estate, AASB Interpretation 18 Transfers of Assets from Customers and AASB Interpretation 131 Revenue – Barter Transactions Involving Advertising Services) and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as AASB 117 Leases (or AASB 16 Leases, once applied). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with the core principle by applying the following steps: ► Step 1: Identify the contract(s) with a customer ► Step 2: Identify the performance obligations in the contract ► Step 3: Determine the transaction price ► Step 4: Allocate the transaction price to the performance obligations in the contract ► Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. Management has determined that the changes in AASB 15 has had no material impact on the financial statements.	1 January 2019	1 November 2019
AASB 1058	*Income of Not-for-Profit Entities*	AASB 1058 and AASB 2016-8 will defer income recognition in some circumstances for not-for-profit entities, particularly where there is a performance obligation or any other liability. In addition, certain components in an arrangement, such as donations, may be separated from other types of income and recognised immediately. The Standard also expands the circumstances in which not-for-profit entities are required to recognise income for goods and services received for consideration that is significantly less than the fair value of the asset principally to enable the entity to further its objectives (discounted goods and services), including for example, peppercorn leases. Consequently AASB 1004 *Contributions* is also amended, with its scope effectively limited to address issues specific to government entities and contributions by owners in a public sector entity context. The impact assessment is yet to be finalized but management do not expect this to result in material changes to the recognition of revenue.	1 January 2019	1 November 2019
AASB 16	Leases	AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 Leases. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases. Management is still finalising its assessment of the impact of AASB 16.	1 January 2019	1 November 2019

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 31 October 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in the Consolidated Statement of Comprehensive Income. Any investment retained is recognised at fair value.

(e) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing material misstatement to the carrying amounts of certain assets and liabilities within the next annual reporting periods are:

Non-consolidation of Wirrpanda Foundation Limited ("WFL" or "the Foundation")
In accordance with AASB 10 *Consolidated Financial Statements*, management has determined that the level of power, exposure, rights and ability to affect returns over the Foundation does not constitute consolidation between the Foundation and the Consolidated Entity. The activities of the Foundation operate independently of the activities of the Consolidated Entity and are directed by management of the Foundation. Funding received by the Foundation is allocated at the discretion of the Foundation's management and financial returns are retained by the Foundation.

Classification and valuation of investments
Management has classified investments in listed and unlisted securities as 'fair value through other comprehensive income' ('available-for-sale' in 2018) and movements in fair value are recognised directly in equity. Financial assets held at fair value through other comprehensive income or available for sale for the periods before 1 November 2018 are initially measured at fair value, including transaction costs directly attributable to the acquisition of the financial asset. The fair values of unlisted securities not traded in an active market are determined by reference to the defaults in underlying investments, being the risks specific to these assets.

(f) Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation

Depreciation is provided on a straight line or diminishing value basis over the useful life of the asset. Major depreciation periods are:

	2019	**2018**
- Land and Buildings	40 years	-
- Leasehold improvements	lease term/useful life	lease term/useful life
- Furniture, fittings and equipment	3 to 10 years	3 to 10 years
- Motor Vehicles	5 to 10 years	5 to 10 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of property, plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may not be recoverable.

The directors have determined that items of plant and equipment do not generate independent cash inflows and that the business of the Consolidated Entity is, in its entirety, a cash-generating unit.

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the Consolidated Statement of Comprehensive Income as an expense.

(ii) Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Consolidated Statement of Comprehensive Income in the year the asset is derecognised.

(g) Leasehold improvements

The cost of improvements to leasehold properties, disclosed as leasehold improvements, are amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

(h) Cash and cash equivalents

Cash and short-term deposits in the Consolidated Balance Sheet comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above. The Consolidated Entity does not have any bank overdraft facilities.

(i) Trade and other receivables

Trade receivables
Trade receivables generally have terms of 30-90 days. They are recognised initially in accordance with the Group's revenue policy and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. Customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and the Group’s exposure to bad debts is not significant. With respect to trade receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

Other receivables
These amounts generally arise from transactions outside the usual operating activities of the Group. They do not contain impaired assets and are not past due. Based on the credit history, it is expected that these other balances will be received when due.

Impairment of trade receivables and other debtors applied from 1 November 2018
Collectability and impairment of trade receivables and other receivables are assessed on an ongoing basis. The Group applies a simplified approach in calculating forward-looking expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to customers and the economic climate.

Impairment of trade receivables and other debtors applied for the period prior to 1 November 2018
Collectability of trade receivables was reviewed on an ongoing basis at an operating unit level. Individual debts that were known to be uncollectible was written off when identified. An impairment provision was recognised when there was objective evidence that the Group would not be able to collect the receivable.

Financial difficulties of the debtor, default payments or debts more than 90 days overdue were considered objective evidence of impairment. The amount of the impairment loss was the receivable carrying amount compared to estimated future cash flows.

(j) Impairment of assets

The Consolidated Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Consolidated Entity makes an estimate of the asset's recoverable amount.

The directors have determined that individual assets or groups of assets do not generate independent cash inflows and that the business of the Consolidated Entity is, in its entirety, a cash-generating unit. Accordingly, each 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.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(k) Unsecured notes

The unsecured note liability is calculated by discounting the face value of the notes at a rate of 15% from the latest possible date of redemption. Redemption is at the discretion of the directors prior to the year 2075. The difference between the face value of the notes and the amount of the liability is recorded as an unsecured note redemption reserve (Note 16).

(l) Trade and other payables

Trade and other payables are carried at amortised cost. Due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive), as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Consolidated Entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Consolidated Statement of Comprehensive Income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date using a discounted cash flow methodology. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. When the discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Contributed equity

Ordinary shares are classified as equity.

(o) AFL sub-licence

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Comprehensive Income in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in accounting estimate and is thus accounted for on a prospective basis.

A summary of the policies applied to the Consolidated Entity's intangible assets is as follows:

Australian Football League (AFL) Licences
Useful lives:
Indefinite (2018: Indefinite)
Amortisation method used:
No amortisation
Internally generated or acquired:
Acquired
Impairment testing:
When an indication of impairment exists
(2018: when an indication of impairment exists)

p) Revenue

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

Sale of Goods
Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Rendering of Services
Where the contract outcome can be reliably measured:
- control of a right to be compensated for the services has been attained and the stage of completion can be reliably measured. Stage of completion is measured by reference to the number of matches played as a percentage of the total number of matches for each contract.

Where the contract outcome cannot be reliably measured:
- revenue is recognised only to the extent that costs have been incurred.

Interest
Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(q) Inventories

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(r) Employee benefits

(i) Wages, salaries, and sick leave
Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date, are recognised in other payables in respect of employees' services up to the reporting date. All these liabilities are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the sick leave is taken and are measured at the rates paid or payable.

(ii) Long service leave and annual leave
The Group does not expect its long service leave or annual leave benefits to be settled wholly within 12 months of each reporting date. The Group recognises a liability for long service leave and annual leave measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

In December 2002 the AFL clubs and the players entered into a Federally Certified Long Service Leave Agreement which removed the State Long Service Leave Entitlements of players (players now receive additional annual leave). This agreement does not cover players who left the club prior to the agreement being signed.

(s) Income tax

The Consolidated Entity obtained tax-exempt status effective from 10 March 2000 on becoming a wholly owned subsidiary of the West Australian Football Commission Inc. ("WAFC"). It is also exempt from tax under s50-45 of the ITAA (1997) which exempts sporting clubs from income tax.

(t) Investments and other financial assets

Initial recognition and measurement applied from 1 November 2018
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Entity has applied the practical expedient, the Entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Initial recognition and measurement applied for the period prior to 1 November 2018
Financial assets were classified as either financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets were recognised initially, they were measured at fair value, plus, in the case of investments not at fair value held for trading, directly attributable transactions costs. The Group determined the classification of its financial assets on initial recognition.

The fair value of investments that were actively traded in organised financial markets was determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments with no active market, fair value was determined using valuation techniques. Such techniques included using recent arm's length market transactions; reference to the current market value of another instrument that were substantially the same; discounted cash flow analysis and option pricing models.

All regular way purchases and sales of financial assets were recognised on the trade date i.e. the date that the Entity committed to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that required delivery of the assets within the period established generally by regulation or convention in the marketplace.

Subsequent Measurement
Other financial assets consist of investments in debt and equity securities and short-term investments with a maturity date of over 90 days and are classified as either "fair value through other comprehensive income" ("available for sale" for periods before 1 November 2018) or "fair value through profit and loss". Financial assets held at fair value through other comprehensive income or available for sale for the periods before 1 November 2018 are initially measured at fair value, including transaction costs directly attributable to the acquisition of the financial asset.

Where securities are designated as "fair value through profit and loss", gains and losses arising from changes in fair value are included in the income statement for the period.

(i) Financial assets at fair value through profit and loss
Financial assets at fair value through profit and loss include derivative and other financial assets determined as held for trading where they are acquired for the purpose of selling in the near term. Financial assets at fair value through profit and loss are recorded in the Statement of Financial Position at their values with changes in fair value recognised in profit or loss. Financial assets held at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed.

(ii) Financial assets at fair value through other comprehensive income
For equity investments at "fair value through other comprehensive income", gains or losses arising from changes in fair value are recognised in other comprehensive income, until the security is disposed of, at which time the cumulative gain or loss previously recognised in other comprehensive income is included directly in retained earnings and is not recycled to the income statement. For the periods before 1 November 2018, the gains or losses accumulated at the time of sale or impairment were recycled to the income statement.

For debt instruments at "fair value through other comprehensive income" or "available for sale" in the periods before 1 November 2018, gains and losses arising from changes in fair value are recognised in other comprehensive income, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in other comprehensive income is included in the income statement for the period. Until 1 November 2018, debt securities were deemed impaired based on whether an impairment trigger happened and it resulted in an incurred loss. From 1 November 2018, impairments in debt securities are recognised based on management's expectation of losses in each investment ("expected credit loss" model).

Until 1 November 2018, equity investments that did not have a quoted market price in an active market and whose fair value could not be reliably measured by other means were held at cost. From 1 November 2018, all equity investments must be measured at fair value under AASB 9
Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss or loans and receivables. When financial assets are recognised initially, they are measured at fair value. The Consolidated Entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year end.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains or losses are recognised in the Consolidated Statement of Comprehensive Income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv)Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less any accumulated depreciation and any accumulated impairment losses.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the Consolidated Statement of Comprehensive Income in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(u) Unearned income

Unearned income represents deposits, payments on account and payments in advance from customers for services, sponsorships or memberships, where the Consolidated Entity has a contractual or constructive liability to repay such amounts to the other party in the event that the Consolidated Entity does not deliver the services. Unearned income is recognised as the amount received by the Consolidated Entity and is deferred until the delivery of the service.

	Consolidated	
	2019	**2018**
	$	**$**
3. REVENUE FROM ORDINARY ACTIVITIES		
Revenue from operating activities		
Match revenue	9,419,362	9,794,983
Membership revenue	26,499,727	24,905,730
Sponsorship revenue	8,172,575	7,448,739
Corporate hospitality revenue	14,276,133	13,454,045
Signage and advertising revenue	4,708,978	4,494,700
Merchandise revenue	5,989,003	3,939,331
Functions and special events revenue	5,608,659	4,963,469
AFL sourced income	11,199,026	11,002,504
Other revenue	1,102,193	272,316
Total revenue from operating activities	86,975,656	80,275,817
Revenue from outside the operating activities		
Interest	1,437,528	1,842,861
Dividend income	247,312	146,337
Total revenue from outside the operating activities	1,684,840	1,989,198
Total revenue from ordinary activities	88,660,496	82,265,015

4. EXPENSES AND COST OF GOODS SOLD

Cost of goods sold		
Match expenses	6,332,186	6,121,982
Membership expenses	3,305,870	3,220,667
Sponsorship expenses	759,231	580,576
Signage and advertising expenses	390,479	328,736
Corporate hospitality expenses	2,521,757	2,320,469
Merchandise expenses	4,433,707	2,703,007
Functions and special events expenses	3,948,313	2,891,691
Other expenses	231,228	261,025
Total cost of goods sold	21,922,771	18,428,153
Depreciation of non-current assets		
Property, plant and equipment	1,256,784	969,697
Total depreciation and amortisation of non-current assets	1,256,784	969,697
Royalty to the WA Football Commission	4,051,091	3,906,471

4. EXPENSES AND COST OF GOODS SOLD (CONT'D)

	Consolidated 2019 $	2018 $
Operating lease rental		
- Minimum lease payments	8,511,800	8,293,655
Loss/(gain) on disposal of property, plant and equipment	244,698	9,979

5. RECEIVABLES (CURRENT)

Trade debtors	(i)	1,619,338	1,887,271
Allowance for credit losses	(iii)	(21,142)	(137,169)
		1,598,196	1,750,102
Other debtors	(ii)	1,018,998	1,025,101
Prepayments		468,508	110,669
		3,085,702	2,885,872

(i) Receivables are non-interest bearing and are generally on 30-90 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. The amount of the allowance/impairment loss has been measured as the difference between the carrying amount of the trade receivables and the estimated future cash flows expected to be received from the relevant debtors.

(ii) Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the carrying value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities

(iii) For terms and conditions relating to related party receivables refer to note 20.

Set out below is the information about the credit risk exposure on the Group's trade receivables and other debtors using a provision matrix:

Days past due	**Estimated total gross carrying amount at default**	**Expected credit loss rate**	**Lifetime expected credit loss**
Current	21,142	100%	21,142
Under one month	-	-	-
One to two months	-	-	-
Two to three months	-	-	-
Over three months	-	-	-
Total	21,142	100%	21,142

Movement in the allowance account for credit losses

	2019 $	2018 $
Opening balance 1 November	137,169	67,802
New accounting standard adjustment to opening balance	-	-
(Decrease) / increase in provision	116,027	69,367
Closing balance 31 October	21,142	137,169

	Consolidated **2019** **$**	**2018** **$**
6. INVESTMENTS		
Financial assets – at fair value (i)	35,294,804	32,536,128
	35,294,804	32,536,128

(a) Terms and conditions

(i) The fair value of financial assets investments of $35,294,804 (2018: $32,536,128) has been determined by reference to published price quotations.

7. INVENTORIES

Stock on hand – at cost	407,722	1,940,132
Consumables on hand	19,880	29,937
	427,602	1,970,069

8. PROPERTY, PLANT AND EQUIPMENT

Furniture, fittings and equipment – at cost	10,736,509	6,591,113
Accumulated depreciation	(3,057,399)	(5,670,301)
	7,679,110	920,812
Land and Buildings	51,175,419	-
Accumulated depreciation	(542,750)	
	50,632,669	
Motor Vehicles	214,030	210,375
Accumulated depreciation	(152,410)	(164,623)
	61,620	45,752
Total property, plant and equipment	58,373,399	966,564

(a) Reconciliations

Property, plant and equipment

Carrying amount at beginning of the year	966,564	1,125,916
Additions	33,084,760	821,006
Transfer from Lathlain Facilities (WIP)	25,726,816	-
Carrying amount of disposals	(147,957)	(10,661)
Depreciation expense	(1,256,784)	(969,697)
Carrying amount at end of year	58,373,399	966,564

	Consolidated	
	2019	**2018**
	$	**$**
9. OTHER NON-CURRENT ASSETS		
Investment properties – at cost	1,744,230	1,744,230
AFL sub-licence - at cost	1,087,465	1,087,465
Lathlain facilities	768,850	25,726,816
	3,600,545	28,558,511

10. UNEARNED INCOME

Events	85,873	179,657
Match Day Hospitality	120,138	105,130
Membership	2,027,053	4,128,507
Sponsorship	1,762,751	2,379,619
Other	72,259	19,136
	4,068,074	6,812,049

11. PAYABLES (CURRENT)

Trade creditors	(i)	3,217,988	9,092,063
Other creditors and accruals	(ii)	2,716,223	3,835,344
Other liabilities	(ii)	821,586	582,631
		6,755,797	13,510,038
Aggregate amounts payable to related parties:			
- WAFC	(iii)	5,277,055	3,873,805
		12,032,852	17,383,843

(a) Terms and conditions

Terms and conditions relating to the above financial instruments:
(i) Trade creditors are normally settled on 30 day terms.
(ii) Other creditors are non-interest bearing and are normally settled on 30 day terms.
(iii) Details of the terms and conditions of related party payables are set out in note 19.
All payables are unsecured and as such no assets have been pledged as collateral.

12. PROVISIONS (CURRENT)

Provision for annual leave	2,286,738	2,161,900
Provision for long service leave	2,727,048	2,426,447
	5,013,786	4,588,347

13. PAYABLES (NON-CURRENT)

Unsecured notes (a)	1,543	1,342

(a) The unsecured notes are interest free, repayable at the discretion of the directors up to the year 2075 and in any other event not repayable before 30 June 2075. Each note has a face value of $500 and 7,735 were on issue at balance date. The unsecured notes are being carried at their discounted net present value of $1,015. This figure has been arrived at by the application of a discount rate of 15% to the date of redemption. These notes are unsecured and as such there is no collateral pledged as security.

	Consolidated	
	2019	**2018**
	$	**$**
14. PROVISIONS (NON-CURRENT)		
Provision for long service leave	477,289	429,177
Allowance for capital works	592,011	-
	1,069,300	429,177

15. CONTRIBUTED EQUITY

(a) Issued and paid up capital

Ordinary shares fully paid	5,446,065	5,446,065

(b) Movements in shares on issue

	2019	
	Number of Shares	**$**
Beginning of the financial year	14,035,867	5,446,065
- Movement for the year	-	-
End of the financial year	14,035,867	5,446,065

(c) Terms and conditions of contributed equity

Ordinary Shares
Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Consolidated Entity.

		Consolidated	
		2019	**2018**
		$	**$**
16. RESERVES AND ACCUMULATED SURPLUS			
Unsecured note redemption reserve	(a)	3,865,957	3,866,158
Undistributable profits reserve	(b)	1,214,704	1,276,510
Other reserves	(c)	404,601	64,508
		5,485,262	5,207,176
Accumulated surplus	(d)	88,263,290	66,361,218

(a) Unsecured note redemption reserve
(i) Nature and purpose of reserve
The unsecured note redemption reserve is used to record the purchase price of unsecured notes acquired by the Consolidated Entity.
The reserve represents the cash received on the issue of the unsecured notes. The reserve is reduced by the movement in the net present value of the unsecured note liability (refer note 13).

	Consolidated	
	2019	**2018**
	$	**$**
(ii) Movements in reserve		
Balance at beginning of the year	3,866,158	3,866,333
Amortisation of present value	(201)	(175)
Balance at end of the year	3,865,957	3,866,158

(b) Undistributable profits reserve
(i) Nature and purpose of reserve
The undistributable profits reserve is used to accumulate profits arising from the WCE Supporters Club Limited.

(ii) Movements in reserve

Balance at beginning of the year	1,276,510	1,378,744
Transfer from profit and loss appropriation	(61,806)	(102,234)
Balance at end of the year	1,214,704	1,276,510

(c) Other reserves

(i) Nature and purpose of reserve

Other reserves are used to record fair value movements in financial assets that are classified as fair value through other comprehensive income.

(ii) Movement in reserve

Balance at beginning of the year	64,507	120,822
Fair value movement in financial assets	340,093	(56,315)
Balance at end of the year	404,600	64,507

(d) Accumulated surplus

Balance at the beginning of the year	66,361,218	55,307,700
Net surplus attributable to members of Indian Pacific Limited	21,840,266	10,951,284
Total available for appropriation	88,201,484	66,258,984
Aggregate of amounts transferred to undistributable profits reserve	61,806	102,234
Balance at end of the year	88,263,290	66,361,218

	Consolidated	
	2019	2018
	$	$
17. DEBTS PAYABLE & RECEIVABLE		
DEBTS PAYABLE		
- Not later than one year	12,032,852	17,383,843
- Later than one year, not later than five years	-	-
- Later than five years	1,543	1,342
	12,034,395	17,385,185
DEBTS RECEIVABLE		
- Not later than one year	2,617,194	2,775,203

All debts which are payable are non-interest bearing and no collateral has been pledged.

All debts which are receivable are non-interest bearing and no collateral has been pledged in respect to these assets.

18. SEGMENT INFORMATION

The Consolidated Entity operates solely within the sporting industry in Australia.

19. EXPENDITURE COMMITMENTS

(a) Royalty
For the 2019 financial year, the Consolidated Entity has been required to pay a royalty calculated as follows:

Base $1.1 million; then
50% of net profit from $1.1 million to $2 million; then
30% of net profit from $2 million to $5 million; then
22.5% of net profit above $5 million.

The royalty agreement contains a minimum royalty payable of $1,400,000 with no maximum payable.

19. EXPENDITURE COMMITMENTS (CONT'D)

(b) Player Commitments
In relation to the future seasons, the West Coast Eagles ("the Club") has a liability for player contracts which will comply with AFL regulations. Included in this, the following commitments exist in relation to signed player contractual arrangements. This excludes player payments associated with contingent performance obligations which are deemed not to be reliably measurable. These contingencies will only arise subject to the inclusion of the players on the Club's official list and performances. Player payments are underwritten by the AFL in accordance with the Collective Bargaining Agreement between the AFL and the AFL Player Association.

	Consolidated	
	2020	**2019**
	$	**$**
- Not later than one year	12,088,750	12,085,000

20. RELATED PARTY DISCLOSURES

(a) The directors of Indian Pacific Limited ("IPL") during the financial year were:

R Gibbs (Chairman)
P Fitzpatrick (Deputy Chairman)
T Nisbett
C Wharton
T Bowen
J Langer
Z Yujnovich
P Carter (resigned 31 December 2019)

<u>Director transactions with Indian Pacific Limited</u>

A number of directors of Indian Pacific Limited, or their director-related entities hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

The terms and conditions of these transactions with directors and their director-related entities were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year to directors and their director-related entities were as follows:

Director	Service	Income/(Expense) 2019 GST exclusive	Receivable/ (Payable) at 31 October 2019	Service	Income/(Expense) 2018 GST exclusive	Receivable/ (Payable) at 31 October 2018
Trevor Nisbett, West Coast Eagles	6 x A Reserve Memberships	4,636	-	5 x A Reserve Memberships	3,773	-
Russell Gibbs, Hawaiian Pty Ltd	4 x E Reserve Memberships 10 x D Reserve Memberships Sponsorship 2019	1,490 4,727 160,000	-	Sponsorship 2018	190,000	-
Peter Carter, Crosby Tiles	4 x A Reserve Memberships	3,091	-	4 x A Reserve Memberships	3,018	-
Paul Fitzpatrick, Clayton Utz	12 Seat Corporate Suite 2 x A Reserve Memberships	62,523 1,545	-	12 Seat Corporate Suite 2 x A Reserve Memberships	53,818 1,509	-

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

West Australian Football Commission ("WAFC")

- The royalties expense for the year amounted to $4,051,091 (2018: $3,906,471).
- IPL uses the football assets of the WAFC under a sub-licence arrangement whereby a football team participates in the Australian Football League Competition.
- IPL is to pay the WAFC a royalty each year determined on a basis relating to the results of the Consolidated Entity's operating activities.
- There is $3,805,127 owing to the WAFC as at 31 October 2019 (2018: $3,873,805).
- The WAFC holds a management share in IPL and a 100% of the ordinary shares on issue.
- WAFC is the ultimate Australian parent entity.

20a. REMUNERATION OF DIRECTORS

The directors during the financial year were:

R Gibbs (Chairman)
P Fitzpatrick (Deputy Chairman)
T Nisbett
C Wharton
T Bowen
J Langer
Z Yujnovich
P Carter (resigned 31 December 2019)

Non-executive directors do not receive directors' fees.

20b. REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel are determined to be the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, General Manager – Business Strategy & Growth, General Manager – Football, General Manager – Communications, General Manager – Special Projects & Technology, General Manager – Community & Game Development, General Manager - Marketing and General Manager – Supporter Operations.

	Consolidated 2019 $	Consolidated 2018 $
- Short-term employee benefits	3,598,989	3,507,014

21. REMUNERATION OF AUDITORS

Amounts received or due and receivable by the auditors of the Consolidated Entity for:

	Consolidated 2019 $	Consolidated 2018 $
- Auditing the financial report	73,302	85,436
- Other services	8,250	9,120
	81,552	94,556

22. SUBSEQUENT EVENTS

There have been no significant events occurring after balance date which may have affected the Consolidated Entity's operations or results of those operations or the Consolidated Entity's state of affairs.

23. CASH FLOW STATEMENT RECONCILIATION

(a) Reconciliation of the net surplus after tax to the net cash flows from operating activities

	Consolidated 2019 $	Consolidated 2018 $
Net surplus	21,840,065	10,951,109
Non-cash items		
Depreciation and amortisation	1,256,784	969,697
Loss/(Gain) on disposal of investments	244,698	(11,877)
Impairment of investments	-	88,435
Changes in assets and liabilities		
Increase in receivables	(1,113,377)	(1,386,762)
Decrease/(increase) in inventory	1,542,466	(1,766,353)
(Decrease)/Increase in payables and unearned income	(7,325,966)	16,911,683
Increase in other provisions	592,011	-
Increase in employee provisions	473,550	705,069
Net cash flows from operating activities	17,510,231	26,461,001

(b) Reconciliation of cash and cash equivalents

Cash and cash equivalents comprises:		
- Cash on hand	20,598,120	39,312,073

24. CONTROLLED ENTITIES

Entities controlled by Indian Pacific Limited comprise:

Name	Country of Incorporation	Beneficial Percentage held by the Consolidated Entity		Contribution to Operating Surplus	
		2019	2018	2019	2018
		%	%	$	$
West Coast Eagles Supporters Club Limited *	Australia	Nil	Nil	(61,806)	(102,234)

* West Coast Eagles Supporters Club Limited ("WCESC") is consolidated as a result of IPL being the founding member of WCESC and controlling the entity's activities. WCESC, however, is a company limited by a guarantee and neither IPL nor any other entity or person has any entitlement to the assets or funds.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Consolidated Entity's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Consolidated Entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Consolidated Entity. The Consolidated Entity's principal financial instruments comprise receivables, payables, financial assets at fair value through other comprehensive income and cash and cash equivalents.

Risk management is carried out by the Finance Committee under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as mitigating interest rate and credit risks.

(a) Interest rate risk

The Consolidated Entity has not entered into any interest rate swaps, forward rate agreements, interest rate options or similar derivatives. The Consolidated Entity's exposure to interest rate risks together with the effective interest rate for classes of financial assets and liabilities at balance date is set out below.

The Consolidated Entity's exposure to interest rate risk relates primarily to the Consolidated Entity's floating interest rate cash balance which is subject to movements in interest rates. Management monitors its cash balance on an ongoing basis and liaises with its financiers regularly to mitigate cash flow and interest rate risk. Floating interest rates represent the most recently determined rate applicable to the instruments at balance date.

	Floating interest rate		Fixed interest rate		Non-interest bearing		Total carrying amount as per the Consolidated Balance Sheet		Weighted average effective interest rate	
	31 October 2019 $'000	31 October 2018 $'000	31 October 2019 $'000	31 October 2018 $'000	31 October 2019 $'000	31 October 2018 $'000	31 October 2019 $'000	31 October 2018 $'000	31 October 2019 $'000	31 October 2018 $'000
Financial Assets										
Cash and cash equivalents	20,598	39,312	-	-	-	-	20,598	39,312	2.26%	2.65%
Trade receivables	-	-	-	-	1,598	1,750	1,598	1,750	-	-
Financial assets at fair value through other comprehensive income	-	-	26,638	28,888	8,656	3,648	35,294	32,536	1.69%	3.53%
Other receivables	-	-	-	-	1,018	256	1,018	256	-	-
Total Financial Assets	20,598	39,312	26,638	28,888	11,272	5,654	58,508	73,854	-	-
Financial Liabilities										
Trade Payables	-	-	-	-	3,217	12,727	3,217	12,727	-	-
Unsecured Notes	-	-	-	-	1	1	1	1	-	-
Payables - related party/entity	-	-	-	-	5,277	3,887	5,277	3,887	-	-
Total Financial Liabilities	-	-	-	-	8,495	16,615	8,495	16,615	-	-

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date:

At 31 October 2019, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax surplus and equity would have been affected as follows

	Post tax surplus Higher/(Lower)		Equity Higher/(Lower)	
Judgements of reasonably possible movements	**2019 $**	**2018 $**	**2019 $**	**2018 $**
Consolidated				
+0.50%	**401,000**	**341,000**	**401,000**	**341,000**
-0.50%	**(401,000)**	**(341,000)**	**(401,000)**	**(341,000)**

* The method used to arrive at the possible change of 50 basis points was based on the analysis of the absolute nominal change of the Reserve Bank of Australia (RBA) monthly issued cash rate. Historical rates indicate that for the past five financial years, there was a bias towards an increase in interest rate ranging between 0 to 50 basis points. It is considered that 50 basis points a 'reasonably possible' estimate as it accommodates for the maximum variations inherent in the interest rate movement over the past five years.

(b) Credit risk exposures

Credit risk arises from the financial assets of the Consolidated Entity, which comprise cash and cash equivalents, trade and other receivables and financial assets at fair value through other comprehensive income. The Consolidated Entity's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments, being $2,617,194 at fair value (2018: $2,775,203 at fair value).

The Consolidated Entity only trades with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Consolidated Entity's policy to securities its trade and other receivables.

It is the Consolidated Entity's policy that major customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their financial position, past experience or industry reputation.

Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored.

In addition receivables balances are monitored on an ongoing basis with the result that the Consolidated Entity's exposure to bad debts is not significant.

There are no significant concentrations of credit risk within the Consolidated Entity and the financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

(c) Commodity price risk

The Consolidated Entity's exposure to commodity price risk is minimal.

(d) Foreign exchange risk

The Consolidated Entity's exposure to foreign exchange risk is minimal.

(e) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. Management monitors rolling cash flow forecasts to manage liquidity risk. The only financial liabilities of the Consolidated Entity at balance date are trade and other payables. The amounts are unsecured and are usually paid within 30 days of recognition.

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(f) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date, are as follows.

	Total carrying amount as per the Consolidated Balance Sheet		Aggregate net fair value	
	2019 $	2018 $	2019 $	2018 $
Financial Assets				
Cash and cash equivalents	20,598,120	38,638,376	20,598,120	38,638,376
Trade receivables	1,598,196	1,750,101	1,598,196	1,750,101
Investment properties	1,744,230	1,744,230	1,744,230	1,744,230
Financial assets at fair value through	26,638,646	28,888,120	26,638,646	28,888,120
other comprehensive income	-	-	-	-
Other receivables	1,018,998	1,025,101	1,018,998	1,025,101
Total Financial Assets	51,598,190	72,045,928	51,598,190	72,045,928
Financial Liabilities				
Payables	6,755,797	12,822,474	6,755,797	12,822,474
Unsecured notes	1,543	1,342	1,543	1,342
Payables - related party/entity	5,277,054	3,887,672	5,277,054	3,887,672
Total Financial Liabilities	12,034,394	15,942,489	12,034,394	15,942,489

26. PARENT ENTITY INFORMATION

	2019	2018
Information relating to Indian Pacific Limited:	$'000	$'000
Current assets	58,160	74,628
Total assets	120,133	104,153
Current liabilities	21,083	27,984
Total liabilities	22,154	28,415
Issued capital	5,446	5,446
Retained earnings	66,361	55,307
Unsecured note redemption reserve	3,865	3,866
Reserve - investment	46	73
Total shareholders' equity	76,078	75,737
Surplus of the parent entity	21,901	11,053
Total comprehensive income of the parent entity	22,241	10,997