Australian Securities & Investments Commission

Electronic Lodgement

Document No. **7E6737061**

Lodgement date/time: 19-02-2015 12:42:16

Reference Id: 91104575

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

MELBOURNE STORM RUGBY LEAGUE CLUB LIMITED

ACN

081 369 468

Reason for lodgement of statement and reports

A public company limited by guarantee who qualifies under Tier 2

Dates on which financial year ends

Financial year end date
31-10-2014

Auditor's report

Were the financial statements audited or reviewed?

Audited

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 **07-10-2004**

Name of auditor

ERNST & YOUNG

Address

LEVEL 1
8 EXHIBITION STREET

MELBOURNE VIC 3000

Certification

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

Yes

Signature

Select the capacity in which you are lodging the form

Secretary

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

Yes

Authentication

This form has been submitted by

Name	Danielle Patricia SMITH
Date	19-02-2015

For more help or information

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

Melbourne Storm Rugby League Club Limited
ABN 62 081 369 468

Financial Report

For the year ended 31 October 2014

Directors' Report

The Board of Directors of Melbourne Storm Rugby League Club Limited ("the Club") present their report together with the financial report for the year ended 31 October 2014, and auditor's report thereon.

Directors

The following Directors were in office during the period from 1 November 2013 to the date of this report, unless otherwise stated:

Non-Executive Directors

Bart Campbell

Gerard Ryan

Michael Watt

Matthew Tripp

Executive Directors

Mark Evans

Danielle Smith (appointed 6 August 2014)

Company Secretary

Danielle Smith

Principal Activities

The principal activities of the Club during the financial year consisted of competing in the National Rugby League (NRL) competition, the promotion of Rugby League, and offering sporting and social facilities to supporters and season ticket holders.

The NRL licence is held jointly by the Club and Valimanda Pty Ltd, an Australian proprietary company wholly owned by Holding M.S. Australia Pty Ltd. The Club is engaged by Valimanda Pty Ltd to manage the licensing agreement with the NRL including all football operations and administration. Valimanda Pty Ltd is the founding member of the Club which is a company limited by guarantee.

There have been no significant changes in the nature of these activities during the year.

Operating Result

The operating profit of the Club for the year ended 31 October 2014 was $314,550 (2013: $419,600).

The Club has continued to grow its brand and membership base, and produce consistent on-field success, culminating in reaching the semi-finals in 2013 and quarter-finals in 2014.

Total revenue increased from 2013 by $975,684 (4.4%), while expenditure increased by $1,080,734 (5.0%). Membership numbers grew by approximately 3% and a record membership of 15,645 was achieved.

Dividends

As the directors have no authority to declare a dividend as per the club constitution, no dividends were paid during the year, and no dividends were proposed or recommended as at 31 October 2014.

Review of Operations

There was no change in the trading activities of the Club during the financial year.

Directors' Report (continued)

Significant changes in the State of Affairs

There were no significant changes in the state of affairs of the Club during the financial year.

Subsequent Events

On 4 December 2014, the Club entered into a heads of agreement for the purchase of a business. This purchase is subject to a number of conditions being met which are detailed in the heads of agreement. If the conditions are met, and the sale proceeds, settlement will occur in the 2015 financial year and will be reflected in the financial statements at that time where relevant. Due to the commercial nature of the transaction, neither the vendor, the nature of the business, nor amounts have been disclosed.

Likely Developments and Future Results

No information is included on the likely developments in the operations of the company and the expected results of those operations as it is the opinion of the Directors of the Club that this information would prejudice the interests of the Club if included in this report.

Directors' Interests and Benefits

As the Club is limited by guarantee, the Directors have no financial interest in the Club.

None of the Directors receive a directors' fee for their director related services however the Executive Directors are remunerated for their Club management roles of Chief Executive Officer and Chief Financial Officer. The Directors are entitled to some limited benefits including board meeting travel and game-day hospitality as per the Club's Board Directors' Entitlements Policy.

Rounding of Amounts

Amounts in the financial report and the Directors' Report are shown in whole dollar amounts.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Club or intervene in any proceedings to which the Club is a party for the purpose of taking responsibility on behalf of the Club for all or any part of those proceedings. The Club was not a party to any such proceedings.

Environmental Regulation

The operations of the Club are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Directors' Report (continued)

Directors' Meetings

The number of Directors meetings held in the period that each director held office during the year ended 31 October 2014 and the number of meetings attended by each Director is detailed below.

Director	Directors Meetings Held While in Office	Directors Meeting Attended
Bart Campbell	9	9
Gerard Ryan	9	9
Michael Watt	9	5
Matthew Tripp	9	9
Mark Evans	9	9
Danielle Smith	5	5

Indemnification and Insurance of Directors

An associated entity of the Club, Holding M.S. Australia Pty Ltd, has agreed to indemnify all current Directors against "Liabilities" incurred by the Directors in their capacity as a director of the Club. "Liabilities" include any liabilities, loss, cost (including all legal costs and expenses on an indemnity basis), expense, damage, charge, penalty, outgoing, or payment, however arising and whether present, unascertained, future or contingent.

Holding M.S. Australia Pty Ltd holds management liability insurance, with the Club named as a policyholder.

Indemnification of Auditors

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

Auditor's Independence Declaration

The Directors have received the Independence Declaration from the auditor of the Club. The Independence Declaration is set out on page 33 and forms part of the Directors' Report for the year ended 31 October 2014.

Signed in accordance with a resolution of Directors this 11th day of February 2015 in Melbourne, Australia.

Bart Campbell
Chairman

Matthew Tripp
Director

Statement of Comprehensive Income
For the year ended 31 October 2014

	Note	2014	2013
		$	$
Revenue and other income	3	23,105,808	22,130,124
Total revenue		**23,105,808**	**22,130,124**
Operating expenses			
Finance & administration expense		2,848,287	3,299,003
Football operations expense		15,138,847	13,952,543
League development expense		406,649	625,011
Marketing expense		4,397,475	3,833,967
Total expenses from operations		**22,791,258**	**21,710,524**
Profit before income tax		**314,550**	**419,600**
Income tax expense	14	-	-
Profit after income tax		**314,550**	**419,600**
Other Comprehensive Income, net of tax		-	-
Total Comprehensive Income for the period		**314,550**	**419,600**

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

Statement of Financial Position
As at 31 October 2014

	Note	2014	2013
		$	$
Current Assets			
Cash and cash equivalents	5	465,334	513,092
Trade and other receivables	6	173,905	210,464
Other current assets	7	738,164	598,568
Total Current Assets		**1,377,403**	**1,322,124**
Non-Current Assets			
Property, plant and equipment	8	732,027	872,472
Investment	23	188,166	219,572
Total Non-Current Assets		**920,193**	**1,092,044**
Total Assets		**2,297,596**	**2,414,168**
Current Liabilities			
Trade and other payables	9	1,557,429	2,108,335
Interest bearing loans and borrowings	10	11,567	-
Provisions	11	668,327	588,100
Total Current Liabilities		**2,237,323**	**2,696,435**
Non-Current Liabilities			
Borrowings and financial liabilities	10	14,718	-
Provisions	11	28,745	15,473
Total Non-Current Liabilities		**43,463**	**15,473**
Total Liabilities		**2,280,786**	**2,711,908**
Net Assets/(Liabilities)		**16,810**	**(297,740)**
Equity			
Retained Profits/(Accumulated Losses)	12	16,810	(297,740)
Total Equity/(Deficit)		**16,810**	**(297,740)**

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

Statement of Changes in Equity
For the year ended 31 October 2014

	Retained Profits/ (Accumulated Losses)	Total Equity/(Deficit)
	$	$
Balance as at 1 November 2013	**(297,740)**	**(297,740)**
Profit for the period	314,550	314,550
Other Comprehensive Income	-	-
Total Comprehensive Profit for the period	**314,550**	**314,550**
Balance as at 31 October 2014	**16,810**	**16,810**
Balance as at 1 November 2012	**(717,340)**	**(717,340)**
Profit for the period	419,600	419,600
Other Comprehensive Income	-	-
Total Comprehensive Profit for the period	**419,600**	**419,600**
Balance as at 31 October 2013	**(297,740)**	**(297,740)**

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

Statement of Cash Flows
For the year ended 31 October 2014

	Note	2014	2013
		$	$
Cash flows from operating activities			
Receipts from customers		22,371,783	21,533,167
Payments to suppliers and employees		(23,067,294)	(23,023,159)
Receipt of grants		756,134	543,932
Interest received		14,450	28,863
Net cash flows from operating activities	13	**75,073**	**(917,197)**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(154,237)	(154,182)
Investment in jointly controlled venture		31,406	41,465
Net cash flows used in investing activities		**(122,831)**	**(112,717)**
Net decrease in cash and cash equivalents		**(47,758)**	**(1,029,914)**
Cash and cash equivalents at the beginning of the period		513,092	1,543,006
Cash and cash equivalents at the end of the period	5	**465,334**	**513,092**

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

Notes to the Financial Statements

NOTE 1 - CLUB INFORMATION

Melbourne Storm Rugby League Club Limited is incorporated in Australia.

The registered office and principal place of business of the Club is:

Melbourne Storm Rugby League Club Limited
AAMI Park, Gate E
60 Olympic Boulevard, Melbourne Vic 3001

Melbourne Storm Rugby League Club Limited is limited by a guarantee to members to contribute in the event of a winding up, a sum not exceeding $2.00 per member.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards. The financial report is prepared on a historical cost convention and except where stated, does not take into account current valuations of non-current assets.

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

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

(a) Going Concern

The ability of the Club to continue as a going concern is dependent upon the ongoing support of its ultimate stakeholders and its ability to assume profitable operations. Valimanda Pty Ltd has agreed to continue to make available financial support to the Club for a period of at least 12 months from the date of this report, or until such time as the Club attains profitability and is financially self-sufficient.

(b) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank, cash on deposit with associated companies and cash on hand.

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as a part of the item of expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position. Cash flows are included in the Statement of Cash Flows on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to the Financial Statements (continued)

(d) Trade and other receivables

Trade receivables which generally have 30-90 day terms are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Collectability of trade receivables is reviewed on an on-going basis. Debts that are known to be uncollectable are written off when identified. An impairment provision is recognised when there is objective evidence that the Club will not be able to collect the debt.

(e) Trade and other payables

Trade payables and other accounts payable are recognised when the Club becomes obliged to make future payments resulting from the purchase of goods and services. Trade payables are normally settled within 30 days.

(f) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Club and the revenue can be reliably measured.

Revenue as detailed in Note 3 primarily comprises revenue earned from provision of management services, grant income and season ticket holders. Operating revenue is recognised at the fair value of consideration received net of the amount of Goods & Services Tax (GST).

Interest income and any other income not described above, is recognised as it accrues.

(g) Grants

Grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the Statement of Comprehensive Income over the expected useful life of the relevant asset on a straight line basis.

(h) Employee Benefits

Provision is made for the Club's liability for employee annual leave and long service leave entitlements. Employee annual leave and long service leave entitlements which are expected to be settled within one year, have been measured at their nominal amount plus related on-costs.

Long service leave payable later than one year is recognised and measured at the present value of estimated future cash flows to be made in respect of all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through inflation have been taken into account.

Contributions are made by the Club to the employee's nominated superannuation fund and are charged as expenses when incurred. All Superannuation guarantee legislative requirements have been met.

Notes to the Financial Statements (continued)

(i) Property, Plant & Equipment

Cost

All acquisitions of plant & equipment and leasehold improvements are recorded at cost.

Depreciation and Amortisation of Property, Plant & Equipment

Property, Plant & Equipment is depreciated over the estimated useful life to the Club using the diminishing value method of depreciation, except for Leasehold Improvements which use the prime cost method. The following depreciation and amortisation rates and methods have been used.

	2014	2013	Method of depreciation
Furniture & Fittings	20%	20%	Diminishing value
Computer Equipment	50%	50%	Diminishing value
Plant & Equipment	20% - 25%	20% - 25%	Diminishing value
Leasehold Improvements	10-15%	10-11%	Prime cost
Motor Vehicles	25%	25%	Diminishing value

Leases

Operating lease payments are recognised as an expense in the Statement of Comprehensive Income on a straight line basis over the lease term.

(j) Impairment of property, plant and equipment

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 be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash generating unit to which the asset belongs, unless the assets value in use can be estimated to be close to its fair value.

An 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.

(k) Income Tax

No income tax is payable by the Club as it is an exempt sporting organisation in accordance with section 50-45 of the *Income Tax Assessment Act 1997.*

(l) Income Received in Advance

Income received in advance is recognised in line with the terms of specific contracts.

(m) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

Notes to the Financial Statements (continued)

(n) New Accounting Standards and Interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Club for the annual reporting period ended 31 October 2014. Those that may affect the Club are outlined in the table below:

Reference	Title	Summary	Application date of standard	Impact on Club financial report	Application date for Club
AASB 2012-3	Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	No Significant impact	1 Nov 2014
Interpretation 21	*Levies*	This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	No Significant impact	1 Nov 2014
AASB 1055**	*Budgetary Reporting*	This standard specifies budgetary disclosure requirements for the whole of government, General Government Sector (GGS) and not-for-profit entities within the GGS of each government. AASB 2013-1 removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment). All budgetary reporting requirements applicable to public sector entities are now located in AASB 1055.	1 July 2014	No Significant impact	1 Nov 2014
AASB 9 /IFRS 9	*Financial Instruments*	On 24 July 2014 The IASB issued the final version of IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The AASB is yet to issue the final version of AASB 9. A revised version of AASB 9 (AASB 2013-9) was issued in December 2013 which included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below.	1 January 2018	No Significant impact	1 Nov 2018

Reference	Title	Summary	Application date of standard	Impact on Club financial report	Application date for Club
		a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.			
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	No Significant impact	1 Nov 2014
AASB 2013-4	Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting [AASB 139]	AASB 2013-4 amends AASB 139 to permit the continuation of hedge accounting in specified circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.	1 January 2014	No Significant impact	1 Nov 2014
AASB 2013-5	Amendments to Australian Accounting Standards – Investment Entities [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127,	These amendments define an investment entity and require that, with limited exceptions, an investment entity does not consolidate its subsidiaries or apply AASB 3 *Business Combinations* when it obtains control of another entity. These amendments require an investment entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.	1 January 2014	No Significant impact	1 Nov 2014

Reference	Title	Summary	Application date of standard	Impact on Club financial report	Application date for Club
	AASB 132, AASB 134 & AASB 139]	These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127.			
AASB 2013-7	Amendments to AASB 1038 arising from AASB 10 in relation to Consolidation and Interests of Policyholders [AASB 1038]	AASB 2013-7 removes the specific requirements in relation to consolidation from AASB 1038, which leaves AASB 10 as the sole source for consolidation requirements applicable to life insurer entities.	1 January 2014	No Significant impact	1 Nov 2014
AASB 2014-1 Part A -Annual Improvements 2010–**2012 Cycle**	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle*. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	1 July 2014	No Significant impact	1 Nov 2014
AASB 2014-1 Part A -Annual Improvements 2011–**2013 Cycle**	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ► AASB40 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	1 July 2014	No Significant impact	1 Nov 2014
AASB 1031	*Materiality*	The revised AASB 1031 is an interim standard that cross-references to other Standards and the *Framework* (issued December 2013) that contain guidance on materiality.	1 January 2014	No Significant impact	1 Nov 2014

Reference	Title	Summary	Application date of standard	Impact on Club financial report	Application date for Club
		AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.			
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.		No Significant impact	
AASB 2014-4	Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to AASB 116 and AASB 138)	AASB 116 and AASB 138 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The amendment also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	1 January 2016	No Significant impact	1 Nov 2016
AASB 2014-1 Part B Amendments to AASB 119	Amendments to Australian Accounting Standards - Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)	AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.	1 July 2014	No Significant impact	1 Nov 2014
IFRS 15 *****	Revenue from Contracts with Customers	In May 2014, the IASB issued IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue* and related Interpretations (IFRIC *13 Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfers of Assets from Customers* and SIC-31 *Revenue—Barter Transactions Involving Advertising Services*). The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of	1 January 2017	No Significant impact	1 Nov 2017

Reference	Title	Summary	Application date of standard	Impact on Club financial report	Application date for Club
		promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation Early application of this standard is permitted.			
AASB 2014-2	Amendments to AASB 1053 – Transition to and between Tiers, and related Tier 2 Disclosure Requirements [AASB 1053]	The Standard makes amendments to AASB 1053 Application of Tiers of Australian Accounting Standards to: • clarify that AASB 1053 relates only to general purpose financial statements; • make AASB 1053 consistent with the availability of the AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* option in AASB 1 *First-time Adoption of Australian Accounting Standards*; • clarify certain circumstances in which an entity applying Tier 2 reporting requirements can apply the AASB 108 option in AASB 1; permit an entity applying Tier 2 reporting requirements for the first time to do so directly using the requirements in AASB 108 (rather that applying AASB 1) when, and only when, the entity had not applied, or only selectively applied, applicable recognition and measurement requirements in its most recent previous annual special purpose financial statements; and • specify certain disclosure requirements when an entity resumes the application of Tier 2 reporting requirements.	1 July 2014	No Significant impact	1 Nov 2014

Notes to the Financial Statements (continued)

(o) Significant Accounting Judgements, Estimates and Assumptions

In applying the Club's accounting polices management continually evaluates judgements, estimates and assumptions based on experience and other factors including expectations of future events that may impact the Club. All judgements, estimates and assumptions made are believed to be reasonably based on the most current set of circumstances available to management. Actual results may differ from the judgements, estimates and assumptions. Significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below.

Significant accounting judgements

Impairment

The Club assesses impairment of all assets at each reporting date by evaluating conditions specific to the Club and to the specific asset that may lead to impairment. If impairment exists, the recoverable amount of the assets is determined. This involves value in use calculations, which may include a number of key estimates and assumptions including growth rates and discount rates.

Estimation of useful lives of assets

The estimation of useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

Long Service Leave Provision

The liability for long service leave is recognised and measured at the present value of estimated future cash flows to be made in respect of all employees at balance date. In determining the present value of the liability, attrition rates and pay increases through inflation have been taken into account.

(p) Investment in a Jointly Controlled Venture (JCV)

The Club's investment in a JCV is accounted for using the equity method. A JCV is an entity in which the Club has significant influence.

Under the equity method, the investment in the JCV is carried on the statement of financial position at cost plus acquisition changes in the Club's share of net assets of the JCV. Goodwill relating to the JCV is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The income statement reflects the Club's share of the results of operations of the JCV. When there has been a change recognised directly in the equity of the JCV, the Club recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Club and the JCV are eliminated to the extent of the interest in the JCV.

The financial statements of the JCV are prepared for the same reporting period as the Club. When necessary, adjustments are made to bring the accounting policies in line with those of the Club.

After application of the equity method, the Club determines whether it is necessary to recognise an additional impairment loss on its investment in its JCV. The Club determines at each reporting date whether there is any objective evidence that the investment in the JCV is impaired. If this is the case, the Club calculates the amount of impairment as the difference between the recoverable amount of the JCV and its carrying value and recognises the amount in the "Share of Loss of JCV" in the Statement of Comprehensive Income.

Upon loss of significant influence over the JCV, the Club measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the JCV upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Notes to the Financial Statements (continued)

(q) Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

An operating lease is a lease other than a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Notes to the Financial Statements (continued)

	2014	2013
	$	$
NOTE 3 – REVENUE AND OTHER INCOME		
Revenue from season ticket holders	2,591,334	2,554,063
Other income	130,050	103,030
Management fee received from related party *(i)*	19,613,840	18,900,237
Grant income	756,134	543,932
Interest received	14,450	28,862
	23,105,808	**22,130,124**

(i) The Management fee which is received from the related party Valimanda Pty Ltd, is the Club's main source of revenue. The Management fee is paid in recognition of the Club providing all staffing requirements for Valimanda Pty Ltd and in paying all associated costs for running the Club's football operations

NOTE 4 – EXPENSES AND LOSSES/(GAINS)

Profit / (Loss) from operations is after charging the following expenses:

	2014	2013
a) Operating lease rental	572,194	557,663
b) *Depreciation of non-current assets*		
- Furniture & Fittings	29,452	32,178
- Motor Vehicles	1,165	1,797
- Computer Equipment	75,319	105,607
- Plant & Equipment	38,765	35,962
Total depreciation of non-current assets	**144,701**	**175,544**
Amortisation of non-current assets		
- Amortisation of Leasehold Improvements	**74,912**	**74,511**
Total depreciation & amortisation expense	**219,613**	**250,055**

Notes to the Financial Statements (continued)

	2014	2013
	$	$
NOTE 5 – CASH AND CASH EQUIVALENTS		
Cash at bank	464,296	512,912
Cash on hand	1,038	180
Total cash and cash equivalents	**465,334**	**513,092**

NOTE 6 – TRADE AND OTHER RECEIVABLES

	2014	2013
Current		
Trade debtors *(i)*	69,683	44,914
Allowance for impairment of receivables	-	-
	69,683	44,914
Sundry receivables *(ii)*	8,000	64,375
Non-trade amounts receivable from related parties *(iii)*	96,222	101,175
	104,222	165,550
Total trade and other receivables	**173,905**	**210,464**

(a) Terms and conditions

(i) Trade debtors are non-interest bearing, with invoices due and payable within 30 to 90 days of invoice.

(ii) Sundry receivables are non-interest bearing.

(iii) Payments due from Melbourne Sports Operations Pty Ltd.

(b) Aging Analysis

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

	Total	0-30 days	31-60 days	61-90 days	+91 days
	$	$	$	$	$
2014	69,683	42,238	9,015	-	18,430
2013	44,914	3,634	39,600	1,680	-

Notes to the Financial Statements (continued)

	2014	2013
NOTE 7 – OTHER CURRENT ASSETS	$	$
Other assets	663,164	598,568
Accrued revenue	75,000	-
Total other assets	**738,164**	**598,568**

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT

	2014	2013
Motor vehicles – at cost	10,954	15,954
Less: accumulated depreciation	(8,535)	(10,564)
	2,419	**5,390**
Furniture & fittings – at cost	210,528	255,686
Less: accumulated depreciation	(113,773)	(125,103)
	96,755	**130,583**
Computer equipment – at cost	222,699	377,842
Less: accumulated depreciation	(156,342)	(244,213)
	66,357	**133,629**
Plant & equipment – at cost	212,203	188,269
Less: accumulated depreciation	(82,778)	(93,377)
	129,425	**94,892**
Leasehold improvements – at cost	742,753	738,748
Less: accumulated amortisation	(305,682)	(230,770)
	437,071	**507,978**
Total property, plant and equipment	**732,027**	**872,472**

Notes to the Financial Statements (continued)

	2014	2013
NOTE 8 – PROPERTY, PLANT AND EQUIPMENT (cont'd)	$	$
Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.		
Motor Vehicles		
Carrying amount at 1 November 2013	5,391	7,188
Additions	-	-
Transfer of assets	-	-
Disposals/write-offs	(1,807)	-
Depreciation expense	(1,165)	(1,797)
Carrying amount at 31 October 2014	**2,419**	**5,391**
Furniture & Fittings		
Carrying amount at 1 November 2013	130,583	158,716
Additions	23,480	4,045
Transfer of assets	-	-
Disposals/write-offs	(27,856)	-
Depreciation expense	(29,452)	(32,718)
Carrying amount at 31 October 2014	**96,755**	**130,583**
Computer Equipment		
Carrying amount at 1 November 2013	133,629	118,505
Additions	33,957	127,768
Transfer of assets	-	-
Disposals/write-offs	(25,910)	(7,038)
Depreciation expense	(75,319)	(105,607)
Carrying amount at 31 October 2014	**66,357**	**133,629**
Plant & Equipment		
Carrying amount at 1 November 2013	94,893	148,162
Additions	92,794	22,369
Transfer of assets	-	-
Disposals/write-offs	(19,497)	(39,676)
Depreciation expense	(38,765)	(35,962)
Carrying amount at 31 October 2014	**129,425**	**94,893**

Notes to the Financial Statements (continued)

NOTE 8 – PROPERTY, PLANT AND EQUIPMENT (cont'd)	2014	2013
	$	$
Leasehold Improvements		
Carrying amount at 1 November 2013	507,978	582,489
Additions	4,005	-
Transfer of assets	-	-
Disposals/write-offs	-	-
Amortisation expense	(74,912)	(74,511)
Carrying amount at 31 October 2014	**437,071**	**507,978**
Total Property, Plant & Equipment		
Carrying amount at 1 November 2013	872,474	1,015,062
Additions	154,236	154,180
Transfer of assets	-	-
Disposals/write-offs	(75,070)	(46,714)
Depreciation & amortisation expense	(219,613)	(250,055)
Carrying amount at 31 October 2014	**732,027**	**872,474**

Notes to the Financial Statements (continued)

NOTE 9 – TRADE AND OTHER PAYABLES	2014 $	2013 $
Trade creditors *(i)*	419,404	230,249
Sundry payables *(ii)*	51,913	41,828
Non-trade amounts payable to related parties *(iii)*	556,893	403,197
Accruals	384,129	817,288
Income received in advance	74,976	461,787
GST payable	70,114	153,986
Total trade and other payables	**1,557,429**	**2,108,335**

Terms and conditions

(i) All payables are non-interest bearing and are normally settled on 30 day terms.

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

Information regarding interest rate and credit risk exposure is set out in note 21.

(ii) Sundry payables are non-interest bearing.

(iii) Payments due to Valimanda Pty Ltd, which is the founding member of the Club.

NOTE 10 – INTEREST BEARING LOANS AND BORROWINGS

	Interest rate %	Maturity	2014 $	2013 $
Current interest bearing loans and borrowings				
Obligations under hire purchase contract (note 16)	14.6	2015	11,567	-
Total current interest bearing loans and borrowings			11,567	-
Non-current interest bearing loans and borrowings				
Obligations under hire purchase contract (note 16)	14.6	2016	14,718	-
Total current interest bearing loans and borrowings			14,718	-

Notes to the Financial Statements (continued)

NOTE 11 – PROVISIONS	**2014**	**2013**
	$	**$**
Current		
Annual leave	**189,145**	**217,592**
Long service leave	479,182	370,508
	668,327	588,100
Non-Current		
Long service leave	28,745	15,473
Total provisions	**697,072**	**603,573**
Number of employees (excluding players) at year end	48	46

NOTE 12 –RETAINED PROFITS/(ACCUMULATED LOSSES)

Accumulated losses at beginning of the year	(297,740)	(717,340)
Net profit for the year after tax	314,550	419,600
Retained profits/(accumulated losses) at end of the year	**16,810**	**(297,740)**

Notes to the Financial Statements (continued)

NOTE 13 – RECONCILIATION OF NET PROFIT/(LOSS) AFTER TAX TO NET CASH FLOWS FROM OPERATIONS

	2014	2013
	$	$
Operating profit	314,550	419,600
Depreciation and amortisation	219,613	250,055
Write-off of assets	75,069	46,714
(Increase) / decrease in receivables	36,559	(24,161)
Increase in other assets	(139,596)	(405,308)
Decrease in payables	(550,906)	(1,270,175)
Increase in borrowings	26,285	-
Increase in provisions	93,499	66,079
Net operating cash inflow/(outflow)	**75,073**	**(917,197)**

NOTE 14 – INCOME TAX EXPENSE

The Club is an exempt entity under Division 50 of the *Income Tax Assessment Act 1997.*

NOTE 15 – AUDITORS' REMUNERATION

The auditor of the Club is Ernst & Young.

Amounts received, or due and receivable, by Ernst & Young:

	2014	2013
	$	$
Auditing the accounts	38,000	38,000
	38,000	**38,000**

Notes to the Financial Statements (continued)

NOTE 16 – COMMITMENTS FOR EXPENDITURE

Operating Lease Commitments – Club as Lessee
Future non-cancellable operating lease rentals of property, plant and equipment, not provided for in the financial statements and payable are:

	2014	2013
	$	$
Not later than one year	536,470	527,877
Later than one year and not later than five years	1,702,519	2,232,518
Later than five years	1,011,099	1,008,175
	3,250,088	**3,768,570**

Operating lease commitments include lease of administrative office at AAMI Park, 60 Olympic Boulevard, Melbourne.

Finance Lease and Hire Purchase Commitments
The club has a hire purchase commitment with Telstra for a phone system. Future minimum payments under the hire purchase contract together with the present value of the net minimum payments are as follows:

	Minimum payments	2014 Present value of payments (Note 10)	Minimum payments	2013 Present value of payments (Note 10)
	$	$	$	$
Not later than one year	14,406	11,567	-	-
Later than one year and not later than five years	15,716	14,718	-	-
Later than five years	-	-	-	-
Total minimum lease payments	30,122	26,285	-	-
Less amounts representing finance charges	(3,837)	-		
Present value of minimum lease payments	**26,285**	**26,285**		

NOTE 17 – RELATED PARTY DISCLOSURES

Related Party Transactions
Amounts receivable or payable to related parties relate to Melbourne Sports Operations Pty Ltd and Valimanda Pty Ltd. They are non-interest bearing and are made on terms equivalent to those that prevail in arm's length transactions. The related party transactions with Valimanda Pty Ltd include management fees received during the year of $19,613,840 (2013: 18,900,237) excluding GST (refer Note 3) and the recharge of normal operating expenses which have been paid on the company's behalf.

Notes to the Financial Statements (continued)

NOTE 18 – KEY MANAGEMENT PERSONNEL

(a) Details of Specified Directors and Specified Executives

The following persons were directors of the Club Ltd during the financial year:

Non-Executive Directors	
Bart Campbell	Director and Chairman
Gerard Ryan	Director
Michael Watt	Director
Matthew Tripp	Director
Executive Directors	
Mark Evans	Director
Danielle Smith	Director (Appointed 6 August 2014)

(b) Remuneration of Key Management Personnel

(i) Remuneration Policy

Due to the small number of directors of the Club, there is no separate Remuneration Committee. Therefore, all directors are responsible for determining and reviewing compensation arrangements for the Key Management Personnel. The directors assess the appropriateness of the compensation by reference to relevant employment market conditions with the overall objective of maximising stakeholder benefit from the retention of a high quality executive team. The executive team have the opportunity to receive their compensation in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans.

(ii) Remuneration Paid to Key Management Personnel

	2014	2013
	$	$
Salary & fees	496,593	1,018,772
Incentive bonus	-	129,500
Superannuation	15,492	40,962
Total	**512,085**	**1,189,234**

NOTE 19 – ECONOMIC DEPENDENCY

A significant portion of the income of the Club is derived from management fees received from Valimanda Pty Limited, as disclosed in Note 3.

NOTE 20 – SEGMENT OPERATIONS

The Club operates in the sporting and leisure industry in Australia and its predominant activity is to support the team that participates in the National Rugby League competition(s).

Notes to the Financial Statements (continued)

NOTE 21 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

This note presents information about the Club's exposure to financial risks, the Club's objectives, policies and the processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

The Club's principal financial instruments comprise cash, receivables and payables.

The main risk arising from the Club's financial instruments is interest rate risk. The Club is also exposed to credit and liquidity risk and uses different methods to measure and manage these risks including aging analysis to monitor credit risk and cash flow forecasts to monitor liquidity risk. Please refer to Note 2(a) for further disclosures surrounding the financial support provided by Valimanda Pty Ltd.

Risk exposures and responses

(a) Interest rate risk
The Club has interest rate risk exposures from the holding of financial assets and liabilities and these are summarised in the table below.

At balance date the Club had the following mix of financial assets and liabilities exposed to variable interest rate risk.

	2014	2013
	$	$
Financial Assets		
Cash and cash equivalents	465,334	513,092
Net Exposure	**465,334**	**513,092**

The following sensitivity analysis is based on the interest rate risk exposures in existence at reporting date.
At 31 October 2014, if interest rates had moved, as illustrated in the table below, with all the other variables held constant, post tax profit and total surplus would have been affected as follows:

	Post Tax Profit/(Loss) Higher/(Lower)		Total Surplus/(Deficit) Higher/(Lower)	
	2014	2013	2014	2013
	$	$	$	$
+2% (200 basis points)	9,307	10,262	9,307	10,262
-2% (200 basis points)	(9,307)	(10,262)	(9,307)	(10,262)

A 200 basis point increase or decrease is used and represents management's assessment of the reasonably possible change in interest rates.

Notes to the Financial Statements (continued)

(b) Credit risk

Credit risk is the risk of financial loss to the Club if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Club's trade and other receivables.

The Club trades only with recognised, creditworthy third parties, negating the requirement to request collateral. There is no significant concentration of credit risk within the Club. In addition, receivable balances are monitored on an ongoing basis with the result that the Club's exposure to bad debts is not significant.

The credit risk on financial assets of the Club is the carrying amount, net of any provisions for impairment and has been addressed in each applicable note.

NOTE 22 – SUBSEQUENT EVENTS

On 4 December 2014, the Club entered into a heads of agreement for the purchase of a business. This purchase is subject to a number of conditions being met which are detailed in the heads of agreement. If the conditions are met, and the sale proceeds, settlement will occur in the 2015 financial year and will be reflected in the financial statements at that time where relevant. Due to the commercial nature of the transaction, neither the vendor, the nature of the business, nor amounts have been disclosed.

NOTE 23 – INVESTMENT

	2014	2013
	$	$
Investment	188,166	219,572
Share of JCV's Statement of Financial Position:		
Current Assets	36,995	46,648
Non-Current Assets	156,703	174,328
Current Liabilities	(5,532)	(1,404)
Net Assets	**188,166**	**219,572**
Share of the JCV's Revenue and Profit:		
Revenue	59,212	54,475
Loss	(3,706)	(5,153)
Carrying Amount of the Investment	**188,166**	**219,572**

During 2010, the Club invested in Melbourne Sports Operations Pty Limited ("MSO"). The company was established to enable the tenants of AAMI Park to share the investment and costs associated with shared training and commercial facilities. The Shareholder's Agreement with the tenants (dated 17 November 2010 and subsequently amended on 23 May 2013) gives the Club 33.3% ownership of the shares in MSO.

The execution of this agreement gave the Club significant influence over MSO and hence the equity method has been adopted under AASB 128 for the investment in the company.

Directors' Declaration

The Directors of Melbourne Storm Rugby League Club Limited declare that:

In the opinion of the directors:

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

(i) giving a true and fair view of the company's financial position as at 31 October 2014 and of its performance for the year ended on that date; and

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

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

Signed in accordance with a resolution of Directors this 11th day of February 2015 in Melbourne, Australia.

Bart Campbell	**Matthew Tripp**
Chairman	**Director**

EY
Building a better working world

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com

Independent audit report to members of Melbourne Storm Rugby League Club Limited

Report on the financial report

We have audited the accompanying financial report of Melbourne Storm Rugby League Club Limited, which comprises the statement of financial position as at 31 October 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements and notes comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Building a better
working world

Opinion

In our opinion:

a. the financial report of Melbourne Storm Rugby League Club Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the club's financial position as at 31 October 2014 and of its performance for the year ended on that date; and

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

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Ernst & Young

Ernst & Young

Robert Dalton
Partner
11 February 2015

Building a better
working world

Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com

Auditor's Independence Declaration to the Directors of Melbourne Storm Rugby Club Limited

In relation to our audit of the financial report of Melbourne Storm Rugby League Club for the financial year ended 31 October 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Robert Dalton
Partner
11 February 2015