

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

FREMANTLE FOOTBALL CLUB LIMITED

ACN

066 055 249

Reason for lodgement of statement and reports

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

Dates on which financial
year ends

Financial year end date

31-10-2014

Auditor's report

Were the financial statements audited?

Yes

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

No

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

No

Details of current auditor or auditors

Current auditor

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

Name of auditor

ERNST & YOUNG

Address

**11 MOUNTS BAY ROAD
PERTH WA 6000**

Certification

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

Yes

Signature

Select the capacity in which you are lodging the form

Secretary

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

Yes

Authentication

This form has been submitted by

Name

Graeme David PARKER

Date

30-01-2015

For more help or information

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FREMANTLE FOOTBALL CLUB LIMITED

ABN 83 066 055 249

FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2014

FREMANTLE FOOTBALL CLUB LIMITED

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YEAR ENDED 31 OCTOBER 2014

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FREMANTLE FOOTBALL CLUB LIMITED DIRECTORS' REPORT

Fremantle Football Club Limited.
Fremantle Oval
Parry Street
FREMANTLE WA 6160

Your directors submit their report for the year ended 31 October 2014.

DIRECTORS

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

S Harris (non-executive chairman)
B O'Donnell
B Allan
G Donaldson
S O'Reilly
J Morris
D Alcock
P Mann
C Carter (appointed 1 December 2014)

PRINCIPAL ACTIVITIES

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

RESULTS

The result of the Company for the year ended 31 October 2014 was a profit of \$215,729 (2013: \$657,177).

DIVIDENDS

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

REVIEW OF OPERATIONS

The Company has continued to field a team in the Australian Football League competition.

CORPORATE STRUCTURE

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

EMPLOYEES

Fremantle Football Club Limited employed 133 employees as at 31 October 2014 (2013: 127 employees).

FREMANTLE FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (cont'd)

CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of the Company's affairs during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

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

FUTURE DEVELOPMENTS AND RESULTS

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

- **New Perth Stadium:** On 15 April 2014 the State Government of Western Australia announced the awarding of the development contract to Brookfield Multiplex for the construction of the new Perth Stadium. The club is yet to agree and execute an agreement with the State Government to use this new facility in preference to Paterson's Stadium. A new financial and operational agreement could have a significant impact on the Company's operations in future years.
- **New Elite Training and Administration Facility:** In December 2012 the club Board announced the execution of a Heads of Agreement with the City of Cockburn for the development of a new Elite Training and Administration Facility at Cockburn Central West. This capital project represents a significant commitment for the club.

The Directors are not aware of any other developments likely to have a significant effect upon the Company's operations.

AUDITORS INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Ernst & Young, to provide the directors of Fremantle Football Club Limited with an Independence Declaration in relation to the audit of the financial report for the year ended 31 October 2014. This Independence Declaration can be found on page 3.

DIRECTORS' BENEFITS

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

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

DIRECTORS' INDEMNIFICATION

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

1. Compliance by FFC and directors with its obligations under the FFC Limited Constitution, including but not restricted to Article 46 – Financial and Operational Governance.
2. FFC complying with a predetermined list of Management Protocols as set by the WAFC. The undertaking by the WAFC will remain in place providing the FFC complies with the above conditions.

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

INDEMNIFICATION OF AUDITORS

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

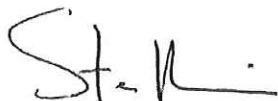
DIRECTORS' MEETINGS

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

	<u>Board Meetings</u>
Number of board meetings held:	9
Number of board meetings attended:	
Steve Harris	9
Ben Allan	9
Grant Donaldson	7
Dale Alcock	9
Brian O'Donnell	9
Stephen O'Reilly	8
Jenn Morris	7
Peter Mann	7

All directors were eligible to attend all meetings held.

Signed in accordance with a resolution of directors.



S Harris
Director

Fremantle, Western Australia, 30th January 2015



Building a better
working world

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Auditor's independence declaration to the directors of Fremantle Football Club Limited

In relation to our audit of the financial report of Fremantle Football Club Limited 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

G H Meyerowitz
Partner
30 January 2015

Independent auditor's report to the members of Fremantle Football Club Limited

Report on the financial report

We have audited the accompanying financial report of Fremantle Football 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 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements 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, a copy of which is included in the directors' report.

Opinion

In our opinion:

- a. the financial report of Fremantle Football Club Limited is 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
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.



Ernst & Young



G H Meyerowitz
Partner
Perth
30 January 2015

FREMANTLE FOOTBALL CLUB LIMITED
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Fremantle Football Club Limited, I state 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 its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and Corporation Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



S Harris
Director

Fremantle, Western Australia, 30th January 2015

FREMANTLE FOOTBALL CLUB LIMITED
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 OCTOBER 2014

	Notes	2014 \$	2013 \$
REVENUE	2	49,161,997	46,631,972
Cost of goods sold	3(a)	(11,434,019)	(10,745,157)
GROSS PROFIT		<u>37,727,978</u>	<u>35,886,815</u>
Football expenses		23,086,601	22,160,659
Administration expenses		6,400,828	5,221,318
Rental / Royalty expense	3(a)	5,150,222	4,816,017
Marketing expenses		753,533	910,803
Corporate expenses		630,804	544,619
Supporter development expenses		445,006	558,630
Communication and corporate affairs		<u>1,045,255</u>	<u>1,017,592</u>
PROFIT ATTRIBUTABLE TO MEMBERS OF FREMANTLE FOOTBALL CLUB LIMITED	12	<u>215,729</u>	<u>657,177</u>
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME		<u>215,729</u>	<u>657,177</u>

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

FREMANTLE FOOTBALL CLUB LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2014

	Notes	2014 \$	2013 \$
CURRENT ASSETS			
Cash assets	18(b)	6,833,004	8,742,674
Receivables	4	1,270,296	2,317,113
Inventories	5	384,047	153,033
Other financial assets	20	2,624,337	1,265,946
TOTAL CURRENT ASSETS		<u>11,111,684</u>	<u>12,478,766</u>
NON-CURRENT ASSETS			
Receivables	4	1,225,870	-
Property, plant and equipment	6	3,728,627	3,743,322
Intangible assets	7	4,000,000	4,000,000
TOTAL NON-CURRENT ASSETS		<u>8,954,497</u>	<u>7,743,322</u>
TOTAL ASSETS		<u>20,066,181</u>	<u>20,222,088</u>
CURRENT LIABILITIES			
Payables	8	8,269,537	8,663,429
Provisions	9	1,115,913	1,083,550
TOTAL CURRENT LIABILITIES		<u>9,385,450</u>	<u>9,746,979</u>
NON-CURRENT LIABILITIES			
Provisions	9	542,062	552,169
TOTAL NON-CURRENT LIABILITIES		<u>542,062</u>	<u>552,169</u>
TOTAL LIABILITIES		<u>9,927,512</u>	<u>10,299,148</u>
NET ASSETS		<u>10,138,669</u>	<u>9,922,940</u>
EQUITY			
Contributed equity	10	1	1
Reserves	11	1,882,707	1,882,707
Retained earnings	12	8,255,961	8,040,232
TOTAL EQUITY		<u>10,138,669</u>	<u>9,922,940</u>

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

FREMANTLE FOOTBALL CLUB LIMITED
STATEMENT OF CHANGES IN EQUITY
AS AT 31 OCTOBER 2014

STATEMENT OF CHANGES IN EQUITY	Contributed Equity \$	Reserves \$	Retained Earnings \$	Total \$
Opening balance as at 1 November 2013	1	1,882,707	8,040,232	9,922,940
Net profit for the period ended 31 October 2014	-	-	215,729	215,729
Closing balance as at 31 October 2014	1	1,882,707	8,255,961	10,138,669
Opening balance as at 1 November 2012	1	1,882,707	7,383,055	9,265,763
Net profit for the period ended 31 October 2013	-	-	657,177	657,177
Closing balance as at 31 October 2013	1	1,882,707	8,040,232	9,922,940

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

FREMANTLE FOOTBALL CLUB LIMITED
STATEMENT OF CASH FLOWS
YEAR ENDED 31 OCTOBER 2014

	Notes	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		50,984,027	48,818,918
Payments to suppliers and employees		(51,531,293)	(46,529,755)
Interest received		456,226	450,899
<hr/>			
NET CASH FLOW (USED IN)/FROM OPERATING ACTIVITIES	18 (a)	(91,040)	2,740,062
<hr/>			
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption/(purchase) of term deposits		(1,358,391)	147,671
Purchase of property, plant and equipment		(460,239)	(375,115)
<hr/>			
NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES		(1,818,630)	(227,444)
<hr/>			
NET (DECREASE)/INCREASE IN CASH		(1,909,670)	2,512,618
<hr/>			
Add opening cash brought forward		8,742,674	6,230,056
<hr/>			
CLOSING CASH CARRIED FORWARD	18 (b)	<u>6,833,004</u>	<u>8,742,674</u>

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

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report of Fremantle Football Club Limited for the year ended 31 October 2014 was authorised for issue in accordance with a resolution of the directors on 30th January 2015. The principal activity of the Company during the year was to participate in the Australian Football League. The Fremantle Football Club Limited is a not for profit Company limited by shares that is incorporated and domiciled in Australia. Its ultimate parent Company is the Western Australian Football Commission Incorporated.

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis, except for investment properties, derivative financial instruments and available-for-sale investments, which have been measured at fair value.

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

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

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board ("the AASB") that are relevant to its operations and effective for annual reporting periods beginning on 1 November 2013. The adoption of these standards had no impact on the financial position or performance of the Company.

(b) Cash and cash equivalents

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

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

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

(c) Trade and other receivables

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

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

(d) Inventories

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

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

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

(e) Property, plant and equipment

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

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

	2014	2013
• Office Equipment	14%-20%	14%-20%
• Computer Equipment	27%	27%
• Motor Vehicles	17%	17%
• Fremantle Headquarters	2.5%	2.5%
• Gym Equipment	17%	17%

(f) Recoverable amount

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

(g) Leases

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

Operating leases

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

(h) Payables

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

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

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

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

(i) Interest-bearing liabilities

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

(j) Contributed equity

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

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

(k) Revenue recognition

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

Sponsorship and membership

Revenue is recognised in the year to which it relates.

Interest

Control of the right to receive the interest payment.

(l) Taxes

Income taxes

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

Goods and Services Tax

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

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

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

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

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

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

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

(m) New player costs

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

(n) AFL sub-licence

Intangible assets acquired separately or in a business combination are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. The AFL sub-licence has been assessed as having an indefinite useful life. Intangible assets with indefinite useful lives are tested for impairment annually. 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 an accounting estimate and is thus accounted for on a prospective basis.

Assessment is made 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, an estimate of the assets recoverable amount is made. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the assets value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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

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. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. 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.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

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

(o) Employee benefits

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

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

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

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

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

(p) Comparative amounts

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

(q) New accounting standards, and UIG interpretations

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the annual reporting period ended 31 October 2014. The directors' have assessed the impact of these new or amended standards (to the extent relevant to the Company) and believe that their implementation will not have a material effect on the balances reported in the financial statements of the Company.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

	Notes	2014 \$	2013 \$
2. REVENUE			
Revenue			
AFL Distributions		9,444,004	9,596,244
Membership		14,588,969	12,747,191
Match Revenue		1,630,435	2,252,037
Signage Revenue		2,638,998	2,444,060
Corporate Revenue		7,903,528	7,193,112
Dining Room Revenue		2,158,413	2,236,894
Functions and Events Revenue		2,187,651	1,984,588
Sponsorship Revenue		4,523,207	4,354,881
Merchandise Revenue		3,064,986	2,903,326
Interest Received		456,226	445,326
Other Revenue		565,580	474,313
		<u>49,161,997</u>	<u>46,631,972</u>
3. EXPENSES AND LOSSES			
(a) Expenses			
Cost of goods sold			
- Match expenses		3,102,395	3,091,717
- Membership expenses		2,664,702	2,560,884
- Sponsorship expenses		193,421	283,805
- Arena advertising expenses		17,875	14,947
- Corporate expenses		440,876	293,345
- Dining room expenses		1,172,008	1,166,909
- Merchandise expenses		2,190,411	2,123,304
- Functions and special events		1,652,331	1,210,246
Total cost of goods sold		<u>11,434,019</u>	<u>10,745,157</u>
Depreciation of non-current assets			
- Depreciation of plant and equipment		363,969	343,968
- Amortisation of buildings on leasehold land		110,965	151,234
Total depreciation of non-current assets		<u>474,934</u>	<u>495,202</u>
Total depreciation and amortisation expense		<u>474,934</u>	<u>495,202</u>
Royalty / Subiaco Facilities Licence fee paid to WAFC		<u>5,150,222</u>	<u>4,816,017</u>
Bad and doubtful debts			
- Bad debts		-	-
- Doubtful debts/(reversal)		<u>1,394</u>	<u>(56,504)</u>

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

	Notes	2014 \$	2013 \$
4. RECEIVABLES			
Current			
Trade debtors		859,573	1,480,508
Less: provision for doubtful debts		(65,679)	(67,921)
		<u>793,894</u>	<u>1,412,587</u>
Other debtors and prepayments		700	653,801
Accrued interest		48,900	34,364
Related party			
- Fremantle Football Foundation		9,274	9,274
- WAFC		417,528	207,087
		<u>1,270,296</u>	<u>2,317,113</u>

(a) Terms and conditions for all trade debtors and receivables are payable within 30 days unless otherwise specified. Details of the terms and conditions of related party receivables are set out in note 15.

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

	Total	Not Due	0-6 months	6-12 months	+12 months
2014	1,286,375	913,145	337,563	4,502	31,165
2013	1,696,869	1,351,562	290,958	26,909	27,440

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

Non-current		
Other debtors and prepayments	1,025,870	
Related party		
- WAFC	200,000	-
	<u>1,225,870</u>	<u>-</u>

Other debtors and prepayments represent the project costs of the club's new Elite Training and Administration Facility at Cockburn Central West incurred to date.

5. INVENTORIES

Current		
Finished goods at cost	396,362	165,348
Provision for stock write down	(12,315)	(12,315)
	<u>384,047</u>	<u>153,033</u>

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

	Notes	2014 \$	2013 \$
6. PROPERTY, PLANT AND EQUIPMENT			
Non-Current			
Plant and equipment – at cost		4,698,350	4,269,508
Less: Accumulated depreciation		(3,910,703)	(3,546,734)
		<u>787,647</u>	<u>722,774</u>
Buildings on leasehold land – at cost		4,851,475	4,820,078
Less: Accumulated amortisation		(1,910,495)	(1,799,530)
		<u>2,940,980</u>	<u>3,020,548</u>
Total property, plant and equipment		<u><u>3,728,627</u></u>	<u><u>3,743,322</u></u>

Reconciliations

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

Plant and Equipment

Opening balance	722,774	732,947
Additions	428,842	333,795
Depreciation	(363,969)	(343,968)
Closing balance	<u>787,647</u>	<u>722,774</u>

Buildings

Opening balance	3,020,548	3,130,462
Additions	31,397	41,320
Amortisation	(110,965)	(151,234)
Closing balance	<u>2,940,980</u>	<u>3,020,548</u>

7. INTANGIBLES

AFL sub-licence - at cost	4,000,000	4,000,000
	<u>4,000,000</u>	<u>4,000,000</u>

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

	Notes	2014 \$	2013 \$
8. PAYABLES			
Current:			
Trade creditors and accruals		4,049,619	3,984,310
Related party			
- WAFC		829,752	721,029
Unearned income		3,390,166	3,958,090
	(a)	<u>8,269,537</u>	<u>8,663,429</u>

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

	Total	Not Due	0-6 months	6-12 months	+12 months
2014	4,879,371	811,899	4,067,472	-	-
2013	4,705,339	721,029	3,984,310	-	-

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

- (a) Unless specified, all trade creditors and payables are paid within 30 days of the invoice.
Details of the terms and conditions of related party payables are set out in note 15.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

	Notes	2014 \$	2013 \$
9. PROVISIONS			
Current			
Employee benefits	19	1,115,913	1,083,550
Non-current			
Employee benefits	19	542,062	552,169
10. CONTRIBUTED EQUITY			
Issued and paid up capital			
1 ordinary share		1	1
11. RESERVES			
Capital reserve		1,882,707	1,882,707
Nature and purpose of reserve			
The capital reserve relates to initial contributions from foundation members during the year ended 31 October 1994.			
12. RETAINED EARNINGS			
Retained earnings at the beginning of the financial year		8,040,232	7,383,055
Net profit attributable to members of the Fremantle Football Club Limited		215,729	657,177
Retained earnings at the end of the financial year		8,255,961	8,040,232

13. SEGMENT INFORMATION

The Company operates solely within the sporting industry in Australia.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

14. EXPENDITURE COMMITMENTS

- (a) The Company is required, under the terms of an agreement with the WAFC, to pay an amount to the WAFC as an annual fee for use of the AFL licence and football assets. The amount paid or payable in relation to Season 2014 is \$5,150,222 (2013: \$4,816,017). This agreement was revised during Season 2008 to cover both the use of Subiaco Oval and the use of the AFL licence. The amount due is calculated as a percentage of stadium revenue.
- (b) The Company acknowledges the contractual obligations of player contracts and the commitment to player expenditure. Due to contract terms varying considerably amongst players, it is not practical to estimate the future contingency under player contracts. The Company's minimum commitment is to pay 95% of the AFL imposed salary cap (2014: \$10,595,370). The AFL imposed salary cap for 2015 is \$11,063,340.

15. RELATED PARTY DISCLOSURES

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

S Harris
B O'Donnell
B Allan
G Donaldson
S O'Reilly
J Morris
D Alcock
P Mann

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

15. RELATED PARTY DISCLOSURES (CONT'D)

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

Transactions with other related party transactions

- (i) The WAFC is the ultimate controlling entity of the Company.
- (ii) Included in current trade debtors is an amount of \$417,528 (2013: \$207,087) owing from the WAFC. This amount is interest free.
- (iii) Included in non-current trade debtors is an amount of \$200,000 (2013: \$-) owing from the WAFC. This amount is interest free and is payable on 31 October 2016.
- (iv) Included in trade creditors is an amount of \$829,752 (2013: \$721,029) owing to the WAFC. This amount is interest free.
- (v) The Company is required, under the terms of an agreement with the WAFC, to pay an amount to the WAFC as an annual fee for use of the AFL licence and football assets, as well as the use of Subiaco Oval. The total amount in relation to Season 2014 is \$5,150,222 (2013: \$4,816,017).

Transactions with other related parties

- (i) Included in accounts receivable is an amount of \$9,274 (2013: \$9,274) owing from the Fremantle Football Foundation ("The Foundation"). No interest is charged for the advance. The Football Foundation is a trust established to facilitate the raising of funds through donations from the public and also to channel grants from the Australian Sports Foundation for the building of the approved project, being the Fremantle Football Club Headquarters.

16. REMUNERATION OF DIRECTORS

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

17. AUDITORS' REMUNERATION

Amounts receivable or due and receivable by the auditors:

- Auditing financial report of the entity
- Player Payments Audit

	2014	2013
	\$	\$
- Auditing financial report of the entity	50,900	50,900
- Player Payments Audit	7,580	7,580
	<u>58,480</u>	<u>58,480</u>

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

18. STATEMENT OF CASH FLOWS	2014	2013
	\$	\$
(a) Reconciliation of the net profit to the net cash flows from operations		
Net profit	215,729	657,177
Non-cash items:		
Depreciation and amortisation		
- Property, plant and equipment	474,934	495,202
Contra movement	15,600	22,163
Changes in assets and liabilities:		
Movement in trade debtors	192,652	812,470
Movement in other debtors and prepayments	(372,769)	(216,973)
Movement in accrued interest	(14,536)	5,573
Movement in inventory	(231,014)	138,004
Movement in employee benefits	22,256	387,646
Movement in trade creditors and accruals	174,032	656,438
Movement in unearned income	(567,924)	(216,638)
Net cash flow (used in)/from operating activities	<u>(91,040)</u>	<u>2,740,062</u>
(b) Reconciliation of cash		
Cash balance comprises:		
- Cash at bank	6,831,354	8,741,024
- Cash on hand	1,650	1,650
	<u>6,833,004</u>	<u>8,742,674</u>

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

18. STATEMENT OF CASH FLOWS (CONT'D)

(c) Non-cash financing and operating activities

(i) The company received total income of \$1,606,033 (2013: \$1,748,806) through contra arrangements with sponsors of the company. The total contra expenses incurred during the financial year were \$1,590,433 (2013: \$1,726,643)

19. EMPLOYEE BENEFITS

2014
\$

2013
\$

The aggregate employee benefits liability is comprised of:

- Provisions (current)	1,115,913	1,083,550
- Provisions (non-current)	542,063	552,169
	<u>1,657,976</u>	<u>1,635,719</u>

20. OTHER FINANCIAL ASSETS

Short term deposits	<u>2,624,337</u>	<u>1,265,946</u>
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FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (Cont)

21. FINANCIAL INSTRUMENTS

21(a) Terms, conditions and accounting policies

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

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
(i) Financial assets			
Trade debtors	4	Trade debtors are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable.	Debtors are normally settled on 30 day terms.
Receivables – related parties	4	Amounts (other than trade debts) receivable from related parties are carried at nominal amounts due. Interest (when charged) is taken up as income on an accrual basis.	Details of the terms and conditions are set out in note 15.
Other	20	Other financial assets are carried at fair value since inception. The fair value of term deposits with credit institutions is their carrying value. The carrying value represents the cost of the term deposit and accrued interest.	Other financial assets have a maturity date greater than 3 months of their inception.
(ii) Financial Liabilities			
Trade creditors and accruals	8	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.	Trade liabilities are normally settled on 30 day terms.
Accounts payable related parties	8	Loans from related parties are carried at the principal amount. Interest (when charged by the lender) is taken up when due.	Details are set out in notes 8 and 15.
(iii) Equity			
Ordinary shares	10	Ordinary share capital is recognised at the value of the amount paid up.	Details of shares issued are set out in Note 10.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (cont'd)

21. FINANCIAL INSTRUMENTS (cont)

(b) Interest rate risk

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

	Notes	2014 \$	2013 \$
Cash and cash equivalents	18(b)	6,833,004	8,742,674
Short term deposits	20	2,624,337	1,265,947
		<u>9,457,341</u>	<u>10,008,621</u>

Interest rate sensitivity

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

Judgements of reasonably possible movements	Effect on Profit (\$) Increase / (decrease)	
	2014	2013
Increase 100 basis points	94,573	100,086
Decrease 100 basis points	(94,573)	(100,086)

A sensitivity of 100 basis points has been used as this is considered reasonable given the current level of both short term and long term interest rates. The change in basis points is derived from a review of historical movements and management's judgment of future trends. The analysis was performed on the same basis in 2013.

(c) Credit Risk Exposures

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

Concentrations of Credit Risk

The Company minimises concentrations of credit risk in relation to trade accounts receivable by undertaking transactions with a number of low risk customers through sponsorship, members' fees and government grants.

FREMANTLE FOOTBALL CLUB LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2014 (cont'd)

22. EVENTS SUBSEQUENT TO BALANCE DATE

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

23. SOUTH FREMANTLE FOOTBALL CLUB LEASE COMMITMENT

The Company has signed the head lease for Fremantle Oval with the City of Fremantle. The Company has formally sub leased the part use of Fremantle Oval to South Fremantle Football Club Inc ("SFFC"). Under the terms of the sub lease agreement the Company is committed to pay SFFC a net amount of \$92,299 per annum adjusted for CPI as compensation for potential loss of income. This amount will be reviewed annually whilst the sub lease agreement remains in existence. The sub lease agreement ceases in 2054.

24. CONTINGENT LIABILITY

The Company also provided a bank guarantee in favour of the Department of Racing, Gaming and Liquor of \$55,000 (2013: \$40,000) in accordance with statutory obligations to enable it to undertake fundraising via its member's and corporate raffle.

On 27 February 2006 the Company provided a bank guarantee of \$10,000 (2013: \$10,000) in favour of Ticketmaster Pty Ltd in accordance with obligations associated with operating a Ticketmaster agency within the Company's premises.

25. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	2014	2013
	\$	\$
Short-term employee benefits	2,854,380	2,479,317
Post-employment benefits	179,978	153,666
Other long-term benefits	-	-
Termination benefits	-	-
Total compensation	<u>3,034,358</u>	<u>2,632,983</u>
Number Key Management Personnel	<u>16</u>	<u>16</u>

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