

**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

**WESTERN SYDNEY FOOTBALL CLUB  
LIMITED**

ACN

**130 190 242**

## 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

**31-10-2015**

## 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 **08-10-2010**

Name of auditor

**KPMG**

Address

**147 COLLINS STREET**

**MELBOURNE VIC 3000**

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**Certification**

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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**

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**Signature**

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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**

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**Authentication**

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This form has been submitted by

Name

Richard Mark GRIFFITHS

Date

26-02-2016

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**Western Sydney Football Club Limited**  
**ABN 15 130 190 242**

**Annual Financial Report**

**31 October 2015**

# Western Sydney Football Club Limited

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# Western Sydney Football Club Limited

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## Directors' report

The Directors present their report together with the financial report of the Western Sydney Football Club Limited ('the Club') for the year ended 31 October 2015 and the auditor's report thereon.

### Directors

The Directors of the Club at any time during or since the end of the financial year are:

#### **Mr Anthony Shepherd AO - Appointed 25<sup>th</sup> August 2011**

(Anthony Shepherd AO is the Chairman of Macquarie Specialised Asset Management Limited, Director of Virgin Australia International Holdings Pty Ltd, Chairman of the Sydney Cricket Ground Trust, Chairman of ASTRA, & Adviser to Bank of Tokyo-Mitsubishi UFJ. Past President of the Business Council of Australia (November 2011 to March 2014), Past Chairman of the National Commission of Audit (22<sup>nd</sup> October 2013 to 2<sup>nd</sup> May 2014), Past Chairman of the WestConnex Delivery Authority in NSW (October 2013 – May 2015), Past Chairman of Sydney Motorway Corporation (May 2015 – October 2015), Past Chairman of listed company Transfield Services from 2005-2013).

#### **Ms Christine Cawsey AM - Appointed 25<sup>th</sup> August 2011**

(Christine Cawsey AM is the Principal of Rooty Hill High School and the Immediate Past President of NSW Secondary Principal's Council, Member of the Board of The Smith Family and Australian Council of Educational Leaders).

*Qualifications:* Master's degree in educational administration (WSU)

#### **Mr Peter Taylor - Appointed 25<sup>th</sup> August 2011**

(Peter Taylor is the CEO of AUTOCO Group. Giants Chairperson of the Manuka Green Development Control Group. Past Chairman Sudden Infant Death Association. Past President Phillip Business District Association. Past president of the Belconnen Football Club and VP of Magpies Sports Club).

#### **Mr Joseph Carrozzi - Appointed 25<sup>th</sup> August 2011**

(Joseph Carrozzi is the Managing Partner of PricewaterhouseCoopers, Chairman, Foundation Board, Centenary Institute for Medical Research, Sydney Member of the Board of Governors of the Centenary Institute for Medical Research; Member of the Italian Chamber of Commerce & Industry in Australia (ICCI) and member of the Chairman's Council of the European Australian Chamber of Commerce, Chairman of the Club Audit and Risk committee).

*Qualifications:* Degrees in commerce and law (UNSW), admitted as a Barrister at Law in NSW, a member of the Institute of Chartered Accountants in Australia and a Fellow of the Tax Institute of Australia.

#### **Ms Gabrielle Trainor - Appointed 25<sup>th</sup> August 2011**

(Gabrielle Trainor is a director of organisations including the Barangaroo Delivery Authority, Business Events Sydney, Cape York Partnerships and the Whitlam Institute. She is a member of the Board of Trustees of the University of Western Sydney, chair of Barnardo's Australia and chair of the National Film and Sound Archive. She is a Fellow of the Australian Institute of Company Directors and honorary Associate in the Graduate School of Government at University of Sydney).

# Western Sydney Football Club Limited

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## **Mr John Webster – Appointed 16<sup>th</sup> February 2012**

(John Webster is acting as General Manager of the Hobart Mercury, a division of NewsCorp. Previously, he was National Director of The Australian (June 2012 to June 2013; General Manager of the NewsLocal community newspaper group in Sydney (2006-2012); General Manager Herald & Weekly Times Pty Ltd (2001-2006), past director of the Melbourne Storm Rugby League Football Club (2004-2006); NewsCorp Editorial Technology Manager 1994-2001); Deputy Editor Herald Sun 1990-1994; Night Editor Melbourne Sun News-Pictorial 1989-1990; Sports Editor Melbourne Sun News-Pictorial 1987-1989; Chief Sub Editor of the Melbourne Herald (1984-1987).

## **Mr Andrew Stevens – Appointed 26<sup>th</sup> November 2012**

(Andrew Stevens is a Non-Executive Director and is the Chairman of Advanced Manufacturing Growth Centre Limited. He is a Director of MYOB Group Limited, Thorn Group Limited, the Australian Chamber Orchestra and CEDA. He is also a member of the Advisory Executive of the UNSW School of Business, The Chief of the Defence Force's Gender Equality Advisory Board and the Male Champions of Change).

*Qualifications:* Andrew is a Fellow Chartered Accountant and graduated from the University of New South Wales with a Bachelor of Commerce majoring in Accounting, Finance and Systems, and a Master of Commerce majoring in Marketing.

## **Mr Paul Moore – Appointed 12<sup>th</sup> September 2013**

(Paul Moore is the Chairman and Chief Investment Officer of PM Capital Ltd.

*Qualifications:* Bachelor of Commerce in Accounting, Finance & Information Systems; Honors Class 1.

## **Mr Michael Costello AO – Appointed 29<sup>th</sup> November 2013**

(Michael Costello is the Chief Executive Officer of ACTEWAGL. Before his appointment to ACTEWAGL in 2008, he was Managing Director of ACTEW Corporation, a member of the ACTEW Board and a member of the ACTEWAGL Joint Venture Partnerships Board from 2003. Michael is a member of the Advisory Council of the Australian National University's Crawford School of Economics and Government).

*Qualifications:* Michael holds degrees in arts and law. He is a Fellow of the Australian Institute of Company Directors. He received an Order of Australia (AO) in 1996 for international relations.

## **Mr Kevin Sheedy AM – Resigned 8<sup>th</sup> June 2015**

(Former Australian Rules football coach (Essendon/GWS) and player (Richmond) in the Australian Football League. He played and coached in a combined total of 929 games over 47 years from 1967 until 2013 and is a Hall of Fame inductee. Inaugural AFL coach of Greater Western Sydney 2012 until 2013).

*Qualifications:* Former Australian Rules football coach and player in the Australian Football League. Holds honorary doctorates from Catholic University of Australia and University of Western Sydney.

# Western Sydney Football Club Limited

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## Directors' meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of the Club during the financial year are:

	Board Meetings	
	A	B
Mr Anthony Shepherd AO (Chairman)	9	9
Ms Christine Cawsey AM	9	7
Mr Peter Taylor	9	9
Mr Joseph Carrozzi	9	7
Ms Gabrielle Trainor	9	7
Mr John Webster	9	8
Mr Andrew Stevens	9	8
Mr Paul Moore	9	7
Mr Michael Costello AO	9	7
Mr Kevin Sheedy AM	4	2

A Number of meetings held during the time the Director held office during the year

B Number of meetings attended

## Audit and Risk Committee meetings

The number of Audit Committee meetings and number of meetings attended by each member of the Audit Committee during the financial year are:

	Audit Committee Meetings	
	C	D
Mr Joseph Carrozzi (Chairman)	4	4
Ms Gabrielle Trainor	1	1
Mr Andrew Stevens	3	3
Mr Peter Taylor	4	4
Mr David Matthews	4	4
Mr Richard Griffiths	4	2
Mr Paul Eriksson	1	1
Mr Stephen Doyle	3	3
Mr Leigh Taylor	3	2

C Number of meetings held during the time the Member held office during the year

D Number of meetings attended

## Principal activities and objectives

The principal activities of the Club are to administer and manage the Greater Western Sydney Football Club.

The Club was incorporated on 17<sup>th</sup> March 2008. During the financial year, the Club competed in the Australian Football League (AFL) & North Eastern Australian Football League (NEAFL) competitions.

The Club aims to compete successfully on field, generate greater interest, participation and support for Australian Football within the New South Wales & ACT regions and also positively contribute to the Greater Western Sydney community.

# Western Sydney Football Club Limited

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## **Operating and financial review**

The net profit/ (loss) of the Club for the year ended 31 October 2015 was (\$341,139) (2014: (\$529,315)). The Club derives its revenue mainly from grants received from the Australian Football League (AFL), corporate sponsorships, membership and ticket sales as well as hospitality and events.

The Club's strategy is to build a high performance team that is competitive in the Australian Football League. The Club also aims to assist in increasing participation and support for Australian Football within the New South Wales and ACT regions.

## **State of affairs**

In the opinion of the Directors there were no significant changes in the state of affairs of the Club that occurred during the financial year under review not otherwise disclosed in this report or the financial statements.

## **Events subsequent to balance date**

There has not arisen in the interval between the end of the financial year and the date of this report any other item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Club, to affect significantly the operations of the Club, the results of those operations, or the state of affairs of the Club, in future financial years.

The club would however note that it is involved in a submission lodged with the ACT Government for the redevelopment of Manuka Oval Precinct. The submission involves the club and Grocon as partners and awaits consideration by the ACT Government.

## **Likely developments**

The directors do not anticipate any major changes in the basis of operations of the Club and the future results of those operations in subsequent financial years.

## **Directors' benefits & interests**

Since incorporation, no Director of the Club has received or become entitled to receive any benefit by reason of a contract made by the Club, or a related body corporate with a Director. Various sponsorship agreements have however been entered into with companies of which a Director of the Club is a Partner and has a substantial interest. These are listed in Note 17 – Related Parties.

## **Dividends**

The constitution of the Club prohibits it from payment of dividends and accordingly no dividends were paid during the year.

## **Environmental regulations**

The Club's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation. The Director's believe that the Club has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the Club.



# Western Sydney Football Club Limited

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## Lead Auditor's Independence Declaration under Section 307C of The Corporations Act 2001

The Lead Auditor's Independence Declaration is set out on Page 6 and forms part of the Director's report for the year ended 31 October 2015.

## Indemnification and insurance of officers and auditors

### *Indemnification*

The Club has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Club or a related body corporate:

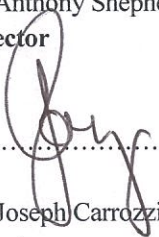
- (i) indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.
- (ii) paid or agreed to pay a premium in respect of a contract insuring against a liability for the costs or expenses to defend legal proceedings.

Signed at Sydney this 23rd day of February 2016.

Signed in accordance with a resolution of the Directors.



.....  
Mr Anthony Shepherd AO  
**Director**



.....  
Mr Joseph Carrozzi  
**Director**



***Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001***

To: the directors of Western Sydney Football Club Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 October 2015 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Dean Waters  
*Partner*

Melbourne

23 February 2016

# Western Sydney Football Club Limited

## STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2015

	Note	2015 \$	2014 \$
<b>Revenue</b>	2	35,824,982	32,448,830
<b>Expenses</b>			
Administration expenses		3,126,848	2,856,988
Depreciation and amortisation expenses		612,008	524,377
Football expenses		23,254,944	20,844,644
IT expenses		105,354	78,363
Life Learning expenses		392,652	317,265
Marketing expenses		4,554,621	4,062,530
Membership expenses		1,467,680	1,551,451
Merchandise – Cost of sales		183,352	380,879
Other expenses		405,809	403,946
Rental expenses		326,263	338,867
Venue expenses		1,736,587	1,618,835
<b>Net profit/ (loss) before income tax</b>		(341,139)	(529,315)
Income tax expense	1(h)	-	-
<b>Net profit/ (loss) for the year</b>		(341,139)	(529,315)
Other comprehensive income for the year		-	-
<b>Total comprehensive income/ (loss) for the year</b>		(341,139)	(529,315)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 25.

## Western Sydney Football Club Limited

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### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2015

	2015	2014
	\$	\$
Total equity at the beginning of the year	11,681,320	(269,613)
Member's Contribution		12,480,248
Net Profit/ (loss)	(341,139)	(529,315)
Other Comprehensive Income	-	-
Total comprehensive income/(loss) for the year	(341,139)	(529,315)
Total equity at the end of the financial year	11,340,181	11,681,320

The Statement of Changes in Equity is to be read in conjunction with the notes to the financial statements set out on pages 11 to 25.

# Western Sydney Football Club Limited

## STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2015

	Note	2015 \$	2014 \$
<b>Current assets</b>			
Cash and cash equivalents	6	430,631	580,487
Trade and other receivables	7	2,189,822	1,271,391
Inventory	8	77,270	179,768
Other	9	219,525	223,475
<b>Total current assets</b>		<u>2,917,248</u>	<u>2,255,121</u>
<b>Non - current Assets</b>			
Property, plant and equipment	10	13,104,582	13,547,570
<b>Total non-current assets</b>		<u>13,104,582</u>	<u>13,547,570</u>
<b>Total assets</b>		<u>16,021,830</u>	<u>15,802,691</u>
<b>Current liabilities</b>			
Trade and other payables	11	2,874,257	2,308,082
Employee entitlements	12	254,814	226,302
Loan - AFL		-	500,000
Provisions		-	105,730
<b>Total current liabilities</b>		<u>3,129,071</u>	<u>3,140,114</u>
<b>Non - current liabilities</b>			
Employee entitlements	12	302,578	231,257
Loan – AFL		1,250,000	750,000
<b>Total non-current liabilities</b>		<u>1,552,578</u>	<u>981,257</u>
<b>Total liabilities</b>		<u>4,681,649</u>	<u>4,121,371</u>
<b>Net assets</b>		<u>11,340,181</u>	<u>11,681,320</u>
<b>Equity</b>			
Member's Contribution		12,480,248	12,480,248
Retained earnings	13	(1,140,067)	(798,928)
<b>Total equity</b>		<u>11,340,181</u>	<u>11,681,320</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 25.

# Western Sydney Football Club Limited

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## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 OCTOBER 2015

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		38,040,028	37,576,459
Cash payments in the course of operations		<u>(38,038,060)</u>	<u>(37,108,348)</u>
<b>Net cash provided by/(used in) operating activities</b>	15(ii)	<u>1,968</u>	<u>468,111</u>
<b>Cash flows from investing activities</b>			
Interest received		17,196	16,400
Payments for Leasehold Improvements		-	(12,421)
Payments for property, plant and equipment		<u>(169,020)</u>	<u>(106,207)</u>
<b>Net cash provided by/(used in) investing activities</b>		<u>(151,826)</u>	<u>(102,228)</u>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		(149,857)	365,883
Cash and cash equivalents at the beginning of the financial year		<u>580,487</u>	<u>99,970</u>
<b>Cash and cash equivalents at end of the financial year</b>	15(i)	<u>430,631</u>	<u>580,487</u>

The Statement of Cash Flow is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 25.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**1. Statement of significant accounting policies**

Western Sydney Football Club Limited ('the Club') is a company domiciled in Australia. The Club was incorporated on 17<sup>th</sup> March 2008. The address of the Club's registered office is Learning Life Centre, 1 Olympic Boulevard, Sydney Olympic Park NSW 2127. The financial statements of the Club are as at and for the year ended 31 October 2015. The Club is primarily involved in administering and managing the GWS GIANTS. The Club is a not for profit entity.

The financial report was authorised for issue by the Board of Directors on 23 February 2016.

**(a) Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Club complies with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board (IASB).

**(b) Basis of preparation**

The financial report is presented in Australian dollars which is also the Club's functional currency.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of assets. The financial report has been prepared on an accrual basis.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These accounting policies have been consistently applied and, except where there is a change in accounting policy, are consistent with those of the previous year.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effect on the financial report and estimates with a significant risk of material adjustment in the next year are discussed in Note 1.

The Club has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, in accordance with the transitional provisions.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**1. Statement of significant accounting policies (continued)**

**(b) Basis of preparation (continued)**

**AASB 10 Consolidated Financial Statements**

In the current year, the Club adopted AASB 10 Consolidated Financial Statements, which introduced a new control model that focuses on whether the

Club has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. The change has not significantly impacted the Club's financial statements.

**New accounting standards and interpretations not yet adopted**

**AASB 9 Financial Instruments**

AASB 9 Financial Instruments replaces the existing guidance in AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 becomes mandatory for the Club's financial statements for the period beginning on or after 1 January 2018 and could change the classification and measurement of financial assets, and the measurement of impairment on financial instruments. The Club does not plan to adopt this standard early and the extent of the impact has not been determined.

**AASB 15 Revenue from Contracts with Customers**

AASB 15 Revenue from Contracts with Customers establishes a comprehensive framework for determining whether, how much, and when revenue is recognised. It replaces existing revenue recognition guidance including AASB 118 *Revenue*, and becomes mandatory for the Club's financial statements for the period beginning on or after 1 January 2018. The Club does not plan to adopt this standard early and the extent of the impact has not been determined.

**(c) Reclassification of financial information**

Where necessary, comparative financial information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures. There has been no impact to net profit or net assets as a result of these changes.

**(d) Going Concern**

The financial statements have been prepared on the going concern basis of accounting, which assumes the Club will be able to realise its assets and discharge its liabilities in the ordinary course of business.

The Club recorded an operating loss of \$341,139 for the year ended 31 October 2015 (2014: loss of \$529,315) and has net assets of \$11,340,186 as at 31 October 2015 (2014: net assets of \$11,681,320). The directors believe that it is appropriate to prepare the financial report on a going concern basis because of the continued support of the Australian Football League (AFL). Refer Note 18 for detail of the AFL commitment.

**(e) Revenue recognition**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues. Exchanges of goods or services that aren't of the same nature are recognised as revenue at the notional fair value of the goods or services.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**1. Statement of significant accounting policies (continued)**

**(e) Revenue recognition (continued)**

*Sales Revenue*

Sales revenue comprises revenue earned (net of returns, discounts and allowances) for the provision of products or services to entities outside the Club. Sales revenue is recognised within the period to which it contractually relates or when the fee in respect of services provided is receivable.

*Interest Revenue*

Interest income is recognised as it accrues, taking into account the effective yield of the financial asset.

*Grants*

Grants that compensate the Club for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred.

*Grants from AFL*

The Club has arrangements with the AFL which includes grant income. The Club brings to account grant income based on monthly invoices raised against the annual grant committed by the AFL.

*Marketing Revenue*

Marketing revenue is recognised within the period to which it contractually relates or when the fee in respect of services provided is receivable.

*Deferred Income*

Deferred income is initially recognised at fair value. Deferred income is recognised in the profit or loss as income on a systematic basis in the same period in which the expenses are recognised or the accounting period to which the income relates to.

*Membership Income*

Membership income is recognised in the period to which the membership relates.

**(f) Government Grants**

Grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Club will comply with the conditions associated with the grant and are then recognised in profit or loss as government grants on a systematic basis over the useful life of the asset. Grants that compensate the Club for expenses incurred are recognised as revenue in the income statement on a systematic basis in the same periods in which the expenses are incurred.

**(g) 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 Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The amount of GST recoverable from and payable to, the ATO is included as a current asset and liability in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**1. Statement of significant accounting policies (continued)**

**(g) Goods and services tax**

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(h) Taxation**

The Club is exempt from income tax under Section 50-45 of the Income Tax Assessment Act 1997 as amended, as the activities are solely for the promotion, administration and development of Australian Rules Football.

**(i) Acquisition of assets**

All assets acquired including property, plant and equipment and intangibles other than goodwill are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Expenditure, including that on internally generated assets other than research and development costs, is only recognised as an asset when the entity controls future economic benefits as a result of the costs incurred, that are probable and can be measured reliably. Costs attributable to feasibility and alternative approach assessments are expensed as incurred.

**(j) Receivables**

Trade and other receivables are stated at their amortised cost less any impairment loss (see accounting policy 1(p)).

The ability to collect debts is assessed at reporting date and specific provisions are made for any doubtful accounts. Where amounts owing are overdue more than one year these amounts are discounted to their present value.

**(k) Property, plant and equipment**

*Owned assets*

Items of property, plant and equipment are measured at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy 1(p)).

Items of property, plant and equipment received in the form of a contribution from members are recorded at the fair value of the consideration received and subsequently depreciated and tested for impairment.

*Leases assets*

Leases of property, plant and equipment under which the Club assume substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating.

Payments made under operating leases are expensed on a straight line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**1. Statement of significant accounting policies (continued)**

**(k) Property, plant and equipment (continued)**

*Depreciation and amortisation*

The depreciation rates used for each class of asset, for the current and comparative financial year are as follows:

	Straight line method
Plant and equipment	20%
IT equipment	25% to 33%
Furniture and fittings	10%

**(l) Payables**

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 30 days.

**(m) Contributed equity / retained earnings**

The Club is a company limited by guarantee to the extent of \$2.00 for each member. As at 31 October 2015, there was 1 voting member. The Memorandum of Association prevents the distribution of retained profits or payment of dividends to members.

**(n) Employee benefits**

*Wages, salaries, annual leave and non-monetary benefits*

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

*Long service leave*

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employee's services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

*Defined Contribution Superannuation fund*

Contributions to employee superannuation funds are recognised as an expense as they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**1. Statement of significant accounting policies (continued)**

**(o) Financial instruments**

*Interest rate risk*

The Club's major financial assets are cash deposits and are set on a floating interest rate basis and non interest bearing receivables.

*Liquidity risk*

Liquidity risk is the risk that the Club will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Club's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Club's reputation.

*Foreign exchange risk*

The Club is not exposed to any material foreign exchange risk as the Club operates within Australia and all material transactions undertaken are recorded in Australian dollars.

*Credit risk*

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets, which have been recognised on the balance sheet, approximates the carrying amount. The entity minimises the concentration of credit risk by undertaking transactions with a wide range of sponsors and customers.

*Net fair values*

The directors consider that the carrying amount of recognised financial assets and liabilities approximates their net fair values.

**(p) Impairment**

The carrying amounts of assets valued on the cost basis are reviewed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised where the asset's carrying amount exceeds the recoverable amount.

**(q) Inventory**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**r) Loans and borrowings**

Loans and borrowings are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>2 Revenue</b>		
AFL Distributions & Match Receipts	22,835,743	20,556,332
Community & Development	1,034,893	473,765
Government Grants	2,402,383	2,455,658
Interest Received	17,196	16,400
Marketing & Sponsorship	8,565,604	7,808,396
Membership & Merchandise	969,163	1,138,279
	<u>35,824,982</u>	<u>32,448,830</u>
<b>3 Other expenses</b>		
Amortisation of leasehold improvements	479,856	380,267
Depreciation	132,152	144,110
Operating lease rentals	350,108	459,821
	<u>962,116</u>	<u>984,198</u>
<b>4 Employee expenses</b>		
Wages and salaries	20,448,622	18,877,240
Superannuation expenses	1,603,881	1,451,776
Increase/(Decrease) Annual Leave Liability	29,067	14,539
Increase/(Decrease) Long Service Leave Liability	40,766	40,292
	<u>22,122,336</u>	<u>20,383,847</u>
<b>5 Auditor's remuneration</b>		
<b>Audit services</b>		
KPMG Australia:		
Audit and review of the financial report	30,000	30,000
<b>Other Services</b>		
KPMG Australia:		
Assurance & Tax Services	10,000	17,506
	<u>42,000</u>	<u>47,506</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

	2015 \$	2014 \$
<b>6 Cash and cash equivalents</b>		
Cash on hand	-	-
Cash at bank	430,631	580,487
	<u>430,631</u>	<u>580,487</u>
<b>7 Trade and other receivables</b>		
<b>Current</b>		
Trade receivables	1,629,079	975,399
Less: Provision for doubtful debts	-	(7,041)
Other debtors	560,744	303,033
	<u>2,189,822</u>	<u>1,271,391</u>
<b>8 Inventory</b>		
Merchandise – Stock on hand	77,270	179,768
	<u>77,270</u>	<u>179,768</u>
<b>9 Other assets</b>		
GST refundable	174,774	124,372
Prepayments	44,751	99,103
	<u>219,525</u>	<u>223,475</u>
<b>10 Property, plant and equipment</b>		
Plant and equipment		
<i>At cost</i>	73,265	73,265
<i>Less: accumulated depreciation</i>	(73,265)	(72,250)
	<u>-</u>	<u>1,015</u>
IT and Football equipment		
<i>At cost</i>	662,634	543,278
<i>Less: accumulated depreciation</i>	(489,295)	(362,478)
	<u>173,339</u>	<u>180,800</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

10 Property, plant and equipment (continued)	2015 \$	2014 \$
Leasehold Improvements		
<i>At Cost</i>	13,742,669	13,742,669
<i>Less: accumulated depreciation</i>	(860,123)	(380,267)
	<u>12,882,546</u>	<u>13,262,402</u>
 Furniture and fittings		
<i>At cost</i>	54,800	5,136
<i>Less: accumulated depreciation</i>	(6,103)	(1,783)
	<u>48,697</u>	<u>3,353</u>
 Net book value	<u>13,104,582</u>	<u>13,547,570</u>

**Reconciliations**

Reconciliations of the carrying amounts for each class of plant and equipment are set out below:

**Plant and equipment**

Carrying amount at beginning of year	1,015	19,065
Additions	-	-
Disposals	-	-
Depreciation	(1,015)	(18,050)
Carrying amount at end of year	<u>-</u>	<u>1,015</u>

**IT equipment**

Carrying amount at beginning of year	180,800	200,140
Additions	119,356	106,207
Disposals	-	-
Depreciation	(126,817)	(125,547)
Carrying amount at end of year	<u>173,339</u>	<u>180,800</u>

**Leasehold Improvements**

Carrying amount at beginning year	13,362,402	-
Additions	-	13,742,669
Disposals	-	-
Depreciation	(479,856)	(380,267)
Carrying amount at end of year	<u>12,882,546</u>	<u>13,362,402</u>

**Furniture and fittings**

Carrying amount at beginning of year	3,353	3,867
Additions	49,664	-
Disposals	-	-
Depreciation	(4,320)	(514)
Carrying amount at end of year	<u>48,697</u>	<u>3,353</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

<b>11</b>	<b>Trade and other payables</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
	<b>Current</b>		
	Trade payables	1,509,190	363,460
	Other payables and accruals	376,843	402,449
	GST payable	270,651	368,538
	Prepaid income	717,573	1,173,635
		<u>2,874,257</u>	<u>2,308,082</u>
<b>12</b>	<b>Employee entitlements</b>		
	<b>Current</b>		
	Provision for annual leave	154,484	125,418
	Provision for long service leave	100,330	100,884
		<u>254,814</u>	<u>226,302</u>
	<b>Non-current</b>		
	Provision for LTI	150,000	120,000
	Provision for long service leave	152,578	111,257
		<u>302,578</u>	<u>231,257</u>
	Employee numbers	64	62
<b>13</b>	<b>Retained earnings/(losses)</b>		
	Retained earnings/(losses) at the beginning of the financial year	(798,928)	(269,613)
	Net profit/(loss)	(341,139)	(529,315)
	Retained earnings/(losses) at the end of the financial year	<u>(1,140,067)</u>	<u>(798,928)</u>
<b>14</b>	<b>Capital and other commitments</b>		
	<b>Non-cancellable operating lease commitments</b>		
	Future operating lease commitments not provided for in the financial statements and payable:		
	Not later than one year	205,528	247,330
	Later than one year but not later than five years	857,451	521,764
	Later than five years	6,437,268	6,845,278
		<u>7,500,247</u>	<u>7,891,384</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**14 Capital and other commitments (continued)**

**Superannuation**

The Club contributes to an accumulation fund in accordance with the Superannuation Guarantee Act and employees may make additional contributions to the fund. The employees are entitled to their balances in the fund on retirements, disability or death without any qualifying criteria.

**15 Notes to the statement of cash flows**

For the purposes of the statement of cash flows, cash includes cash on hand and at bank. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>(i) Reconciliation of cash</b>		
Cash at bank and on hand	430,631	580,487
	<u>430,631</u>	<u>580,487</u>
<b>(ii) Reconciliation of profit/(loss) from operating activities after income tax to net cash provided by/(used in) operating activities</b>		
Profit/(loss) from operating activities	(341,139)	(529,315)
Add / (less) items from finance/ investing activities:		
Interest received	(17,196)	(16,400)
Add non-cash items:		
Depreciation	132,152	144,110
Amortisation	<u>479,856</u>	<u>380,267</u>
Net cash from /(used in) operating activities before change in assets and liabilities	253,673	(21,338)
Change in assets and liabilities during the financial year:		
(Increase)/decrease in receivables	(918,431)	1,110,493
(Increase)/decrease in inventories	102,498	51,360
(Increase)/decrease in other assets	3,950	(124,127)
Increase/(decrease) in payables	566,175	(768,838)
Increase/(decrease) in provisions/ employee entitlements	(5,897)	220,561
Net cash from/(used in) operating activities	<u>1,968</u>	<u>468,111</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**16 Executive officers remuneration**

Details of the nature and amount of each major element of remuneration of the directors of the Club and the Club executives.

		Salary & fees \$	Post-employment Benefits \$	Total \$
Directors Non-executive	2015	-	-	-
	2014	-	-	-
Directors Executive	2015	-	-	-
	2014	-	-	-
Executives	2015	1,425,954	75,306	1,501,260
	2014	1,249,188	60,506	1,309,695

Executive Officers of the Club include the Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer.

**17 Related parties**

***Directors' transactions with the Club***

No directors have received remuneration for their services as a director of the Club during 2015.

During the year a number of the Directors purchased Club membership packages, finals tickets, attended Club functions, made donations and contributed towards fundraising auctions. The terms and conditions of the transactions with the Directors and their Director related entities were no more favourable than those available, or which might be reasonably expected to be available, on similar transactions to non-director related entities on an arm's length basis.

***Transactions with related parties***

During the Period, the Club received grant revenue of \$21,630,844 from the AFL. No directors were employees of the AFL during the course of the year. During 2014 the Club borrowed \$1,250,000 from the AFL which will not attract any interest charge and is to be repaid commencing in the 2017 year. Other services provided by the AFL are billed based on normal market rates for these services and were due and payable under normal payment terms.

A sponsorship agreement has been entered into with PricewaterhouseCoopers in 2015 to the value of \$30,000 cash and \$13,871 contra of which a Director of the Club is the Managing Partner.

A sponsorship agreement has been entered into with PM Capital in 2015 to the value of \$258,400 of which a Director of the Club is the Chairman, principal shareholder and Chief Investment Officer.

A sponsorship agreement has been entered with Virgin Australia in 2015 to the value of \$446,250 cash and \$446,250 contra of which a Director of the Club is a Director.

A further sponsorship agreement has been entered with Virgin Australia in 2015 to the value of \$100,000 cash of which a Director of the Club is a Director.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**17 Related parties (Continued)**

*Transactions with related parties (continued)*

A sponsorship agreement has been entered into with Petia Pty Limited in 2015 to the value of \$33,000 cash and \$37,000 contra of which a director of the Club is a Director.

**18 Economic dependency**

The Club's operations are dependent upon the receipt of distributions from the AFL. Over a 6 year period from 1 November 2010 to 31 October 2016, the AFL have committed to \$84,850,000 of distributions to the Club.

**19 Segment reporting**

The Club's activities are entirely the administration and promotion of Australian Rules Football and are confined to New South Wales and ACT.

**20 Contingent Liabilities**

As at 31 October 2015 there were no contingent liabilities.

**21 Financial instruments – Risk management**

**(a) Exposure to credit risk**

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Note	2015	2014
		\$	\$
Cash and cash equivalents	6	430,631	580,487
Trade and other receivables	7	2,189,822	1,271,391
		<u>2,620,453</u>	<u>1,851,878</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2015**

**(b) Impairment losses**

The aging of the Clubs trade receivables at reporting date was as follows:

	2015		2014	
	Gross	Impairment	Gross	Impairment
	\$	\$	\$	\$
Current	1,234,140	-	855,191	-
Past due 31-60 days	390,902	-	82,340	-
Past due 61-90 days	216,666	-	109,267	-
Past due 91+ days	348,115	-	231,543	(7,041)
	<u>2,189,823</u>	<u>-</u>	<u>1,278,341</u>	<u>(7,041)</u>

**21 Financial instruments – Risk Management (continued)**

**(c) Interest rate risk**

The Club holds cash at floating interest rates. All other financial assets and liabilities are non-interest bearing. The Club does not enter into interest rate swaps, forward rate agreements or interest rate options to manage cash flow risks associated with the interest rates on borrowings.

At reporting date the interest rate profile of the Club's interest bearing financial instruments was:

	2015	2014
	\$	\$
<b>Floating rate instruments</b>		
Financial assets	430,631	580,487
Financial liabilities	-	-
	<u>430,631</u>	<u>580,487</u>

**Cashflow sensitivity analysis for variable rate financial assets**

A change of 100 basis points in interest rates at the reporting date would have increased/(decreased) profit or loss by the amounts shown below.

	100 bp Increase	100 bp Decrease
	\$	\$
<b>31 October 2015</b>		
Variable rate financial assets	<u>4,306</u>	<u>(4,306)</u>
<b>31 October 2014</b>		
Variable rate financial assets	<u>5,805</u>	<u>(5,805)</u>

**22 Events subsequent to balance date**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Club, to affect significantly the operations of the entity, the results of those operations, or the state of affairs of the Club in future financial years.

The club would however note that it is involved in a submission lodged with the ACT Government for the redevelopment of Manuka Oval Precinct. The submission involves the club and Grocon as partners and awaits consideration by the ACT Government.

## **Directors' declaration**


1. In the opinion of the directors of the Western Sydney Football Club Limited ('the Club'):

- (a) the financial statements and notes, set out on pages 7 to 25 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position of the Club as at 31 October 2015 and of its performance, for the year ended on that date; and
  - (ii) complying with Accounting Standards in Australia (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become due and payable.

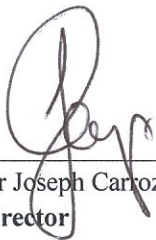
2. The Directors draw attention to Note 1(a) of the financial statements, which includes a statement of compliance with International Financial reporting Standards.

Dated at Sydney this 23rd day of February 2016

Signed in accordance with a resolution of the directors;



Mr Anthony Shepherd AO  
**Director**



Mr Joseph Carozzi  
**Director**



## **Independent auditor's report to the members of Western Sydney Football Club Limited**

### **Report on the financial report**

We have audited the accompanying financial report of Western Sydney Football Club Limited (the Club), which comprises the statement of financial position as at 31 October 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 22 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 Club are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 control 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 control. 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Club's financial position and of its performance.



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*.

*Auditor's opinion*

In our opinion:

- (a) the financial report of Western Sydney Football 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 2015 and of its performance for the year ended on that date; and
  - (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(a).

KPMG

KPMG

Dean Waters  
*Partner*

Melbourne

23 February 2016