

Copy of financial statements and reports

Company details

Company name

SYDNEY SWANS LIMITED

ACN

063 349 708

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 **27-02-2014**

Name of auditor

BDO EAST COAST PARTNERSHIP

Address

**LEVEL 11
1 MARGARET STREET**

SYDNEY NSW 2000

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 Timothy Frank LAING

Date 13-02-2015

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Sydney Swans Limited

ABN 48 063 349 708

**Annual Financial Report
31 October 2014**

Sydney Swans Limited

Directors' Report

The directors present their report, together with the financial statements of Sydney Swans Limited (the company) for the year ended 31 October 2014.

Directors

The directors of the company in office at any time during or since the end of the financial year are:

Andrew Pridham - Chairman

Mr Pridham is Chief Executive Officer of New York headquartered investment bank Moelis & Company. Previously Mr Pridham was Executive Chairman of Investment Banking at J.P. Morgan Australasia. He is Deputy Chairman of the Sydney Swans Foundation. Director since 2002. Mr Pridham was appointed Chairman of Sydney Swans Limited on 12 December 2013.

Andrew McMaster - Deputy Chairman

Mr McMaster is a Bachelor of Commerce (Hons) and a member of the Institute of Chartered Accountants in Australia and the Institute of Company Directors. He is the Chief Financial Officer of Service NSW, a State Government agency within NSW Treasury & Finance. He was previously a Partner of KPMG for over 25 years and a Director and Treasurer of The Bradman Foundation. Currently is Chairman of the Club's Audit and Risk Committee. Director since 1995; appointed as Deputy Chairman in 2011. Life Member of the Sydney Swans.

Jason Ball

Mr Ball has been employed as a stockbroker with Macquarie Bank since 2000. He was a premiership player with the West Coast Eagles in 1994 and the Sydney Swans in 2005 and is an AFL 200 club member. Director since 2007. He is a Director of the Sydney Swans Foundation and Chairman of Coterie Group, Centre Circle.

Robert Morgan

Mr Morgan is Executive Chairman of Clemenger Communications Group and a Director of BBDO Worldwide. He has over 30 years experience in the advertising and communications industry. Director since 2004 and Chairman of the Sponsorship Committee.

Greg Paramor

Mr Paramor has been involved in the real estate and funds management industry for the past 40 years. He is the Managing Director of Folkestone Limited and is a past president of the Investment Funds Association and the Property Council of Australia, a director of the Garvan Institute of Medical Research and former chairman of the National Breast Cancer Foundation. Appointed as a Director in March 2008.

Rob Pascoe

Mr Pascoe is the Managing Director of Closed Loop Environmental Solutions, a company which markets packaging and recycling programs in Australia, Asia and the UK. He is also the Deputy Chairman of the Outdoor Education Group and heads the advisory board for the Banksia Foundation. Chairman of the newly formed Heritage and Culture Committee, member of the Audit and Risk and Membership & Fan Engagement Committees. Director since 2005.

Lynn Ralph

Ms Ralph FAICD SFFin holds positions as Chairman, BT Funds Management; Commissioner, Private Health Insurance Administration Council; Director, Securities Exchanges Guarantee Corporation, Director, Sydney Institute; and Director, Bangarra Dance Theatre Australia. She was formerly Deputy Chairman of ASIC and a foundation Commissioner of the AFL (NSW/ACT) Commission. Chairman of Swans Membership & Fan Engagement Committee. Director since 2007.

Sydney Swans Limited

Directors' Report (continued)

Directors (continued)

Brian Tyson

Mr Tyson was appointed to the Board of Sydney Swans Limited in March 2012. He is the Managing Partner of Newgate Communications, one of Australia's leading strategic communications companies. Mr Tyson is actively involved with many of NSW's leading business and advocacy groups and is on the Board of the Committee for Sydney and the Clontarf Foundation.

Richard Colless AM

Mr Colless is a director of a number of public and private companies. He is a Director of Sydney Swans Foundation and has been Chairman of the Club since 1994. He was chairman of AFL (NSW/ACT) Commission 1998 to 2002. Life Member of the Sydney Swans and the AFL. Mr Colless retired from the Board on 12 December 2013.

Chief Executive Officer

Andrew Ireland

Mr Ireland played AFL football for Collingwood before commencing his career in football administration. He became Chief Executive of the Club in September 2009 having previously held the position of General Manager Football at the Sydney Swans since October 2002. Prior to these positions he was Chief Executive of the Brisbane Lions from 1990 to 2001. He holds a Bachelor of Science, is a Fellow of the Australian Institute of Company Directors and is a Life Member of the AFL.

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 October 2014, and the number of meetings attended by each director were:

Director	Number of Meetings Attended	Number of Meetings Held*
Richard Colless (resigned 12 December 2013)	2	2*
Jason Ball	9	10
Andrew McMaster	5	10
Robert Morgan	9	10
Rob Pascoe	7	10
Greg Paramor	8	10
Andrew Pridham	10	10
Lynn Ralph	9	10
Bryan Tyson	9	10

* Number of meetings held during the time the director held office during the year.

Sydney Swans Limited

Directors' Report (continued)

Membership

The Club is a company limited by guarantee and is without share capital.

The Club has a Transitional Member (AFL) and Ordinary Members as set out in the Club's constitution. The AFL will remain as the Transitional Member until a date is determined in conjunction with the Board of the Club. This determination will have regard to factors such as the financial strength of the Club and the extent of the growth of the game in New South Wales, and in particular the Sydney region.

Ordinary Members are only able to vote in respect of the election of two Directors.

Members' limited liability

In accordance with the Constitution of the Club, every member of the Club undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the Club during the time that he/she is a member or within one year thereafter.

Objectives

Short term

The short term objective of the Club is to perform at a consistently high level to qualify for the finals and challenge for the AFL Premiership.

Long term

The long term objective of the Club is to ensure the Club's football operations are fully resourced to perform at a consistently high level to enable our team to be seen as a leading Club in the AFL competition.

Strategy for achieving the objectives

The Club's strategy is to maximise Club sourced revenues, in particular sponsorship, hospitality, match day ticket sales and membership to provide the funding to meet the objectives.

Principal activity

The principal activity of the Club is the administration of the operations of the Sydney Swans which participates in competitions conducted by the Australian Football League (AFL).

How these activities assist in achieving the objectives

To achieve the Club's objectives, a fully resourced and professional management and support staff structure is required to be maintained, particularly in relation to football operations.

Performance measurement and key performance indicators

All sources of the Club's revenue and expenses are monitored against budget on a monthly basis throughout the financial period.

Sydney Swans Limited
Directors' Report (continued)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

Signed in accordance with a resolution of the directors.



Andrew Pridham
Director



Andrew McMaster
Director

Dated at Moore Park this 11th day of December 2014

DECLARATION OF INDEPENDENCE BY PAUL CHEESEMAN TO THE DIRECTORS OF SYDNEY SWANS LIMITED

As lead auditor of Sydney Swans Limited for the year ended 31 October 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.



Paul Cheeseman
Partner

BDO East Coast Partnership
Sydney, 11 December 2014



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Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Sydney Swans Limited

Report on the Financial Report

We have audited the accompanying financial report of Sydney Swans Limited, which comprises the statement of financial position as at 31 October 2014, the statement of profit or loss and other 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 - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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 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 company'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 company'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 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sydney Swans Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Sydney Swans Limited is in accordance with the *Corporations Act 2001*, including:

- (a) Giving a true and fair view of the company's financial position as at 31 October 2014 and of its performance for the year ended on that date; and
- (b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

BDO East Coast Partnership

A handwritten signature in blue ink that reads 'BDO' on the first line and 'P. Cheeseman.' on the second line.

Paul Cheeseman
Partner

Sydney, 11 December 2014

Sydney Swans Limited

Directors' Declaration

The directors of the company declare that:

- (a) In the Directors' opinion the financial report and notes set out on pages 13 to 26, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 October 2014 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements; the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors made pursuant to section 295 (5)(a) of the *Corporations Act 2001*.

Dated at Moore Park this 11th day of December 2014.



Andrew Pridham
Director



Andrew McMaster
Director

Sydney Swans Limited

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 October 2014

	Note	2014 \$	2013 \$
Revenue	2	46,389,169	42,687,119
Other income	2	130,436	59,823
		<hr/>	<hr/>
		46,519,605	42,746,942
		<hr/>	<hr/>
Football department expenses		(23,578,637)	(21,920,544)
Football academy expenses		(1,059,504)	(983,003)
Membership and match day expenses		(6,802,175)	(6,099,987)
Sponsorship and marketing expenses		(9,432,483)	(8,340,987)
Administration expenses		(3,445,446)	(3,563,363)
Depreciation and amortisation	3	(560,610)	(414,762)
Occupancy expenses		(793,879)	(777,551)
		<hr/>	<hr/>
Net profit for the year		846,871	646,745
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		846,871	646,745
		<hr/>	<hr/>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes set out on pages 13 to 26.

Sydney Swans Limited
Statement of Financial Position
As at 31 October 2014

	Note	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	5,704,301	780,986
Trade and other receivables	5	705,140	4,062,309
Inventories	6	113,395	102,606
Prepayments	7	69,465	560,804
		<hr/>	<hr/>
Total Current Assets		6,592,301	5,506,705
		<hr/>	<hr/>
Non-Current Assets			
Trade and other receivables	5	299,205	99,205
Plant and equipment	8	1,572,763	1,691,820
Intangible assets	9	171,849	47,587
		<hr/>	<hr/>
Total Non-Current Assets		2,043,817	1,838,612
		<hr/>	<hr/>
Total Assets		8,636,118	7,345,317
		<hr/>	<hr/>
LIABILITIES			
Current liabilities			
Trade and other payables	10	5,895,279	5,540,504
Employee benefits	11	883,078	812,363
		<hr/>	<hr/>
Total Current Liabilities		6,778,357	6,352,867
		<hr/>	<hr/>
Non-Current Liabilities			
Employee benefits	11	125,563	107,123
		<hr/>	<hr/>
Total Non-Current Liabilities		125,563	107,123
		<hr/>	<hr/>
Total Liabilities		6,903,920	6,459,990
		<hr/>	<hr/>
Net Assets		1,732,198	885,327
		<hr/>	<hr/>
Members' Funds			
Accumulated funds		1,732,198	885,327
		<hr/>	<hr/>
Total Funds		1,732,198	885,327
		<hr/>	<hr/>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 26.

Sydney Swans Limited
Statement of Changes in Equity
For the Year Ended 31 October 2014

	Members' Funds \$	Total Funds \$
Balance at 1 November 2012	238,582	238,582
Net profit after income tax expense for the year	646,745	646,745
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	646,745	646,745
	<hr/>	<hr/>
Balance at 31 October 2013	885,327	885,327
	<hr/>	<hr/>
Net profit after income tax expense for the year	846,871	846,871
Other comprehensive income for the year, net of tax	-	-
	<hr/>	<hr/>
Total comprehensive income for the year	846,871	846,871
	<hr/>	<hr/>
Balance at 31 October 2014	1,732,198	1,732,198
	<hr/> <hr/>	<hr/> <hr/>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes set out on pages 13 to 26.

Sydney Swans Limited
Statement of Cash Flows
For the Year Ended 31 October 2014

	Note	2014 \$	2013 \$
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		53,390,582	45,670,650
Payments to suppliers and employees (inclusive of GST)		(48,010,023)	(46,244,186)
Interest received		130,436	59,823
		<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities		5,510,995	(513,713)
		<hr/>	<hr/>
Cash Flows From Investing Activities			
Payments for plant and equipment		(292,540)	(988,588)
Payments for intangible assets		(295,140)	-
		<hr/>	<hr/>
Net cash outflow from investing activities		(587,680)	(988,588)
		<hr/>	<hr/>
Net cash flow from financing activities		-	-
		<hr/>	<hr/>
Net increase/(decrease) in cash and cash equivalents		4,923,315	(1,502,301)
Cash and cash equivalents at the beginning of the financial year		780,986	2,283,287
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	4	5,704,301	780,986
		<hr/>	<hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 26.

Sydney Swans Limited

Notes to the Financial Statements

For the Year Ended 31 October 2014

1 Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. These financial statements do not comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration. The financial report is presented in Australian dollars, which is the company's functional and presentation currency.

The company is a not for profit entity for the purpose of preparing these financial statements, which means that in preparing the financial report, the company has applied the exemptions available for not for profit entities.

The financial report was authorised for issue on 11 December 2014 in accordance with a resolution of directors. The directors have the power to amend and reissue the financial report.

Historical Cost Convention

The financial statements have been prepared under the historical cost convention.

(a) New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

The company has adopted AASB 1053 'Application of Tiers of Australian Accounting Standards,' AASB 2010-02 'Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements' and later amending Standards, as relevant. No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 1053 Application of Tiers of Australian Accounting Standards

The company has adopted AASB 1053 from 1 November 2013. This standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements, being Tier 1 Australian Accounting Standards and Tier 2 Australian Accounting Standards - Reduced Disclosure Requirements. The company being classed as Tier 2 continues to apply the full recognition and measurements requirements of Australian Accounting Standards with substantially reduced disclosure in accordance with AASB 2010-2 and later amending Standards, as relevant.

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2014 (continued)

1 Summary of Significant Accounting Policies

(a) New, revised or amending Accounting Standards and Interpretations adopted

AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

The company has adopted AASB 2010-2 from 1 November 2013. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities in preparing general purpose financial statements. The adoption of these amendments has significantly reduced the company's disclosure requirements.

AASB 2012-11 Amendments to Australian Accounting Standards - Reduced Disclosure Requirements and Other Amendments

The company has adopted AASB 2012-11 amendments from 1 November 2013, to the extent that they related to other standards already adopted by the company. These amendments make numerous modifications to a range of Australian Accounting Standards and Interpretations to significantly reduce the company's disclosure requirements.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The company has applied AASB 119 and its consequential amendments from 1 November 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

(b) Revenue Recognition - Note 2

Revenue is recognised at fair value of the consideration received or receivable net of the amount of goods and services tax (GST) payable to the Australian Taxation Office (ATO). No revenue is recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably, there is a risk of return of goods or there is continuing management involvement with the goods.

Revenue from match day ticketing is recognised as earned based on the gross amount charged to the ultimate customer, net of GST.

Revenue from membership, sponsorship and marketing services is recognised in the period the service is provided at the fair value of the consideration received, net of GST. Sponsorships involving contra arrangements are recognised as revenue equivalent to the fair value of the services or goods provided by the sponsor.

Revenue from AFL Distributions is recognised when control of the distribution is passed to the Club.

Sydney Swans Limited

Notes to the Financial Statements For the Year Ended 31 October 2014 (continued)

1 Summary of Significant Accounting Policies (continued)

(c) Other Income - Note 2

Sale of Property, Plant and Equipment

The gain or loss on disposal of property, plant and equipment is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs) and is recognised as other income at the date control of the asset passes to the buyer.

Interest received

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

(d) 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. 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 in the Statement of Financial Position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the Australian Taxation Office.

(e) Finance Costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest method.

The interest expense component of finance lease payments is recognised in the income statement using the effective interest method.

(f) Income Tax

The Club, as a sporting body, is exempt from the payment of income tax pursuant to Section 50-45 Item 9.1(c) of the Income Tax Assessment Act 1997.

Sydney Swans Limited

Notes to the Financial Statements For the Year Ended 31 October 2014 (continued)

1 Summary of Significant Accounting Policies (continued)

(g) Impairment of Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(h) Cash and Cash Equivalents - Note 4

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Trade and other receivables - Note 5

Trade receivables are recognised at original invoice amounts less an allowance for uncollectible amounts (impairment losses). Repayment terms vary and are generally between 14 and 30 days with collectability of trade receivables assessed on an ongoing basis. Debts which are known to be uncollectible are written off. An allowance is made for impairment losses where there is objective evidence that all amounts owing will not be able to be collected.

Loans to employees are measured at fair value estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. The difference between the fair value of the loans at inception and nominal value is recognised as prepaid employee benefits and amortised to profit or loss over the period of the loan. The fair value of the loan appreciates to its nominal value over the period of the loan by recognising interest income in the profit or loss using the effective interest method.

(j) Inventories - Note 6

Merchandise on hand is carried at the lower of cost and net realisable value.

Sydney Swans Limited

Notes to the Financial Statements

For the Year Ended 31 October 2014 (continued)

1 Summary of Significant Accounting Policies (continued)

(k) Plant and Equipment - Note 8

Plant and equipment is stated at historical cost less depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation is charged to the Statement of Profit or Loss and Other Comprehensive Income using the straight-line method over the estimated useful lives of each component of an item of plant and equipment. The estimated useful lives for each class of depreciable assets are as follows:

Leasehold improvements	3 to 10 years
Furniture and equipment	3 to 19 years
Motor vehicles	3 to 4 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1(g)).

(l) Intangible Assets - Note 9

Intangible assets acquired, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss when incurred.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives of the classes intangible assets are as follows:

Performance management database	3 - 5 years
Commercial operations databases	3 - 5 years

(m) Trade and Other Payables - Note 10

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30-60 days of recognition.

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2014 (continued)

1 Summary of Significant Accounting Policies (continued)

(n) Employee Benefits - Note 11

Wages and Salaries and Annual Leave

Employee benefit expenses arising from services rendered by contracted employees including players are recognised in accordance with the terms of the underlying contracts. Amounts payable in respect of bonuses and incentives are expensed when the obligation arises.

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables with respect to employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long Service Leave

The provision for employee benefits relating to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' 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 market yields on national government bonds at reporting date which most closely match the terms of maturity with the expected timing of cash flows. The unwinding of the discount is treated as long service leave expense.

Superannuation Plan

The company contributes to several defined contribution superannuation plans. Contributions are recognised as an expense as they are made. The company has no legal or constructive obligation to fund any deficit.

(o) Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of Useful Lives of Assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Long Service Leave Provision

As discussed in note 1(n), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2014 (continued)

	2014 \$	2013 \$
2 Revenue and Other Income		
AFL distributions	12,018,631	11,487,268
AFL finals prize money	600,000	300,000
Merchandise revenue	577,138	923,089
Membership and match day	14,805,140	13,768,429
Sponsorship and marketing	17,089,855	14,645,407
Other revenue	1,298,405	1,562,926
	<hr/>	<hr/>
Total Revenue	46,389,169	42,687,119
	<hr/>	<hr/>
Other Income		
Interest received	130,436	59,823
	<hr/>	<hr/>
Total other income	130,436	59,823
	<hr/>	<hr/>
Total Revenue and Other Income	46,519,605	42,746,942
	<hr/>	<hr/>

3 Expenses

Profit before income tax includes the following specific expenses:

Depreciation

Plant and equipment	107,755	106,125
Leasehold improvements	224,233	194,023
Motor vehicles	57,744	66,324

Amortisation

Intangible assets	170,878	48,290
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Total depreciation and amortisation	<hr/> 560,610	<hr/> 414,762
	<hr/>	<hr/>

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2014 (continued)

	2014 \$	2013 \$
3 Expenses (continued)		
Net loss on disposal of property, plant and equipment	21,866	-
	<hr/>	<hr/>
Employee benefits expenses		
Salaries and wages	23,925,517	22,296,023
Defined contribution superannuation expense	1,527,660	1,503,384
Increase in liability for employee benefits	89,155	176,336
	<hr/>	<hr/>
Total employee benefits expenses	25,542,332	23,975,743
	<hr/>	<hr/>
4 Cash and Cash Equivalents		
Reconciliation of Cash		
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:		
Cash and cash equivalents	5,704,301	780,986
	<hr/>	<hr/>
5 Trade and Other Receivables		
Current		
Trade receivables	661,035	3,986,339
Less: Provisions for impairment	(32,195)	(142,686)
	<hr/>	<hr/>
	628,840	3,843,653
Other receivables	69,243	205,253
Loans to employee	7,057	13,403
	<hr/>	<hr/>
Total current trade and other receivables	705,140	4,062,309
	<hr/>	<hr/>

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2014 (continued)

	2014 \$	2013 \$
5 Trade and Other Receivables (continued)		
Non-Current		
Loans to employees	299,205	99,205
	<hr/>	<hr/>
Total trade and other receivables	1,004,345	4,161,514
	<hr/>	<hr/>
Movement in the provision for impairment of receivables are as follows:		
Opening balance	142,686	40,290
Additional provisions recognised	-	141,887
Receivables recovered or written off during the year as uncollectable	(110,491)	(39,491)
	<hr/>	<hr/>
Closing balance	32,195	142,686
	<hr/>	<hr/>
6 Inventories		
Merchandise	113,395	102,606
	<hr/>	<hr/>
7 Other Assets		
Current		
Prepayments	69,465	560,804
	<hr/>	<hr/>

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2014 (continued)

	2014 \$	2013 \$
8 Plant and Equipment		
Leasehold improvements		
<i>At cost</i>	4,521,293	4,513,258
<i>Accumulated amortisation</i>	(3,362,819)	(3,138,586)
	1,158,474	1,374,672
Furniture and equipment		
<i>At cost</i>	1,646,802	1,430,117
<i>Accumulated depreciation</i>	(1,301,625)	(1,261,691)
	345,177	168,426
Motor vehicles		
<i>At cost</i>	237,066	272,636
<i>Accumulated depreciation</i>	(167,954)	(123,914)
	69,112	148,722
Total plant and equipment net book value	1,572,763	1,691,820

Reconciliations

Movements in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year are set out below:

Leasehold Improvements		
Carrying amount at beginning of year	1,374,672	684,396
Additions	-	884,300
Transfers	8,035	-
Depreciation charge	(224,233)	(194,024)
	1,158,474	1,374,672

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2014 (continued)

	2014 \$	2013 \$
8 Plant and Equipment (continued)		
Reconciliations (continued)		
Furniture and Equipment		
Carrying amount at beginning of year	168,426	170,263
Additions	292,541	104,288
Transfers	(8,035)	-
Depreciation charge	(107,755)	(106,125)
	<hr/>	<hr/>
Carrying amount at end of year	345,177	168,426
	<hr/>	<hr/>
Motor Vehicles		
Carrying amount at beginning of year	148,722	215,045
Additions	-	-
Depreciation charge	(57,744)	(66,323)
Disposals	(21,866)	-
	<hr/>	<hr/>
Carrying amount at end of year	69,112	148,722
	<hr/>	<hr/>
9 Intangible Assets		
Commercial operations databases		
<i>At cost</i>	144,915	144,915
<i>Accumulated impairment</i>	(142,145)	(97,328)
	<hr/>	<hr/>
	2,770	47,587
	<hr/>	<hr/>
Performance management database		
<i>At cost</i>	1,053,349	758,209
<i>Accumulated impairment</i>	(884,270)	(758,209)
	<hr/>	<hr/>
	169,079	-
	<hr/>	<hr/>
Net carrying value	171,849	47,587
	<hr/>	<hr/>
Movement		
Opening net book amount	47,587	95,877
Additions	295,140	-
Amortisation charge	(170,878)	(48,290)
	<hr/>	<hr/>
Closing carrying value	171,849	47,587
	<hr/>	<hr/>

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2014 (continued)

	2014 \$	2013 \$
10 Trade and Other Payables		
Trade payables	836,649	1,635,121
Other creditors and accruals	2,629,774	2,204,701
Income received in advance	2,428,856	1,700,682
	<hr/>	<hr/>
	5,895,279	5,540,504
	<hr/>	<hr/>

11 Employee Benefits

Current	883,078	812,363
	<hr/>	<hr/>
Non-current	125,563	107,123
	<hr/>	<hr/>

Contributions

The company is under a legal obligation to contribute 9.25% (2015: 9.5%) of each employee's base salary to a superannuation fund.

12 Commitments

Operating lease commitments in relation to the Club's playing and occupancy arrangements at sporting venues are payable as follows:

Less than one year	1,773,309	1,729,867
Between one and five years	1,818,055	3,591,364
More than five years	-	-
	<hr/>	<hr/>
	3,591,364	5,321,231
	<hr/>	<hr/>

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2014 (continued)

13 Key Management Personnel Details

(a) Directors

The following persons were non-executive directors of the company during the financial year:

Andrew Pridham - Chairman
Andrew McMaster - Deputy Chairman
Jason Ball
Robert Morgan
Greg Paramor
Rob Pascoe
Lynn Ralph
Bryan Tyson
Richard Colless AM (resigned 12 December 2013)

(b) Other Key Management Personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly during the financial year:

Name	Position
Andrew Ireland	Chief Executive Officer
Tim Laing	Chief Financial Officer
Dean Moore	General Manager - Football
John Longmire	Senior Coach

(c) Key Management Personnel Compensation

The key management personnel compensation included in Employee benefits expenses in Note 3 is as follows:

	2014	2013
	\$	\$
Aggregate compensation	2,086,833	1,919,234

14 Related Parties

Key Management Personnel

Disclosures relating to key management personnel are set out in Note 13.

Transactions with related parties

From time to time, directors of the company, or their director-related entities, may purchase goods from the company. These purchases are on the same terms and conditions as those entered into by other company employees or customers.

Sydney Swans Limited

Notes to the Financial Statements

For the Year Ended 31 October 2014 (continued)

14 Related Parties (continued)

Transactions with related parties (continued)

The Directors did not receive any remuneration during the year or in the prior year. The former Chairman of the Club was reimbursed an amount of \$13,151 (2013: \$35,060) for expenses incurred on behalf of the Club. Apart from this, no director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date, apart from those noted below.

Australian Football League (AFL)

A total amount of \$12,018,631 (2013: \$11,487,268) was received from the AFL comprising Club distributions, cost of living allowances and other grants and funding allowances. The Club also received from the AFL, \$600,000 (2013: \$300,000) in finals prize money.

The AFL has provided a guarantee in relation to the borrowings of Sports Facilities Management Limited (SFML). The Club has lease arrangements with SFML with respect to venue arrangements at ANZ Stadium.

The AFL contributed an amount of \$281,786 (2013: \$281,786) with respect to the Club's venue arrangements referred to above. In consideration for this contribution, the Club provided the AFL with marketing and match day arrangements.

As at 31 October 2014 a net amount payable of \$14,885 (2013: \$906,138) with respect to normal operating activities was owed by the AFL to Sydney Swans Limited.

15 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 31 October 2014 there was 1 Transitional Member, being the AFL.

In accordance with the Constitution of the company, every member of the company undertakes to contribute an amount limited to \$2 per member in the event of the winding up of the company.

The registered office of the company is:
SCG Light Tower 4
Driver Avenue
Moore Park NSW 2021

16 Events Subsequent to Reporting Date

On 21 November 2014 the company announced a 30 year agreement with the Sydney Cricket & Sports Ground Trust. The agreement commences on 1 November 2016 and specifies all Sydney Swans home matches be played at the Sydney Cricket Ground and it provides for home finals. After the initial ten year term, the company has two ten year options to extend this agreement.

Apart from the above, there are no other matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years.