

**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

**SYDNEY SWANS LIMITED**

ACN

**063 349 708**

### Reason for lodgement of statement and reports

A public company limited by guarantee who qualifies under Tier 2

Dates on which financial  
year ends

Financial year end date

**31-10-2017**

### Auditor's report

Were the financial statements audited or reviewed?

**Audited**

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

**No**

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

**No**

### Details of current auditor or auditors

Current auditor

Date of appointment **27-02-2014**

Name of auditor

**BDO EAST COAST PARTNERSHIP**

Address

**LEVEL 11  
1 MARGARET STREET  
SYDNEY NSW 2000**

## 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	Timothy Frank LAING
Date	02-03-2018

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**Sydney Swans Limited**

ABN 48 063 349 708

**Annual Financial Report  
31 October 2017**

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# 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 2017.

### 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 March 2002. Mr Pridham was appointed Chairman of Sydney Swans Limited on 12 December 2013.

#### **Robert Morgan**

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

#### **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 Heritage and Culture Committee, member of the Audit and Risk and Membership & Fan Engagement Committees. Director since March 2005.

#### **Greg Paramor**

Mr Paramor has been involved in the real estate and funds management industry for more than 40 years. He is the Managing Director of Folkestone Limited. He is a past president of the Property Council of Australia and the Investment Funds Association. He was awarded an Officer in the General Division (AO) of the Order of Australia in January 2015 for his distinguished service to the community through executive roles in a range of fields, including the not-for-profit sector and real estate and property investment industries. Director since March 2008.

#### **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 Porta Group, the Committee for Sydney, Temple Executive Search and the Clontarf Foundation.

#### **Brad Seymour**

Mr Seymour played 133 games for the Sydney Swans from 1994-2003 including the 1996 Grand Final. Following his football career Brad's career moved in to the media and he also successfully built a business development career in the insurance industry. Director since March 2015.

#### **Alexandra Goodfellow**

Alexandra Goodfellow is a Senior Client Partner, CEO & Board Services & Co Head of Financial Services at Korn Ferry. Originally from the UK and a formative career in financial public relations to now over 25 years' experience in executive search and consulting across Europe, Asia and Australasia. She is Chairman of the Westmead Children's Hospital Grace Ward and a Founding Member of the Tiffany Red Cross Committee. Director since April 2015.

# Sydney Swans Limited

## Directors' Report

### Directors (continued)

#### **Sam Mostyn**

Sam Mostyn is a non-executive director and sustainability adviser. She is Chair of Citibank Australia and Carriageworks, sits on the boards of Virgin Australia, Transurban Group and Mirvac as well as the Diversity Council of Australia, the Climate Council and Climateworks. Sam spent several years on the Boards of Reconciliation Australia, the NSW Public Education Foundation, and the National Mental Health Commission. She was a Commissioner of the Australian Football League from 2005-2016 and now sits on the board of the Goodes O'Loughlin Foundation. Sam is also a member of the Australian Faculty of the Cambridge University Program for Sustainability Leadership, Chief Executive Women and the Business & Sustainable Development Commission. Sam has previously held senior executive roles at Insurance Australia Group, Optus Communications and Cable & Wireless plc. Director since February 2017.

#### **Andrew McMaster**

Mr McMaster has 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. He was previously a Partner of KPMG for over 25 years and a Director and Treasurer of The Bradman Foundation. Andrew is Chairman of the Club's Audit and Risk Committee and Chairman of the Club's Integrity Committee. Director since 1995; appointed as Deputy Chairman in 2011. Life Member of the Sydney Swans. Resigned 23 February 2017.

#### **Timothy Worner**

Tim Worner is Chief Executive Officer of Seven West Media Limited, Australia's leading listed national multi-platform media business. Tim has over 30 years' experience in the media industry, and is also a Director and Chairman of Australian News Channel, which operates Sky News, as well as a Director of Yahoo!7, Free TV Australia, Racing.com. Director from 25 February 2016 to 6 April 2017.

### Chief Executive & Managing Director

#### **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. Andrew was appointed Director of the Sydney Swans Limited on 28 May 2015.

### Company Secretary

Tim Laing was appointed Chief Financial Officer and Company Secretary of the Sydney Swans in April 2006. Tim is a Fellow of the Certified Practising Accountants and a Fellow of the Governance Institute of Australia. Prior to joining the Sydney Swans, Tim's career was in advertising where he spent almost 30 years in various finance and management positions with global advertising agencies.

# Sydney Swans Limited

## Directors' Report

### Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 October 2017, and the number of meetings attended by each director were:

Director	Number of Meetings Attended	Number of Meetings Held*
Andrew Pridham	10	10
Andrew Ireland	10	10
Robert Morgan	9	10
Rob Pascoe	9	10
Greg Paramor	9	10
Bryan Tyson	8	10
Brad Seymour	9	10
Alexandra Goodfellow	9	10
Sam Mostyn (appointed 23 February 2017)	6	7
Andrew McMaster (resigned 23 February 2017)	1	3
Timothy Worner (resigned 6 April 2017)	2	4

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

### 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 remain financially independent 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.

# Sydney Swans Limited

## Directors' Report

### 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.

### 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



**Rob Pascoe**  
Director

Dated at Moore Park this 14<sup>th</sup> day of December 2017

**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 2017, I declare that, to the best of my knowledge and belief, there have been:

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



Paul Cheeseman  
Partner

**BDO East Coast Partnership**

Sydney, 14 December 2017



## INDEPENDENT AUDITOR'S REPORT

To the members of Sydney Swans Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Sydney Swans Limited, which comprises the statement of financial position as at 31 October 2017, the statement of profit or loss and other comprehensive income, the statement of changes in members' funds and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Company's financial position as at 31 October 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

#### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the directors' report, but does not include the financial report and our auditor's report thereon.



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - 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.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our auditor's report.

#### **BDO East Coast Partnership**

Paul Cheeseman  
Partner

Sydney, 14 December 2017

# 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 9 to 23, 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 2017 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*.



**Andrew Pridham**  
Director



**Rob Pascoe**  
Director

Dated at Moore Park this 14<sup>th</sup> day of December 2017.

Sydney Swans Limited

Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 31 October 2017

	Note	2017 \$	2016 \$
Revenue	1	50,837,971	48,919,502
Other income	1	115,611	153,683
		<hr/>	<hr/>
		50,953,582	49,073,185
		<hr/>	<hr/>
<b>Expenses</b>			
Football department expenses		(26,519,571)	(25,023,140)
Football academy expenses		(1,258,197)	(1,089,437)
Membership and match day expenses		(7,431,579)	(8,583,668)
Sponsorship and marketing expenses		(9,135,292)	(8,333,241)
Administration expenses		(4,789,821)	(4,416,374)
Depreciation and amortisation	2	(659,705)	(745,507)
Occupancy expenses		(1,054,231)	(828,594)
		<hr/>	<hr/>
<b>Profit before income tax expense</b>		105,186	53,224
Income tax expense	12(a)	-	-
		<hr/>	<hr/>
<b>Net profit after income tax expense attributable to members</b>		105,186	53,224
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
<b>Total comprehensive income for the year attributable to members</b>		105,186	53,224
		<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 23.

Sydney Swans Limited  
Statement of Financial Position  
As at 31 October 2017

	Note	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,643,480	3,332,468
Trade and other receivables	3	2,218,383	1,888,974
Inventories		56,504	50,491
Other current assets		93,683	204,605
<b>Total Current Assets</b>		<b>4,012,050</b>	<b>5,476,538</b>
<b>Non-Current Assets</b>			
Trade and other receivables	3	2,200,000	2,200,000
Plant and equipment	4	1,370,169	1,376,632
Intangible assets		113,746	233,844
<b>Total Non-Current Assets</b>		<b>3,683,915</b>	<b>3,810,476</b>
<b>Total Assets</b>		<b>7,695,965</b>	<b>9,287,014</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	5	4,187,119	5,939,918
Employee benefits	6	1,193,097	1,100,240
<b>Total Current Liabilities</b>		<b>5,380,216</b>	<b>7,040,158</b>
<b>Non-Current Liabilities</b>			
Employee benefits	6	124,744	161,037
<b>Total Non-Current Liabilities</b>		<b>124,744</b>	<b>161,037</b>
<b>Total Liabilities</b>		<b>5,504,960</b>	<b>7,201,195</b>
<b>Net Assets</b>		<b>2,191,005</b>	<b>2,085,819</b>
<b>Members' Funds</b>			
Accumulated funds		2,191,005	2,085,819
<b>Total Members' Funds</b>		<b>2,191,005</b>	<b>2,085,819</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes set out on pages 13 to 23.

Sydney Swans Limited

Statement of Changes in Members' Funds  
For the Year Ended 31 October 2017

	Accumulated Funds \$	Total Members' Funds \$
<b>Balance at 1 November 2015</b>	2,032,595	2,032,595
Net profit after income tax expense for the year	53,224	53,224
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>53,224</b>	<b>53,224</b>
<b>Balance at 31 October 2016</b>	2,085,819	2,085,819
Net profit after income tax expense for the year	105,186	105,186
Other comprehensive income for the year, net of tax	-	-
<b>Total comprehensive income for the year</b>	<b>105,186</b>	<b>105,186</b>
<b>Balance at 31 October 2017</b>	2,191,005	2,191,005

The Statement of Changes in Members' Funds should be read in conjunction with the accompanying notes set out on pages 13 to 23.

Sydney Swans Limited

Statement of Cash Flows

For the Year Ended 31 October 2017

	2017 \$	2016 \$
<b>Cash Flows From Operating Activities</b>		
Receipts from customers (inclusive of GST)	54,385,788	51,475,773
Payments to suppliers and employees (inclusive of GST)	(55,657,243)	(51,749,025)
Interest received	101,861	153,683
	<hr/>	<hr/>
<b>Net cash outflow from operating activities</b>	<b>(1,169,594)</b>	<b>(119,569)</b>
	<hr/>	<hr/>
<b>Cash Flows From Investing Activities</b>		
Payments for plant and equipment	(453,912)	(327,813)
Payments for intangible assets	(79,232)	(205,400)
Proceeds from sale of plant and equipment	13,750	-
	<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>	<b>(519,394)</b>	<b>(533,213)</b>
	<hr/>	<hr/>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,688,988)</b>	<b>(652,782)</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>	<b>3,332,468</b>	<b>3,985,250</b>
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,643,480</b>	<b>3,332,468</b>
	<hr/>	<hr/>

The Statement of Cash Flows should be read in conjunction with the accompanying notes set out on pages 13 to 23.

# Sydney Swans Limited

## Notes to the Financial Statements

### For the Year Ended 31 October 2017

## About This Report

Sydney Swans Limited is a company limited by guarantee, incorporated and domiciled in Australia and is a non-for-profit entity for the purposes of preparing the financial statements. The financial statements are for Sydney Swans Limited as a standalone legal entity.

The financial statements were approved for issue by the Directors on 14 December 2017, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial report.

The financial statements are general purposes financial statements which:

- Have been prepared in accordance with the requirements of the *Corporations Act 2001* and Australia Accounting Standards - Reduced Disclosure Requirements issued by the Australian Accounting Standards Board ('AASB');
- Have been prepared under the historical cost convention;
- Are presented in Australian dollars;
- Where necessary comparative information has been restated to conform with changes in presentation in the current year;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Company and effective for reporting periods beginning on or after 1 November 2016; and
- Have been prepared on a going concern basis.

## The notes to the financial statements

The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the company. Information is considered material and relevant if, for example:

- The amount in question is significant because of its size or nature;
- It is important for understanding the results of the company;
- It helps to explain the impact of significant changes in the company's business; and
- It relates to an aspect of the Company's operations that is important to its future performance.

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

## Critical Accounting Judgements, Estimates and Assumptions

In the process of applying the company's accounting policies, management has made a number of judgements and applied estimates of future events. Judgements and estimates that are material to the financial statements include:

Estimation of useful lives of assets    Note 4

## Key Events for the Reporting Period

### Adoption of AASB 2015-2

The Company adopted AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure initiative: Amendments to AASB 101 with a date of initial application of 1 November 2016. This has had an impact on the general form and presentation of the financial report only.



Sydney Swans Limited  
Notes to the Financial Statements  
For the Year Ended 31 October 2017

	2017 \$	2016 \$
<b>1 Revenue and Other Income</b>		
AFL distributions	14,238,876	12,340,423
AFL finals prize money	100,000	600,000
Merchandise revenue	684,370	596,405
Membership and match day	15,585,482	15,462,368
Sponsorship and marketing	18,922,637	18,566,389
Other revenue	1,306,606	1,353,917
	<hr/>	<hr/>
<b>Total Revenue</b>	50,837,971	48,919,502
	<hr/>	<hr/>
<b>Other Income</b>		
Interest received	101,861	153,683
Net profit on disposal of plant and equipment	13,750	-
	<hr/>	<hr/>
<b>Total Other Income</b>	115,611	153,683
	<hr/>	<hr/>
<b>Total Revenue and Other Income</b>	50,953,582	49,073,185
	<hr/>	<hr/>

### Recognition and Measurement

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.

#### Merchandise and Match Day Revenue

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

#### Membership, Sponsorship and Marketing Revenue

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.

#### AFL Distributions and AFL Finals

Revenue from AFL Distributions and AFL Finals 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 2017

1 Revenue and Other Income (continued)

**Other income**

**Sale of non-current assets**

The gain or loss on disposal of property, plant and equipment and/or intangibles 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 revenue at the date control of the asset passes to the buyer.

**Interest income**

Interest income 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.

	2017 \$	2016 \$
<b>2 Expenses</b>		
Profit before income tax includes the following specific expenses:		
<b>Depreciation</b>		
Furniture and equipment	305,690	244,727
Leasehold improvements	154,685	230,094
Motor vehicles	-	15,983
<b>Amortisation</b>		
Intangible assets	199,330	254,703
Total depreciation and amortisation	<u>659,705</u>	<u>745,507</u>
Minimum lease payments under operating leases	<u>1,171,581</u>	<u>919,665</u>
<b>Employee benefits expenses</b>		
Salaries and wages	24,462,384	22,789,550
Defined contribution superannuation expense	1,527,942	1,461,841
Other employee benefits expense	1,804,549	1,808,348
Increase in liability for employee benefits	56,564	87,526
Total employee benefits expenses	<u>27,851,439</u>	<u>26,147,265</u>

Sydney Swans Limited  
Notes to the Financial Statements  
For the Year Ended 31 October 2017

	2017 \$	2016 \$
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
Trade receivables	1,992,755	1,926,240
Less: Provisions for impairment	(54,274)	(143,152)
	<hr/>	<hr/>
	1,938,481	1,783,088
Other receivables	279,902	105,886
	<hr/>	<hr/>
Total current trade and other receivables	2,218,383	1,888,974
	<hr/>	<hr/>
<b>Non-Current</b>		
Loans to related parties (refer to note 9)	2,000,000	2,000,000
Loans to employees	299,205	299,205
Less: Provisions for impairment	(99,205)	(99,205)
	<hr/>	<hr/>
Total non-current trade and other receivables	2,200,000	2,200,000
	<hr/>	<hr/>
Movement in the provision for impairment of receivables is as follows:		
Opening balance	242,357	143,160
(Reduction)/additional provisions recognised	(88,878)	99,197
	<hr/>	<hr/>
Closing balance	153,479	242,357
	<hr/>	<hr/>

**Recognition and Measurement**

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 related parties and 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.

Sydney Swans Limited  
Notes to the Financial Statements  
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	2017 \$	2016 \$
<b>4 Plant and Equipment</b>		
Leasehold improvements		
At cost	4,227,629	4,220,379
Accumulated amortisation	(3,639,771)	(3,485,086)
	587,858	735,293
Furniture and equipment		
At cost	2,339,401	1,892,739
Accumulated depreciation	(1,557,090)	(1,251,400)
	782,311	641,339
Motor vehicles		
At cost	158,766	204,430
Accumulated depreciation	(158,766)	(204,430)
	-	-
Total plant and equipment net book value	1,370,169	1,376,632

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:

<b>Leasehold Improvements</b>		
Carrying amount at beginning of year	735,293	921,164
Additions	7,250	44,223
Amortisation charge	(154,685)	(230,094)
Carrying amount at end of year	587,858	735,293
<b>Furniture and Equipment</b>		
Carrying amount at beginning of year	641,339	602,476
Additions	446,662	283,590
Depreciation charge	(305,690)	(244,727)
Carrying amount at end of year	782,311	641,339

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4 Plant and Equipment (continued)

**Recognition and Measurement**

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 20 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.

**Key Estimate and Judgement: Estimated Useful Lives of Assets**

The company determines the estimated useful lives and related depreciation and amortisation charges for its 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.

Sydney Swans Limited  
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	2017 \$	2016 \$
<b>5 Trade and Other Payables</b>		
Trade payables	1,317,022	2,355,632
Other creditors and accruals	1,577,734	1,817,430
Income received in advance	1,292,363	1,766,856
	<hr/> 4,187,119	<hr/> 5,939,918

**Recognition and Measurement**

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.

Trade and other payables include income received in advance which represents sponsorship revenue received in advance of subsequent financial years and has therefore been deferred.

**6 Employee Benefits**

Current	1,193,097	1,100,240
	<hr/>	<hr/>
Non-current	124,744	161,037
	<hr/>	<hr/>

**Contributions**

The company is under a legal obligation to contribute 9.5% (2016: 9.5%) of each employee's base salary to a superannuation fund.

**Recognition and Measurement**

**Short-term employee benefits**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Other long-term employee benefits**

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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6 Employee Benefits (continued)

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.

7 Commitments

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

	2017 \$	2016 \$
Less than one year	2,143,376	1,886,838
Between one and five years	6,327,867	6,551,182
More than five years	5,636,923	6,945,056
	14,108,166	15,383,076

8 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 (resigned 23 February 2017)  
Andrew Ireland  
Robert Morgan  
Rob Pascoe  
Greg Paramor  
Bryan Tyson  
Brad Seymour  
Alexandra Goodfellow  
Sam Mostyn (appointed 23 February 2017)  
Timothy Worner (resigned 6 April 2017)

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8 Key Management Personnel Details (continued)

(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 & Managing Director
Tim Laing	Chief Financial Officer
Tom Harley	General Manager - Football
John Longmire	Senior Coach

(c) Key Management Personnel Compensation

The key management personnel compensation included in Employee benefits expenses in Note 2 is as follows:

	2017 \$	2016 \$
Aggregate compensation	2,438,550	2,239,951

9 Related Parties

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. The non-executive directors did not receive any remuneration during the year or in the prior year.

In a prior year, Sydney Swans Limited provided a loan to the Sydney Swans Foundation of \$2,000,000 which remains receivable at year end (refer to note 3). The loan attracts interest at the official cash rate plus a margin of 1.75% and is repayable at a later date as deemed by the Lender. The Sydney Swans Limited has classified the loan receivable as non-current as the loan will not be required to be repaid within the next financial year. During the year, \$68,370 of interest was received from the Sydney Swans Foundation in relation to this loan (2016: \$75,205).

Sydney Swans Limited has provided two loans to a member of the key management personnel totalling \$299,205 which remains receivable at year end (refer to note 3). The loan is interest free and repayable upon termination of employment. The Sydney Swans Limited has classified the loan receivable as non-current as the loan will not be required to be repaid within the next financial year. In the prior year, a provision of \$99,205 was recorded against one of the loan receivables.

During the year Sydney Swans Foundation provided a distribution of \$479,000 (2016: \$520,000) to Sydney Swans Limited. The distribution is to support the continued success of the Sydney Swans Academy, football department and development of rookie players. These amounts are disclosed in Other Revenue within Note 1.

Apart from the above, no director or related party 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.



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**9 Related Parties (continued)**

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 above.

Australian Football League (AFL)

A total amount of \$14,238,876 (2016: \$12,340,423) was received from the AFL comprising Club distributions, allowances and other grants and funding allowances. The Club also received \$100,000 (2016: \$600,000) from the AFL in finals prize money.

As at 31 October 2017 a net amount payable of \$516,452 (2016: \$179,644) with respect to normal operating activities was owed by the AFL to Sydney Swans Limited.

**10 Company Details**

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 31 October 2017 there was one 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

**11 Events Subsequent to Reporting Date**

There are no 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.

**12 Summary of Other Significant Accounting Policies**

The other significant 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.

**(a) 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.

**(b) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs have been assigned to inventory quantities on hand at balance date using the weighted average basis.

**(c) Cash and cash equivalents**

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.

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(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 is 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) Intangible assets

Intangible assets represent commercial operations and performance management databases. 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