Australian Securities & Investments Commission

Australian Securities & Investments Commission
028832274

Form 388
Corporations Act 2001
294, 294B, 295, 298-301, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08, 2M.3.01, 2M.3.03

Copy of financial statements and reports

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company/scheme details

Company/scheme name
GCFC LIMITED

ACN/ARSN/PIN/ABN
47 144 555 822

TRA

Lodgement details

An image of this form will be available as part of the public register.

Who should ASIC contact if there is a query about this form?

ASIC registered agent number (if applicable)

31 JAN 2014

Firm/organisation
GCFC LIMITED

Contact name/position description
M MALLINSON / CFO

Telephone number (during business hours)
(07) 5510 6034

Email address (optional)

Postal address
PO BOX 4952

Suburb/City
GOLD COAST MC

State/Territory
QLD

Postcode
9726

1 Reason for lodgement of statement and reports

Tick appropriate box.

- [x] A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking (A)

See Guide for definition of Tier 2 public company limited by guarantee

- [ ] A Tier 2 public company limited by guarantee (L)
- [ ] A registered scheme (B)
- [ ] Amendment of financial statements or directors' report (company) (C)
- [ ] Amendment of financial statements or directors' report (registered scheme) (D)

See Guide for definition of large proprietary company

- [ ] A large proprietary company that is not a disclosing entity (H)

See Guide for definition of small proprietary company

- [ ] A small proprietary company that is controlled by a foreign company for all or part of the period and where the company's profit or loss for the period is not covered by the statements lodged with ASIC by a registered foreign company, company, registered scheme, or disclosing entity (I)
- [ ] A small proprietary company, or a small company limited by guarantee that is requested by ASIC to prepare and lodge statements and reports (J)
- [ ] A prescribed interest undertaking that is a disclosing entity (K)

Dates on which financial year begins and ends

Financial year begins 01/11/12 [D D] [M M] [Y Y] to Financial year ends 31/10/13 [D D] [M M] [Y Y]

2 Details of large proprietary company

See Guide for definition of large and small proprietary companies.

If the company is a large proprietary company that is not a disclosing entity, please complete the following information as at the end of the financial year for which the financial statements relate:

A What is the consolidated revenue of the large proprietary company and the entities that it controls?

B What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?

C How many employees are employed by the large proprietary company and the entities that it controls?

D How many members does the large proprietary company have?

3 Auditor's or reviewer's report

Tick one box and complete relevant section(s)

Were the financial statements audited or reviewed?

- [x] Audited - complete **B** only
- [ ] Reviewed - complete **A** and **B**
- [ ] No

If no, is there a class or other order exemption current for audit/review relief?

- [ ] Yes
- [ ] No

A. Reviewed

Is the reviewer a registered company auditor, or member of The Institute of Chartered Accountants in Australia, CPA Australia Limited, or Institute of Public Accountants and holds a practising certificate issued by one of those bodies?

- [ ] Yes
- [ ] No

B. Audited or Reviewed

Is the opinion/conclusion in the report:

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

- [ ] Yes
- [x] No

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

- [ ] Yes
- [x] No

4 Details of current auditor or auditors

Notes:

- Registered schemes must advise ASIC of the appointment of an auditor on a Form 5137 *Appointment of scheme auditor* within 14 days of the appointment of the auditor.
- A public company limited by guarantee may, in some circumstances, have their accounts reviewed. These companies are still required to have an auditor and these details must be provided.

Auditor registration number *(for individual auditor or authorised audit company)*
2957

Family name

Given name

or

Company name
KPMG - GOLD COAST

ACN/ABN
51 194 660 183

or

Firm name (if applicable)

Office, unit, level

Street number and Street name

Suburb/City

State/Territory

Postcode

Country (if not Australia)

Date of appointment
14/01/13
[D D] [M M] [Y Y]

A company may have two appointed auditors, provided that both auditors were appointed on the same date. Otherwise, an appointed auditor must resign, be removed or otherwise ceased before a subsequent appointment may be made.

Auditor registration number *(for individual auditor or authorised audit company)*

Family name

Given name

or

Company name

ACN/ABN

or

Firm name (if applicable)

Office, unit, level

Street number and Street name

Suburb/City

State/Territory

Postcode

Country (if not Australia

5 Statements and reports to be attached to this form

Financial statements for the year (as required by s295(2) and accounting standards)

- Statement of comprehensive income, may also include a separate income statement for the year
- Statement of financial position as at the end of the year
- Statement of cash flows for the year
- Statement of changes in equity.

OR

If required by accounting standards — the consolidated statements of comprehensive income/income statement, financial position, cash flows and changes in equity.

Notes to financial statements (see s295(3))

- Disclosures required by the regulations
- Notes required by the accounting standards
- Any other information necessary to give a true and fair view (see s297).

The signed directors' declaration about the statements and notes (see s295(4)).

The signed directors' report for the year, including the copy of the auditor's or reviewer's independence declaration (see s298 to s300A).

Signed auditor's report or, where applicable, reviewer's report (see s301, s307 to s308).

Concise report (if any) (see s319).

Signature

See Guide for details of signatory.

I certify that the attached documents marked ( ) are a true copy of the original reports required to be lodged under s319 of the *Corporations Act 2001*.

Name

TRAVIS AULD

Signature

Capacity

☐ Director

☑ Company secretary

Date signed

2 4 / 0 1 / 1 4
[D D] [M M] [Y Y]

Lodgement

Send completed and signed forms to:
Australian Securities and Investments Commission,
PO Box 4000, Gippsland Mail Centre VIC 3841.

Or lodge the form electronically by:

- visiting the ASIC website www.asic.gov.au
- using Standard Business Reporting enabled software. See www.sbr.gov.au for more details.

For more information

Web www.asic.gov.au
Need help? www.asic.gov.au/question
Telephone 1300 300 630

GCFC Limited
ABN 47 144 555 822

Annual Financial Report

31 October 2013

Contents

Directors' report

The Directors present their report together with the financial report of GCFC Limited ('the Club') for the year ended 31 October 2013 and the auditor's report thereon.

Directors

The Directors of the Club at any time during or since the end of the year and to the date of the report are:
Mr John Witheriff (Chairman)
Mr Kerry Robert East
Mr Robert Henry Gordon
Mr Alan Graham Mackenzie
Ms Janelle Manders
Mr Paul Darren Scurrah
Mr Dale Robert Dickson (resigned 5 March 2013)
Mr Anthony John Cochrane (appointed 28 March 2013)

Information on Directors

Mr John Witheriff	
Experience	Chairman appointed 10 June 2010
Qualifications	Managing Partner of Gold Coast law firm Minter Ellison Chairman of the GC17 bid team that that helped turn a vision for AFL football on the Gold Coast into a reality Chairman of GoldLinQ Limited – Builder and operator of the $1bn Gold Coast Light Rail Project
Special Responsibilities	Chairman of Board of Directors Ex Officio member of Audit & Risk Committee
Mr Kerry Robert East	
Experience	Director appointed 10 June 2010
Qualifications	CEO Mantra Group, board member of Gold Coast Tourism, Tourism and Transport Forum, Tourism Accommodation Australia and is Chair of the Tourism and Transport Forum's Hotel Industry Panel
Special Responsibilities	-
Mr Robert Henry Gordon	
Experience	Director appointed 10 June 2010
Qualifications	Retired Editor-in-Chief of the Gold Coast Bulletin with 50 years in journalism
Special Responsibilities	-
Mr Alan Graham Mackenzie	
Experience	Director appointed 10 June 2010
Qualifications	President of Southport Football Club for more than 34 years Former Club Doctor, selector and match committee chairman of Brisbane Bears / Lions A life member of AFL Queensland Member QAFL Hall of Fame
Special Responsibilities	Chairman Football Sub Committee
Ms Janelle Manders	
Experience	Director appointed 6 July 2010
Qualifications	Managing Partner of Gold Coast office of HLB Mann Judd Accountants Member of Australian Institute of Company Directors Gold Coast Committee, and Director of Varsity Lakes Financial Services Ltd
Special Responsibilities	Chairman of Audit and Risk Committee

Directors' report

Mr Paul Darren Scurrah	
Experience	Director appointed 6 July 2010
Qualifications	Managing Director and Chief Executive Officer of DP World Australia Limited Chairman of Australian Tourism Data Warehouse Limited Over 20 years experience in transport, tourism and customer service
Special Responsibilities	Member Audit and Risk Committee

Mr Dale Robert Dickson	
Experience	Director appointed 19 May 2011 (resigned 5 March 2013)
Qualifications	CEO of Gold Coast City Council Former AFL player (Melbourne Football Club & Brisbane Bears)
Special Responsibilities	Member Audit and Risk Committee

Mr Anthony John Cochrane	
Experience	Director appointed 29 March 2013
Qualifications	Founding Director of IEC Director of IEC UK Director of Backstage Australia Founding Executive Chairman of V8 Supercars Australia – retired Founding Director of Sports & Entertainment Limited - retired
Special Responsibilities	-

Directors' meetings

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

	Board Meetings	
	A	**B**
Mr John Witheriff	11	11
Mr Kerry Robert East	11	9
Mr Robert Henry Gordon	11	11
Mr Alan Graham Mackenzie	11	9
Ms Janelle Manders	11	11
Mr Paul Darren Scurrah	11	9
Mr Dale Robert Dickson	3	2
Mr Anthony Cochrane	7	4

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

B Number of meetings attended

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.

Directors' report

Principal activities and objectives
The principal activity of the Club is the promotion, administration and development of Australian Rules Football and management of the Gold Coast Football Club.

The Club's short term objectives are to:

- Continue to invest in the development of the playing group
- Grow the membership base and increase the supporter base of the Club
- Enhance and grow the level of commercial returns
- Continue to engage, invest and deliver quality outcomes within the community
- Attract more events to Metricon Stadium
- The construction of a permanent training and administration facility for the Club

The Club's longer term objectives are to:

- Maintain a high performance program to deliver on-field success
- Grow membership, supporter base and match day attendances
- Develop a platform for ongoing financial stability through maximising existing revenues and indentifying new revenue streams
- Maximise returns from Metricon Stadium through AFL and non-AFL events
- Continue to engage, invest and deliver quality outcomes within the community

The Club continually monitors the performance of its objectives and strategies within its business plan.

Operating and financial review
The net profit / (loss) of the Club for the year ended 31 October 2013 was $62,533 (2012: ($1,401,168)).
The Club derived its revenue mainly from grants received from the Australian Football League, corporate sponsorships, corporate hospitality, membership and ticket sales.

The Club's strategy is to build a high performance team that achieves on-field success in the Australian Football League. The Club also aims to assist in increasing participation and support for Australian Rules Football within the Queensland region.

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 year under review not otherwise disclosed in this report or the financial statements.

The Club will continue to be financially dependent upon the support of the AFL (Australian Football League) in the future.

Events subsequent to balance date
There has not arisen in the interval between the end of the 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, except as disclosed in this report.

Directors' report

Likely developments

The Club will continue to focus its efforts on achieving its short and long term objectives.

Directors' benefits & interests

During the year, the Club used the legal services of Minter Ellison, of which John Witheriff is a partner and accommodation at various Mantra Group hotels, of which Kerry East is Group CEO. Amounts were billed based on normal market rates for these types of services and were due and payable under normal payment terms.

Since incorporation, no other 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 or with a firm of which a Director is a member, or with an entity in which a Director has a substantial interest.

Members' Guarantee

The Club is a company limited by guarantee to the extent of $2.00 for each member. As at 31 October 2013, there was 1 voting member.

Dividends

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

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 Directors' report for the year ended 31 October 2013.

Indemnification and insurance of officers and auditors

Indemnification

The Club has not, during or since the end of the year, in respect of any person who is or has been an auditor of the Club or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred, including costs and expenses in successfully defending legal proceedings.

The Club has, in respect of any person who is or has been an officer or director of the Club, indemnified against a liability incurred as an officer or director, including costs and expenses in successfully defending legal proceedings, to the extent permitted by law and the prohibitions in section 199A of the *Corporations Act* 2001.

Directors' report

Insurance premiums

The insurance premiums in respect of Directors' and Officers' liability and legal expenses' insurance contracts, for current and former Directors and Officers including executive officers of the Club and Directors have been paid by the Club.

Signed at Carrara this 28th day of January 2014.

Signed in accordance with a resolution of the Directors.

....

Mr John Witheriff
Chairman

....

Ms Janelle Madders
Director

KPMG

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

To: the directors of GCFC Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 October 2013 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

Adam Twemlow
Partner

Gold Coast

28 January 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013	2012
		$	$
Revenue	2	31,926,726	29,059,478
Expenses			
Administration expenses		3,485,325	3,770,262
Cost of goods sold		408,195	415,991
Depreciation & amortisation expenses		207,899	174,555
Employee expenses	3	19,645,874	18,504,054
Football operations expenses		1,168,581	1,127,133
Advertising & promotion expenditure		690,193	658,232
Sponsor & match day activation		3,355,311	3,257,257
Travel expenses		375,125	362,320
Lease expense		1,650,000	1,184,577
Maintenance expenses		967,710	1,034,042
Other expenses		13,295	63,446
Net profit / (loss) before net finance income		(40,780)	(1,492,392)
Finance income	4	103,313	91,223
Finance expenses		-	-
Net finance income		103,313	91,223
Other comprehensive income for the period		-	-
Total comprehensive income / (loss) for the period		62,533	(1,401,168)

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 26.

STATEMENT OF FINANCIAL POSITION

AS AT 31 OCTOBER 2013

	Note	2013	2012
		$	$
Current Assets			
Cash and cash equivalents	6	734,963	1,401,282
Trade and other receivables	7	2,058,471	1,798,473
Inventory – Merchandise	8	71,994	84,762
Prepayments		414,462	147,266
Total current assets		3,279,889	3,431,783
Non - current Assets			
Property, plant and equipment	9	783,115	881,061
Other assets	10	1,875,000	1,125,000
Total non-current assets		2,658,115	2,006,061
Total assets		5,938,005	5,437,844
Current Liabilities			
Trade and other payables	11	1,776,219	2,990,665
Deferred income	12	969,893	443,127
Provisions	13	439,773	197,543
Total current liabilities		3,185,884	3,631,335
Non- current Liabilities			
Provisions	13	2,142,802	1,259,723
Total non-current liabilities		2,142,802	1,259,723
Total liabilities		5,328,686	4,891,058
Net assets		609,319	546,786
Equity			
Retained earnings	14	609,319	546,786
Issued capital	15	-	-
Total equity		609,319	546,786

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 26.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2013

	2013	2012
	$	$
Total equity at the beginning of the financial period	546,786	1,947,954
Total comprehensive income for the period	62,533	(1,401,168)
Total equity at the end of the financial period	609,319	546,786

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 26.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013	2012
		$	$
Cash flows from operating activities			
Cash receipts in the course of operations		34,287,916	33,498,756
Cash payments in the course of operations		(34,947,595)	(33,275,647)
Net cash provided by/(used in) operating activities	16(ii)	(659,679)	223,109
Cash flows from investing activities			
Payments for property plant and equipment		(109,953)	(137,612)
Interest received		103,313	91,223
Net cash provided by/(used in) investing activities		(6,640)	(46,389)
Cash flows from financing activities		-	-
Net cash used in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents held		(666,319)	176,720
Cash and cash equivalents at the beginning of the financial period		1,401,282	1,224,562
Cash and cash equivalents at end of the financial period	16(i)	734,963	1,401,282

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements set out on pages 11 to 26.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013

GCFC Ltd ("the Club") was incorporated on 10 June 2010. The address of the Club's registered office is Metricon Stadium, Nerang-Broadbeach Road, Carrara QLD. The financial statements of the Club are for the year ended 31 October 2013.

The Club is primarily involved in administering and managing the Gold Coast Football Club.

The financial report was authorised for issue by the Board of Directors on 28 January 2014. The Club is a company domiciled in Australia.

1 Statement of significant accounting policies

(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.

This financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

It has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or fair values of assets.

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 by the Club.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period 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 disclosed in the following note:

- Note 7 – Trade and other receivables (impairment losses)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

1 Statement of significant accounting policies (continued)

(b) Basis of preparation (continued)

The following standards have been identified as ones which may impact the Club in the period of initial application. They are available for early adoption at 31 October 2013, but have not been applied in preparing this financial report:

AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows and introduces additions relating to financial liabilities. The Club has not yet determined the potential effect of these standards.

AASB 13 Fair Value Measurement (2011)

AASB 13 provides guidance on how to measure and apply fair value accounting when required by other AASB's. AASB 13 will become mandatory for the Club's 31 October 2014 financial statements. Prospective application will only be required. The Club has not yet determined the potential effect of the standard.

AASB 119 Employee Benefits (2011)

AASB 119 changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. AASB 119 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted. The Club is yet to assess the impact of this standard.

(c) 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 are not of the same nature are recognised as revenue at the notional fair value of the goods or services.

Trading Operations

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.

AFL Grants

AFL grants are recognised as revenue in the income statement in accordance with the period to which the AFL funding agreement relates.

Sponsorship & Supply Rights Revenue

Sponsorship 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

1 Statement of significant accounting policies (continued)

(c) Revenue recognition (continued)

Membership Income

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

(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 (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 Australian Taxation Office ("ATO") is included as a current asset and liability in the Statement of Financial Position.

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.

(e) 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 the promotion, administration and development of Australian Rules Football.

(f) Receivables

Trade and other receivables are stated at their amortised cost less any impairment loss.

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

(g) Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs (see below). Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income / other expenses in profit or loss. When revalued assets are sold, any related amounts included in the revaluation reserve are transferred to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

1 Statement of significant accounting policies (continued)

(g) Property, plant and equipment (continued)

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Club, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation and amortisation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Club will obtain ownership by the end of the lease term. Land is not depreciated.

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

Straight line method

Plant and equipment	10% to 20%
Furniture and fittings	10%
Leasehold Improvements	5% to 10%

(h) 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.

(i) 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 2013, there was 1 voting member.

The Memorandum of Association prevents the distribution of retained profits or payment of dividends to members.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

1 Statement of significant accounting policies (continued)

(j) 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.

(k) Financial risk management

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

1 Statement of significant accounting policies (continued)

(l) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Club on terms that the Club would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Club considers evidence of impairment for receivables.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Club's non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Club's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (or group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

1 Statement of significant accounting policies (continued)

(m) 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.

(n) Leases

Leases in terms of which the Club assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Club's statement of financial position.

o) Provisions

A provision is recognised if, as a result of a past event, the Club has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

		2013	2012
		$	$
2	**Revenue**		
	Grant income	16,873,517	13,634,149
	Sponsorship & supply rights income	5,839,834	6,365,454
	Membership & ticketing income	6,335,392	6,363,211
	Merchandise sales	743,389	711,182
	Other trading operations	2,134,595	1,985,482
		31,926,726	29,059,478
3	**Employee expenses**		
	Wages and salaries	18,311,275	17,417,276
	Superannuation expenses	1,179,234	1,026,140
	Annual leave expense	22,286	14,317
	Long service leave expense	133,079	46,321
		19,645,874	18,504,054
4	**Finance income and expense**		
	Finance income on bank deposits	103,313	91,223
	Finance expense	-	-
		103,313	91,223
5	**Auditor's remuneration**		
	Audit services		
	KPMG Australia:		
	Audit and review of the financial report	36,250	35,000
	Other audit services	7,500	7,000
		43,750	42,000
	Other services		
	KPMG Australia:		
	Taxation and other services	7,000	6,500
		7,000	6,500
6	**Cash and cash equivalents**		
	Cash on hand	1,600	1,600
	Cash at bank	733,363	1,399,682
		734,963	1,401,282

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

		2013	2012
		$	$
7	**Trade and other receivables**		
	Trade receivables	710,840	1,445,940
	Less: provision for impairment losses	(13,403)	(66,087)
	Other trade receivables	1,233,355	300,090
	GST receivable	127,679	118,530
		2,058,471	1,798,473

During the year the Director's assessed the recoverability of trade and other receivables and recorded impairment losses of $13,403 in respect of debtors outstanding at 31 October 2013 (2012: $66,087).

		2013	2012
8	**Inventory – merchandise**	71,994	84,762
9	**Property, plant and equipment**		
	Plant and equipment		
	At cost	936,757	828,057
	Less: accumulated depreciation	(464,392)	(279,937)
	Net book value	472,365	548,120
	Furniture and fittings		
	At cost	31,230	29,977
	Less: accumulated depreciation	(15,821)	(10,469)
	Net book value	15,409	19,508
	Leasehold Improvements		
	At cost	342,215	342,215
	Less: accumulated depreciation	(46,874)	(28,782)
	Net book value	295,341	313,433
	Work in Progress	-	-
	Carrying amount at end of period	783,115	881,061

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

		2013	2012
		$	**$**
9	**Property, plant and equipment (continued)**		
	Plant and equipment		
	Carrying amount at beginning of period	548,120	669,468
	Additions/Transfers	108,700	126,132
	Disposals	-	(101,681)
	Depreciation	(184,455)	(145,799)
	Carrying amount at end of period	472,365	548,120
	Furniture and fittings		
	Carrying amount at beginning of period	19,508	24,764
	Additions	1,253	-
	Disposals	-	-
	Depreciation	(5,352)	(5,256)
	Carrying amount at end of period	15,409	19,508
	Leasehold Improvements		
	Carrying amount at beginning of period	313,433	325,452
	Additions	-	11,480
	Disposals	-	-
	Depreciation	(18,092)	(23,499)
	Carrying amount at end of period	295,341	313,433
	Work in Progress		
	Carrying amount at beginning of period	-	5,352
	Additions	-	-
	(Disposals)/ Transfers	-	(5,352)
	Depreciation	-	-
	Carrying amount at end of period	-	-
		783,115	881,061

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

		2013	2012
		$	$
10	**Other assets**		
	Stadium sinking fund bank account	1,875,000	1,125,000
		1,875,000	1,125,000

As outlined in Note 13, the Club is required to provide through a sinking fund for annual commitments not paid during the period as outlined in the Venue Management Agreement. This Other Asset represents funds deposited into a sinking fund account that will be required to satisfy the provision as detailed in Note 13. As such, these funds are not considered part of the Club's working capital and will not be used for any other purpose other than to satisfy the Club's obligations under the Venue Management Agreement, which have been fully provided for at year end.

		2013	2012
11	**Trade and other payables**		
	Trade payables	420,323	1,114,811
	GST taxable supply	107,576	189,770
	Other payables and accruals	1,248,320	1,686,084
		1,776,219	2,990,665
12	**Deferred Income**		
	Current		
	Deferred income – Corporate Hospitality	967,526	440,042
	Merchandise gift vouchers	2,367	3,085
		969,893	443,127
13	**Provisions**		
	Current		
	Provision for annual leave	219,829	197,543
	Stadium sinking fund provision	219,944	-
		439,773	197,543
	Non-current		
	Provision for long service leave	267,802	134,723
	Stadium sinking fund provision	1,875,000	1,125,000
		2,142,802	1,259,723

As venue manager of Metricon Stadium, the Club is committed to provide through a sinking fund for annual commitments not paid during the period as outlined in the Venue Management Agreement which expires on 30 May 2021. Refer Note 22 for lease commitments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

	Employee numbers	68	67
14	**Retained earnings**		
	Retained earnings at the beginning of the financial period	546,786	1,947,954
	Net profit/(loss) for the period	62,533	(1,401,168)
	Retained earnings at the end of the financial period	609,319	546,786

15 **Member's Guarantee**

The Club is limited by guarantee. The Club's constitution states that if the Club is wound up, the current members and those who have resigned within one year will be required to contribute a maximum of $2.00 each towards meeting any outstanding obligations of the Club contracted before the time at which he or she ceased to be a member. At 31 October 2013 there was one voting member.

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

For the purposes of the statement of cash flows, cash includes cash on hand and at bank, net of outstanding bank overdrafts. 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:

(i)	**Reconciliation of cash**	**2013**	**2012**
		$	**$**
	Cash at bank and on hand	734,963	1,401,282
		734,963	1,401,282

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

(ii)

	2013	2012
	$	**$**
Reconciliation of profit/(loss) from operating activities after income tax to net cash provided by/(used in) operating activities		
Profit/(loss) from operating activities	62,533	(1,401,168)
Add non-cash items:		
Depreciation	207,899	174,555
Interest received	(103,313)	(91,223)
Disposal of non-current assets	-	107,033
Change in assets and liabilities during the financial period:		
(Increase)/decrease in receivables	(259,999)	2,396,719
(Increase)/decrease in inventory	12,768	118,471
(Increase)/decrease in prepayments	(267,196)	139,711
(Increase)/decrease in other assets	(750,000)	(1,125,000)
Increase/(decrease) in provisions	1,125,309	810,638
Increase/(decrease) in payables	(1,214,446)	(954,087)
Increase/(decrease) in deferred income	526,766	47,460
Net cash provided by/(used in) operating activities	(659,679)	223,109

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

17 Key management personnel 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	Superannuation benefits	Total
		$	$	$
Directors Non-executive	**2013**	-	-	-
	2012	-	-	-
Directors Executive	**2013**	-		-
	2012	-	-	-
Executives	**2013**	**2,175,003**	**121,470**	**2,296,473**
	2012	1,588,704	92,995	1,681,699
Total compensation:	**2013**	**2,175,003**	**121,470**	**2,296,473**
Key management personnel	2012	1,588,704	92,995	1,681,699

Executives and key management personnel of the Club include the Chief Executive Officer and departmental General Managers appointed to the executive management team.

18 Related parties

Directors' transactions with the Club
No directors have elected to receive any remuneration for their services as a director of the Club during the current or previous financial periods.

Transactions with related parties
During the year the Club used the legal services of Minter Ellison, of which John Witheriff is a partner. Amounts paid to Minter Ellison during the year were $6,447 (2012: nil), of which there was nil outstanding at year end (2012: nil). The Club used accommodation at various Mantra Group hotels, of which Kerry East is Group CEO. Amounts paid to the Mantra Group during the year were $5,247 (2012: $15,317), of which there was nil outstanding at year end (2012: nil).

19 Economic dependency
The Club's continuous operations are dependent upon the receipt of grants from the AFL. Over a 7 year period from 2010 to 31 October 2016, the AFL have committed to provide funding to the Club through base distributions and establishment funding.

20 Contingent Liabilities
As at 31 October 2013 there were no contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

21 Financial 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	2013 $	2012 $
Cash and cash equivalents	6	734,963	1,401,282
Stadium sinking fund	10	1,875,000	1,125,000
Trade and other receivables	7	2,058,471	1,798,473
		4,668,434	4,324,755

Impairment losses

The aging of trade receivables at reporting date was:

	2013		2012	
	Gross	Impairment	Gross	Impairment
	$	$	$	$
Current	326,901		1,000,707	-
Past due 0-30 days	39,576		275,131	-
Past due 31-60 days	10,336		51,232	-
Past due 61+ days	334,027	(13,403)	118,870	(66,087)
	710,840	(13,403)	1,445,940	(66,087)

(b) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	6 months or less	6-12 months	More than 12 months
2013					
Trade and other payables	1,776,219	1,776,219	1,776,219		
2012					
Trade and other payables	2,990,665	2,990,665	2,990,665	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

21 Financial 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:

	2013	2012
	$	$
Floating rate instruments		
Financial assets	2,609,963	2,526,282
Financial liabilities	-	-

(d) Interest rates

The interest rates earned on the Club's financial assets are outlined below:

	Note	Average Interest Rate 2013	Average Interest Rate 2012
Interest bearing financial assets			
Cash at bank	6	2.70%	3.98%
Stadium sinking fund account	10	2.70%	3.98%

Sensitivity analysis

A change of 100 basis points in interest rates at reporting date would have increased/(decreased) equity and loss for the period by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for the comparative period.

	2013	2012
	$	$
Impact on profit/(loss) for the period	26,100	25,263

22 Lease Commitments

As venue manager of Metricon Stadium, the Club is committed to stadium financial commitments over the period of the venue management agreement to 30 May 2021.

	2013	2012
	$	$
Leasehold		
Less than one year	1,650,000	1,630,651
Between one and five years	6,600,000	6,600,000
More than five years	4,950,000	4,950,000
	13,200,000	13,180,651

Directors' declaration

In the opinion of the directors of GCFC Limited ('the Club'):

(a) the financial statements and notes, set out on pages 7 to 26 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 2013 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards 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.

Dated at Carrara this 28th day of January 2014.

Signed in accordance with a resolution of the directors;

Mr John Witheriff
Chairman

Ms Janelle Manders
Director

KPMG

Independent auditor's report to the members of GCFC Limited

Report on the financial report

We have audited the accompanying financial report of GCFC Limited ('the Company'), which comprises the statement of financial position as at 31 October 2013, 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 company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal 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 Company'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.