



TRA
23 MAR 2014

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
SYDNEY SWANS LIMITED

ACN/ARSN/PIN/ABN
48063 349 708

Lodgement details

Who should ASIC contact if there is a query about this form?
ASIC registered agent number (if applicable)
[]

Firm/organisation
SYDNEY SWANS LIMITED

Contact name/position description
TIM LAING / SECRETARY

Telephone number (during business hours)
(02) 9339 9172

Email address (optional)
laingt@sydneyswans.com.au

Postal address
P.O. BOX 173

Suburb/City
PADDINGTON

State/Territory
NSW

Postcode
2021

1 Reason for lodgement of statement and reports

Tick appropriate box.

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

See Guide for definition of large proprietary company

See Guide for definition of small proprietary company

Dates on which financial year begins and ends

<input checked="" type="checkbox"/>	A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking	(A)
<input type="checkbox"/>	A Tier 2 public company limited by guarantee	(L)
<input type="checkbox"/>	A registered scheme	(B)
<input type="checkbox"/>	Amendment of financial statements or directors' report (company)	(C)
<input type="checkbox"/>	Amendment of financial statements or directors' report (registered scheme)	(D)
<input type="checkbox"/>	A large proprietary company that is not a disclosing entity	(H)
<input type="checkbox"/>	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)
<input type="checkbox"/>	A small proprietary company, or a small company limited by guarantee that is requested by ASIC to prepare and lodge statements and reports	(J)
<input type="checkbox"/>	A prescribed interest undertaking that is a disclosing entity	(K)

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

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

No

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

Yes

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)

Family name: _____ Given name: _____

or

Company name: _____

ACN/ABN: _____

or

Firm name (if applicable): **BDO EAST COAST PARTNERSHIP**

Office, unit, level: **LEVEL II**

Street number and Street name: **1 MARGARET STREET**

Suburb/City: **SYDNEY** State/Territory: **NSW** Postcode: **2000**

Country (if not Australia): _____

Date of appointment: **27/02/14**
[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

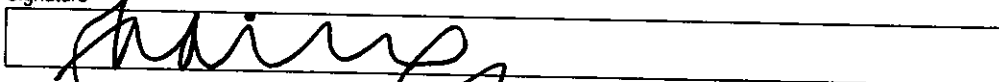
See Guide for details of signatory.

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

TIMOTHY FRANK LAING

Signature



Capacity

- Director
 Company secretary

Date signed

28/02/14

[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.

For more information

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

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.

Sydney Swans Limited

ACN 063 349 708

Annual Financial Report

for the year ended 31 October 2013

Sydney Swans Limited DIRECTORS' REPORT

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

Directors

The directors of the Club at anytime during or since the end of the financial year are:

Richard Colless AM – Chairman

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

Andrew McMaster – Deputy Chairman

Mr McMaster is a Bachelor of Commerce (Hons) and a member of the Institute of Chartered Accountants in Australia and the Institute of Company Directors. He is a Partner of KPMG and has been involved in a number of committees of the Club including audit, finance and membership. Chairman of the Audit and Risk Committee. Director since 1995. Appointed as Deputy Chairman in 2011. Life Member of the Sydney Swans.

Jason Ball

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

Robert Campbell

Mr Campbell is a shareholder and Managing Director of television production company Screentime. He is a former CEO of the Seven Network and Chairman of the Film Finance Corporation. Director since 2001. Life Member of the Sydney Swans. Mr Campbell retired in from in December 2012.

Robert Morgan

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

Greg Paramor

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

Rob Pascoe

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

Andrew Pridham

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

Lynn Ralph

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

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 on NSW's leading business and advocacy groups and is on the Board of the Committee for Sydney.

Sydney Swans Limited

DIRECTORS' REPORT

Chief Executive Officer

Andrew Ireland

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

Principal activity

The principal activity of the Club is the administration under a licensing agreement of the operations of the Sydney Swans which participates in competitions conducted by the Australian Football League (AFL). The objectives of the Club are to perform at a consistently high level each season and to regularly qualify for the finals and challenge for the AFL Premiership. To be able to achieve our objectives, the Club is focussed on ensuring our core football operations are fully resourced to enable our team to be consistently seen as a leading club in the AFL competition.

Performance Measurement

The result of the Club for the year ended 31 October 2013 was a net profit of \$646,745 (2012: \$207,007). The Club has Net Assets of \$885,327 as at 31 October 2013(2012: \$238,582).

Meetings of Directors held during the financial year

	Meetings Held while a Director	Meetings Attended while a Director
Richard Colless	9	7
Andrew McMaster	9	6
Jason Ball	9	9
Robert Campbell	1	1
Robert Morgan	9	8
Rob Pascoe	9	8
Greg Paramor	9	8
Andrew Pridham	9	9
Lynn Ralph	9	8
Bryan Tyson	9	8

Membership classes and liability

The Club is a company limited by guarantee and 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 Directors.

In accordance with the constitution of the Club, Members, in the event the Club is wound up, undertake to contribute up to the time they are a Member an amount not exceeding \$2.00 each.

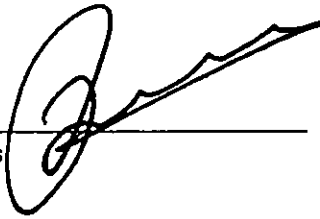
Sydney Swans Limited
DIRECTORS' REPORT

Auditor's independence declaration

The auditor's independence declaration under s307C is set out on page 5 and forms part of the Directors' Report for the year ended 31 October 2013.

Signed in accordance with a resolution of the Board of Directors:

Richard Colless
Director

A handwritten signature in black ink, appearing to be 'Richard Colless', written over a horizontal line.

Andrew McMaster
Director

A handwritten signature in black ink, appearing to be 'Andrew McMaster', written over a horizontal line.

12 December 2013



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**Auditor's Independence Declaration
To the Directors of Sydney Swans Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Sydney Swans Limited for the year ended 31 October 2013, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

James Winter
Partner - Audit & Assurance

Sydney, 12 December 2013

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Sydney Swans Limited
DIRECTORS' DECLARATION


In the opinion of the directors of Sydney Swans Limited ("the Club"):

- a) the accompanying financial statements of and notes that are set out on pages 11-26, are in accordance with the Corporations Act 2001, including:
 - i. giving a true and fair view of the Club's financial position as at 31 October 2013 and its performance as represented by the results of its operations and cash flows for the financial period ended on that date; and
 - ii. are in accordance with the Corporations Act 2001 and comply with Accounting Standards the Corporations Regulations 2001, and other mandatory professional reporting requirements; and

- b) At the date of this declaration there are reasonable grounds to believe that the Club will be able to pay its debts as and when they become payable and due.

Signed in accordance with a resolution of the Board of Directors:


Richard Colless
Director


Andrew McMaster
Director

12 December 2013

Sydney Swans Limited
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 October 2013

	Notes	2013 \$	2012 \$
Revenue	4	42,687,119	39,974,984
Other income	5	59,823	56,689
		<u>42,746,942</u>	<u>40,031,673</u>
Football department expenses		(21,920,544)	(20,305,825)
Football academy expenses		(983,003)	(1,055,777)
Membership and match day expenses		(6,099,987)	(5,590,771)
Sponsorship and marketing expenses		(8,340,987)	(8,632,628)
Administration expenses		(3,563,363)	(3,087,963)
Depreciation and amortisation	6	(414,762)	(391,633)
Occupancy expenses		<u>(777,551)</u>	<u>(760,069)</u>
Net profit for the year		646,745	207,007
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>646,745</u>	<u>207,007</u>

The above Statement of Comprehensive Income should be read in conjunction with accompanying notes on pages 11 to 26.

Sydney Swans Limited
STATEMENT OF FINANCIAL POSITION
as at 31 October 2013

	Notes	2013 \$	2012 \$
Current assets			
Cash and cash equivalents		780,986	2,283,287
Receivables	7	4,062,309	3,437,345
Inventories	8	102,606	99,252
Prepayments	9	560,804	1,054,634
Total current assets		<u>5,506,705</u>	<u>6,874,518</u>
Non-Current Assets			
Receivables	7	99,205	99,205
Plant and equipment	10	1,691,820	1,069,704
Intangible assets	11	47,587	95,877
Total non-current assets		<u>1,838,612</u>	<u>1,264,786</u>
Total assets		<u>7,345,317</u>	<u>8,139,304</u>
Current liabilities			
Trade and other payables	12	5,540,504	7,157,573
Employee benefits	13	864,465	611,787
Total current liabilities		<u>6,404,969</u>	<u>7,769,360</u>
Non-current liabilities			
Employee benefits	13	55,021	131,362
Total non-current liabilities		<u>55,021</u>	<u>131,362</u>
Total liabilities		<u>6,459,990</u>	<u>7,900,722</u>
Net assets		<u>885,327</u>	<u>238,582</u>
Funds			
Accumulated Funds		<u>885,327</u>	<u>238,582</u>
Total funds		<u>885,327</u>	<u>238,582</u>

The above Statement of Financial Position should be read in conjunction with accompanying notes on pages 11 to 26.

Sydney Swans Limited
STATEMENT OF CHANGES IN FUNDS
for the year ended 31 October 2013

	Accumulated Funds \$	Total Funds \$
Balance at 1 November 2011	31,575	31,575
Profit for the year	207,007	207,007
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>207,007</u>	<u>207,007</u>
Balance at 31 October 2012	<u>238,582</u>	<u>238,582</u>
Balance at 1 November 2012	238,582	238,582
Profit for the year	646,745	646,745
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>646,745</u>	<u>646,745</u>
Balance at 31 October 2013	<u>885,327</u>	<u>885,327</u>

The above Statement of Changes in Funds should be read in conjunction with accompanying notes on pages 11 to 26.

Sydney Swans Limited
STATEMENT OF CASH FLOWS
for the year ended 31 October 2013

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Cash receipts from operations		45,670,650	40,885,400
Cash payments to suppliers and employees		(46,244,186)	(39,795,876)
Interest received		59,823	48,507
Net cash from operating activities	15	<u>(513,713)</u>	<u>1,138,031</u>
Cash flows from investing activities			
Proceeds on sale of fixed assets		-	8,182
Payments for plant and equipment		(988,588)	(348,253)
Payments for intangible assets		-	(27,927)
Net cash used in investing activities		<u>(988,588)</u>	<u>(367,998)</u>
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		(1,502,301)	770,033
Cash and cash equivalents at the beginning of financial year		<u>2,283,287</u>	<u>1,513,254</u>
Cash and cash equivalents at the end of financial year	15	<u>780,986</u>	<u>2,283,287</u>

The above statement of cash flows should be read in conjunction with the accompanying notes on pages 11 to 26.

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

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Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

1. Reporting Entity

Sydney Swans Limited ("the Club") is a public company limited by guarantee incorporated and domiciled in Australia. The registered office address of the Club is Light Tower 4, Driver Avenue, Moore Park, NSW, 2021. The Club is a Not-For-Profit entity for the purposes of applying Australian Accounting Standards and is involved in the Australian Football League.

2. Basis of preparation

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001.

Due to the application of Australian specific provisions contained only within the AASBs, these statements are not necessarily compliant with International Accounting Standards with respect to grants and impairment of assets.

The financial statements were authorised for issue by the Club's Board of Directors on 12 December 2013.

(b) Basis of measurement

The financial statements have been prepared on an accruals basis and are based on historical cost.

(c) Functional and presentation currency

The financial statements are presented in Australian Dollars, which is the Club's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

These 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.

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.

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(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) Plant, equipment and leasehold improvements

(i) Owned assets

Items of plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and any impairment losses.

Where parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

Gains and losses on disposal of an item of plant and equipment are determined by comparing the proceeds from disposal with the carrying amount and are recognised net in the Statement of Comprehensive Income.

(ii) Leased assets

Leases in terms of which the Club assumes substantially all the risks and rewards of ownership are classified as finance leases and are consequently included as plant and equipment with a corresponding liability for future payments, and are measured at an amount equal to the lower of the asset's fair value and the present value of the minimum lease payments. Lease payments are accounted for as described in accounting policies 3(g)(i) and 3(g)(ii).

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to the asset.

Other leases are operating leases with their leased assets excluded from the statement of financial position.

(iii) Subsequent costs

The Club recognises in the carrying amount of an item of plant and equipment the costs of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Club and the cost of the item can be measured reliably. All other costs are recognised in the Statement of Comprehensive Income as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the Statement of 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 – 9 years
- Furniture and equipment – 3 to 10 years
- Motor vehicles – 3 to 10 years

3. Significant Accounting Policies (Continued)

(c) Intangibles

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 years
- Commercial operations databases– 3 years

(d) Trade and other receivables

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

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

(e) Impairment of assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss is calculated as the difference between its carrying amount and the present value of the estimated future cash flows.

The carrying amounts of non-financial assets, other than inventories (see accounting policy (k)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated in accordance with the following.

The recoverable amount of non-current assets is the greater of their fair value less costs to sell and value in use. As the future economic benefits of the Club's assets are not primarily dependent upon their ability to generate net cash inflows and if deprived of the asset, the Club would replace the assets remaining future economic benefits 'value in use' is determined as the depreciated replacement cost of the asset.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

An impairment loss is reversed, with the amount of the reversal recognised in profit or loss, if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

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.

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

3. Significant Accounting Policies (Continued)

(f) Revenue

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

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

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

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

(g) Expenses

(i) Operating lease rentals

Operating lease rentals are recognised as incurred in the Statement of Comprehensive Income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Comprehensive Income as an integral part of the total lease expense and spread over the lease term. Rental amounts incurred but not yet due to be paid are expensed and accrued as a liability.

(ii) Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(iii) Financing costs

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

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

(iv) Match day costs

Match day costs including commissions and charges in relation to match ticketing and transport levies are expensed as incurred.

(v) Goods and services tax

Revenue, 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 taxation authority. 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 net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

(h) Trade and other payables

These amounts represent unpaid liabilities for goods received and services provided prior to the end of the financial year. The amounts are unsecured and are normally settled within 30-60 days. Trade and other payables are recognised initially at the invoiced amount. Subsequent to initial recognition they are measured at amortised cost.

3. Significant Accounting Policies (Continued)

(i) Employee benefits

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

Contributions made to employee superannuation funds are charged as expenses when incurred.

Provision is made for liabilities arising from services rendered by employees up to balance date. Employee benefits expected to be settled within one year, together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(j) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and at the bank, deposits held at call with financial institutions, other short term highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value.

(k) Inventories

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

(l) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 November 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Club, except for *AASB 9 Financial instruments*, which becomes mandatory for the Club's 2016 financial statements and could change the classification and measurement of financial assets. The Club does not plan to adopt this standard early and the extent of the impact has not been determined.

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

4. Revenue

	2013 \$	2012 \$
AFL distributions	11,787,268	12,263,614
Merchandise revenue	923,089	954,761
Membership and match day	13,768,429	12,503,237
Sponsorship and marketing	14,645,407	13,522,376
Other revenue	1,562,926	730,996
	<u>42,687,119</u>	<u>39,974,984</u>

5. Other Income

Interest received	59,823	48,507
Profit on disposal of plant and equipment	-	8,182
	<u>59,823</u>	<u>56,689</u>

6. Net profit for the year

Net profit for the year was arrived at after accounting for the following:

Auditor's remuneration

Audit of financial reports	53,000	52,000
Other assurance services	7,000	7,000
	<u>60,000</u>	<u>59,000</u>

Depreciation and amortisation

Plant and equipment	106,125	163,590
Leasehold improvements	194,023	135,643
Motor Vehicles	66,324	24,955
Intangible assets	48,290	67,445
	<u>414,762</u>	<u>391,633</u>

Personnel expenses

Salaries and wages	22,296,023	20,720,245
Defined contribution plan expenses	1,503,384	1,293,907
Increase in liability for employee entitlements	176,336	102,312
	<u>23,975,743</u>	<u>22,116,464</u>

Sydney Swans Limited
 Notes to the Financial Statements
 for the year ended 31 October 2013

7. Receivables

	2013	2012
	\$	\$
Current		
Trade receivables	3,986,339	2,827,652
Less: provision for impairment	<u>(142,686)</u>	<u>(40,290)</u>
	3,843,653	2,787,362
Other receivables	205,253	529,212
Loans to employees	<u>13,403</u>	<u>120,771</u>
	<u>4,062,309</u>	<u>3,437,345</u>
Non current		
Loans to employees	<u>99,205</u>	<u>99,205</u>

The Company's exposure to credit risks and impairment losses related to trade and other receivables is disclosed in Note 17.

8. Inventories

Merchandise	<u>102,606</u>	<u>99,252</u>
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9. Prepayments

Other prepayments	<u>560,804</u>	<u>1,054,634</u>
	<u>560,804</u>	<u>1,054,634</u>

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

10. Plant and Equipment

	Leasehold improvements \$	Furniture and equipment \$	Motor vehicles \$	Total \$
Cost				
Balance at 1 November 2011	3,578,473	1,645,501	65,605	5,289,579
Additions	50,485	57,768	240,000	348,253
Disposals and adjustments	-	-	(32,969)	(32,969)
Balance at 31 October 2012	3,628,958	1,703,269	272,636	5,604,863
Balance at 1 November 2012	3,628,958	1,703,269	272,636	5,604,863
Additions	884,300	104,288	-	988,588
Disposals and adjustments	-	(377,440)	-	(377,440)
Balance at 31 October 2013	4,513,258	1,430,117	272,636	6,216,011
Depreciation and impairment losses				
Balance at 1 November 2011	(2,808,919)	(1,369,416)	(65,605)	(4,243,940)
Depreciation charge for the year	(135,643)	(163,590)	(24,955)	(324,188)
Disposals and adjustments	-	-	32,969	32,969
Balance at 31 October 2012	(2,944,562)	(1,533,006)	(57,591)	(4,535,159)
Balance at 1 November 2012	(2,944,562)	(1,533,006)	(57,591)	(4,535,159)
Depreciation charge for the year	(194,024)	(106,125)	(66,323)	(366,472)
Disposals and adjustments	-	377,440	-	377,440
Balance at 31 October 2013	(3,138,586)	(1,261,691)	(123,914)	(4,524,191)
Carrying amounts				
At 31 October 2012	684,396	170,263	215,045	1,069,704
At 31 October 2013	1,374,672	168,426	148,722	1,691,820

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

11. Intangible Assets

	Commercial operations databases \$	Performance management database \$	Total \$
Cost			
Balance at 1 November 2011	116,988	758,209	875,197
Additions	27,927	-	27,927
Balance at 31 October 2012	144,915	758,209	903,124
Balance at 1 November 2012	144,915	758,209	903,124
Additions	-	-	-
Balance at 31 October 2013	144,915	758,209	903,124
	Commercial operations databases \$	Performance management database \$	Total \$
Amortisation and impairment losses			
Balance at 1 November 2011	(5,769)	(734,033)	(739,802)
Amortisation charge for the year	(43,269)	(24,176)	(67,445)
Balance at 31 October 2012	(49,038)	(758,209)	(807,247)
Balance at 1 November 2012	(49,038)	(758,209)	(807,247)
Amortisation charge for the year	(48,290)	-	(48,290)
Balance at 31 October 2013	(97,328)	(758,209)	(855,537)
Carrying amounts			
At 31 October 2012	95,877	-	95,877
At 31 October 2013	47,587	-	47,587

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

12. Trade and Other Payables

	2013	2012
	\$	\$
Trade payables	1,635,121	3,145,220
Other creditors and accruals	1,700,682	2,281,163
Income received in advance	2,204,701	1,731,190
	<u>5,540,504</u>	<u>7,157,573</u>

13. Employee benefits

Current

Liability for annual leave	354,938	363,754
Liability for long service leave	509,527	248,033
	<u>864,465</u>	<u>611,787</u>

Non-Current

Liability for long service leave	55,021	131,362
	<u>55,021</u>	<u>131,362</u>

14. Commitments

	2013	2012
	\$	\$
Operating lease commitments in relation to the Club's playing and occupancy arrangements at sporting venues are payable as follows:		
Less than one year	1,729,867	1,682,600
Between one and five years	3,591,364	5,305,027
More than five years	-	-
	<u>5,321,231</u>	<u>6,987,627</u>

Capital commitments are as follows:

Less than one year	-	900,000
	<u>-</u>	<u>900,000</u>

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

15. Notes to the cash flow statement

	2013	2012
	\$	\$
(i) Reconciliation of cash and cash equivalents		
Cash and cash equivalents at the end of the financial year as shown in the Cash Flow Statement are reconciled to the related items in the Statements of Financial Position as follows:		
Cash at bank and on hand	<u>780,986</u>	<u>2,283,287</u>
(ii) Reconciliation of profit to net cash provided by/(used in) operating activities		
Profit before income tax	646,745	207,007
<i>Adjustments for:</i>		
Employee benefits	176,337	102,312
Depreciation of Plant and Equipment	366,472	324,188
Amortisation of Intangibles	48,290	67,445
Net profit on fixed asset disposals	-	(8,182)
<i>Changes in operating assets and liabilities</i>		
Decrease / (Increase) in Inventories	(3,354)	62,125
Decrease in Prepayments	493,830	65,927
Increase in Receivables	(624,964)	(1,871,587)
Increase in Trade and Other Payables	<u>(1,617,069)</u>	<u>2,188,796</u>
Net cash from operating activities	<u>(513,713)</u>	<u>1,138,031</u>

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

16. Related Parties

Key management personnel compensation

The key management personnel compensation included in Personnel expenses in Note 6 is as follows:

	2013	2012
	\$	\$
Short-term employee benefits	1,827,329	1,715,189
Post-employment benefits	91,905	141,008
	<u>1,919,234</u>	<u>1,856,197</u>

Transactions with key management personnel

Included in loans to employees (refer Note 7) is a secured, interest free loan to a member of the Club's key management personnel. This loan is pursuant to contractual employment arrangements and is repayable by 31 October 2015.

Transactions with Directors

The names of each person holding the position of Director of Sydney Swans Limited during the financial year are:

- Richard Colless AM – Chairman
- Andrew McMaster – Deputy Chairman
- Robert Campbell
- Jason Ball
- Robert Morgan
- Greg Paramor
- Rob Pascoe
- Andrew Pridham
- Lynn Ralph
- Bryan Tyson

The Directors did not receive any remuneration during the year or in the prior year.

The Chairman of the Club was reimbursed an amount of \$35,060 (2012: \$35,785) for expenses incurred on behalf of the Club.

From time to time, Directors may purchase goods or services from the Club and/or its related entities and made donations or contributed towards fundraising events. These purchases are on terms and conditions no more favourable than those entered into by unrelated customers and are trivial or domestic in nature.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Club since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

Australian Football League (AFL)

A total amount of \$11,787,268 (2012: \$12,263,614) was received from the AFL comprising Club distributions, cost of living allowances, and other grants and funding allowances.

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

The AFL contributed an amount of \$281,786 (2012: \$281,786) in respect of the Club's venue arrangements referred to above. In consideration for this contribution, the Club provided the AFL with marketing and match day arrangements.

16. Related Parties (Continued)

As at 31 October 2013 a net amount payable of \$906,138 (2012: (\$686,001)) in respect of normal operating activities was owed by the AFL to Sydney Swans Limited.

17. Financial instruments

Financial risk management

The Club has exposures to the following risks arising from the use or existence of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the exposure of the Club to the above risks, and the objectives, policies and processes for measuring and managing these risks.

The Board of Directors has overall responsibility for risk management and oversees how management monitors compliance with policies and procedures. Policies are established to identify risks, to set appropriate controls, and to monitor adherence to controls. Policies and systems are reviewed from time to time to reflect changes in market conditions and in activities.

Fair values

The carrying amounts of financial assets and liabilities shown in the statement of financial position approximate their fair values.

Credit risk

Credit risk is the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Club's cash and cash equivalent balances (including term deposits) and trade and other receivables.

Cash balances and other investments

The Club aims to limit exposure to any possible credit risk by depositing or investing its cash reserves with financial institutions holding consistently outstanding credit ratings in accordance with the Board's policy to ensure that cash deposits and investments are of a strong credit quality and liquidity.

Trade and other receivables

Exposure to credit risk with respect to trade and other receivables is influenced mainly by the individual characteristics of each customer and is managed on a customer relationship basis and past credit history with the Club.

An allowance for impairment has been established that represents the estimate of incurred losses in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually identified exposures.

Sydney Swans Limited
Notes to the Financial Statements
for the year ended 31 October 2013

17. Financial instruments (Continued)

Guarantees

The Club does not provide any form of financial guarantees to third parties, except to any of its related entities on a commercial basis if the need arises.

The carrying amounts of financial assets which represent the maximum credit exposure at reporting date are as follows:

	2013	2012
	\$	\$
Cash	780,986	2,283,287
Trade receivables	3,843,653	2,787,362
Other receivables	205,253	529,212
Loans to employees	112,608	219,976
Cash on deposit	-	-
	<u>4,942,500</u>	<u>5,819,837</u>

Impairment losses

	Gross 2013 \$	Impairment 2012 \$	Gross 2013 \$	Impairment 2012 \$
Trade receivables				
Not past due	1,737,035	-	1,866,886	-
Past due, not impaired 0-30 days	1,144,543	-	46,094	-
Past due, not impaired 31-120 days	29,475	-	87,258	-
Past due, not impaired 121 days to one year	588,134	105,576	179,289	40,290
	<u>3,499,187</u>	<u>105,576</u>	<u>2,179,527</u>	<u>40,290</u>

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2013 \$	2012 \$
Balance at beginning of year	40,290	21,039
Impairment losses recognised/(utilised)	<u>105,576</u>	<u>19,251</u>
Balance at 31 October	<u>142,866</u>	<u>40,290</u>

Liquidity risk

Liquidity risk is the risk that the Club will not be able to meet its financial obligations as they fall due. The approach for managing liquidity is to ensure, as far as possible, that the Club will always have sufficient liquidity to meet its liabilities when they fall due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Club's reputation.

Financial liabilities of the Club at reporting date relate to trade payables, other creditors and income received in advance. These financial liabilities are non-interest bearing, and carry a contractual maturity of six months from reporting date.

There were no interest-bearing borrowings by the Club at 31 October 2013 (2012: Nil).

17. Financial instruments (Continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, currency and other price risks will affect future cash flows or the fair value of holdings of financial instruments. The objective is to manage market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

Exposures to market interest rates relate directly to funds deposited with financial institutions, with any changes in interest rates affecting the level of interest income received. Cash balances are actively reviewed and managed in order to minimise risk, whilst optimising the return.

Effective interest rate and repricing analysis

Exposure to interest rate risk for the Club is presently limited to cash. Cash includes at call balances and cash on deposit amounting to \$780,986 for the Club (2012:\$ 2,283,287). All balances have short term maturities and are paying a mixture of variable and fixed interest at 31 October 2013 ranging between 0.01% and 4.6%.

There were no interest-bearing borrowings by the Club at 31 October 2013 (2012: Nil).

Sensitivity analysis

An increase of 25 basis point in interest rates at the reporting date would have increased the profit and the accumulated fund of the Club by approximately \$1,952 (2012:\$ 5,708). A corresponding decrease of 25 basis point will have an equal and opposite effect. This sensitivity analysis assumes that all other variables remain constant.

Currency and other price risks

The Club is not exposed to foreign exchange fluctuations and other price risks as trading operations are conducted in Australian dollars and the Club does not have financial assets nor financial liabilities actively market traded, hence no sensitivity analyses have been performed at reporting date for these risks.



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Independent Auditor's Report To the Members of Sydney Swans Limited

We have audited the accompanying financial report of Sydney Swans Limited (the "Company"), which comprises the statement of financial position as at 31 October 2013, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company .

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. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to 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 Company's preparation of the financial report that gives a true and fair view in order to

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design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

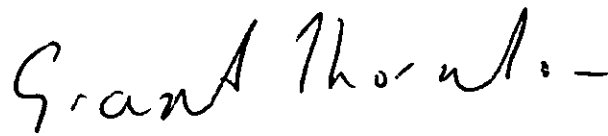
Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

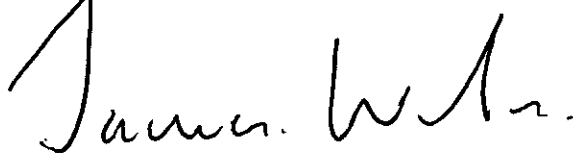
Auditor's opinion

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

- a a giving a true and fair view of the Company's financial position as at 31 October 2013 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



James Winter
Partner - Audit & Assurance

Sydney, 12 December 2013