

Form 388

Corporations Act 2001
294, 295, 298-300, 307, 308, 319, 321, 322
Corporations Regulations
1.0.08

Copy of financial statements and reports

Company details

Company name

SYDNEY SWANS LIMITED

ACN

063 349 708

Reason for lodgement of statement and reports

A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking

Dates on which financial
year ends

Financial year end date

31-10-2016

Auditor's report

Were the financial statements audited?

Yes

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

No

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

No

Details of current auditor or auditors

Current auditor

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

Name of auditor

BDO EAST COAST PARTNERSHIP

Address

**LEVEL 11
1 MARGARET STREET**

SYDNEY NSW 2000

Certification

I certify that the attached documents are a true copy of the original reports required to be lodged under section 319 of the Corporations Act 2001.

Yes

Signature

Select the capacity in which you are lodging the form

Secretary

I certify that the information in this form is true and complete and that I am lodging these reports as, or on behalf of, the company.

Yes

Authentication

This form has been submitted by

Name Timothy Frank LAING

Date 11-01-2017

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Sydney Swans Limited

ABN 48 063 349 708

**Annual Financial Report
31 October 2016**

Sydney Swans Limited

Directors' Report

The directors present their report, together with the financial statements of Sydney Swans Limited (the company) for the year ended 31 October 2016.

Directors

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

Andrew Pridham - Chairman

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

Andrew McMaster - Deputy Chairman

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

Robert Morgan

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

Greg Paramor

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

Rob Pascoe

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

Lynn Ralph

Ms Ralph FAICD SFF holds positions as Chairman, BT Funds Management; Director, Securities Exchanges Guarantee Corporation and Director, Sydney Institute. She was formerly Deputy Chairman of ASIC and a foundation Commissioner of the AFL (NSW/ACT) Commission. Chairman of Swans Membership & Fan Engagement Committee. Director since 2007. Resigned 25 February 2016.

Brian Tyson

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

Sydney Swans Limited

Directors' Report

Directors (continued)

Brad Seymour

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

Alexandra Goodfellow

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

Timothy Worner

Tim Worner is Chief Executive Officer of Seven West Media Limited, Australia's leading listed national multi-platform media business. Tim has over 30 years' experience in the media industry, and is also a Director and Chairman of Australian News Channel, which operates Sky News, as well as a Director of Yahoo!7, Free TV Australia, Racing.com. On 25 February 2016 Tim joined the board of Directors at his much loved Sydney Swans.

Chief Executive & Managing Director

Andrew Ireland

Mr Ireland played AFL football for Collingwood before commencing his career in football administration. He became Chief Executive of the Club in September 2009 having previously held the position of General Manager Football at the Sydney Swans since October 2002. Prior to these positions he was Chief Executive of the Brisbane Lions from 1990 to 2001. He holds a Bachelor of Science, is a Fellow of the Australian Institute of Company Directors and is a Life Member of the AFL. Andrew was appointed Director of the Sydney Swans Limited on 28 May 2015.

Company Secretary

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

Sydney Swans Limited

Directors' Report

Directors' meetings

The number of meetings of the company's Board of Directors (the Board) held during the year ended 31 October 2016, and the number of meetings attended by each director were:

Director	Number of Meetings Attended	Number of Meetings Held*
Andrew Pridham	10	10
Andrew McMaster	7	10
Robert Morgan	9	10
Rob Pascoe	7	10
Greg Paramor	9	10
Lynn Ralph (Resigned 25 February 2016)	3	3
Bryan Tyson	10	10
Alexandra Goodfellow	8	10
Andrew Ireland	10	10
Brad Seymour	10	10
Timothy Worner (Appointed 25 February 2016)	6	7

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

Membership

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

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

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

Members' limited liability

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

Objectives

Short term

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

Long term

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

Sydney Swans Limited

Directors' Report

Strategy for achieving the objectives

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

Principal activity

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

How these activities assist in achieving the objectives

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

Performance measurement and key performance indicators

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

Auditor's independence declaration

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

Signed in accordance with a resolution of the directors.



Andrew Pridham
Director



Andrew McMaster
Director

Dated at Moore Park this 15th day of December 2016

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

As lead auditor of Sydney Swans Limited for the year ended 31 October 2016, I declare that, to the best of my knowledge and belief, there have been:

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



Paul Cheeseman
Partner

BDO East Coast Partnership
Sydney, 15 December 2016



Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Sydney Swans Limited

Report on the Financial Report

We have audited the accompanying financial report of Sydney Swans Limited, which comprises the statement of financial position as at 31 October 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Sydney Swans Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

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

- (a) Giving a true and fair view of the company's financial position as at 31 October 2016 and of its performance for the year ended on that date; and
- (b) Complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

BDO East Coast Partnership

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

Paul Cheeseman
Partner

Sydney, 15 December 2016

Sydney Swans Limited

Directors' Declaration

The directors of the company declare that:

- (a) In the Directors' opinion the financial report and notes set out on pages 9 to 26, are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the company's financial position as at 31 October 2016 and of its performance, for the financial year ended on that date; and
 - (ii) Complying with Australian Accounting Standards - Reduced Disclosure Requirements; the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Andrew Pridham
Director



Andrew McMaster
Director

Dated at Moore Park this 15th day of December 2016.

Sydney Swans Limited

Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 October 2016

	Note	2016 \$	2015 \$
Revenue	2	48,919,502	45,373,168
Other income	2	153,683	185,858
		<hr/>	<hr/>
		49,073,185	45,559,026
		<hr/>	<hr/>
Expenses			
Football department expenses		(25,023,140)	(23,244,373)
Football academy expenses		(1,089,437)	(941,623)
Membership and match day expenses		(8,583,668)	(7,097,175)
Sponsorship and marketing expenses		(8,333,241)	(8,878,250)
Administration expenses		(4,416,374)	(3,641,638)
Depreciation and amortisation	3	(745,507)	(644,225)
Occupancy expenses		(828,594)	(811,345)
		<hr/>	<hr/>
Profit before income tax expense		53,224	300,397
Income tax expense	1(f)	-	-
		<hr/>	<hr/>
Net profit after income tax expense attributable to members		53,224	300,397
Other comprehensive income for the year, net of tax		-	-
		<hr/>	<hr/>
Total comprehensive income for the year attributable to members		53,224	300,397
		<hr/>	<hr/>

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

Sydney Swans Limited
Statement of Financial Position
As at 31 October 2016

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	3,332,468	3,985,250
Trade and other receivables	5	1,888,974	840,821
Inventories	6	50,491	74,840
Other current assets	7	204,605	269,310
		<hr/>	<hr/>
Total Current Assets		5,476,538	5,170,221
		<hr/>	<hr/>
Non-Current Assets			
Trade and other receivables	5	2,200,000	2,200,000
Plant and equipment	8	1,376,632	1,539,623
Intangible assets	9	233,844	283,147
		<hr/>	<hr/>
Total Non-Current Assets		3,810,476	4,022,770
		<hr/>	<hr/>
Total Assets		9,287,014	9,192,991
		<hr/>	<hr/>
LIABILITIES			
Current Liabilities			
Trade and other payables	10	5,939,918	5,986,645
Employee benefits	11	1,100,240	1,012,714
		<hr/>	<hr/>
Total Current Liabilities		7,040,158	6,999,359
		<hr/>	<hr/>
Non-Current Liabilities			
Employee benefits	11	161,037	161,037
		<hr/>	<hr/>
Total Non-Current Liabilities		161,037	161,037
		<hr/>	<hr/>
Total Liabilities		7,201,195	7,160,396
		<hr/>	<hr/>
Net Assets		2,085,819	2,032,595
		<hr/>	<hr/>
Members' Funds			
Accumulated funds		2,085,819	2,032,595
		<hr/>	<hr/>
Total Members' Funds		2,085,819	2,032,595
		<hr/>	<hr/>

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

Sydney Swans Limited
Statement of Changes in Equity
For the Year Ended 31 October 2016

	Accumulated Funds \$	Total Members' Funds \$
Balance at 1 November 2014	1,732,198	1,732,198
Net profit after income tax expense for the year	300,397	300,397
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	300,397	300,397
Balance at 31 October 2015	2,032,595	2,032,595
Net profit after income tax expense for the year	53,224	53,224
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	53,224	53,224
Balance at 31 October 2016	2,085,819	2,085,819

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

Sydney Swans Limited
Statement of Cash Flows
For the Year Ended 31 October 2016

	Note	2016 \$	2015 \$
Cash Flows From Operating Activities			
Receipts from customers (inclusive of GST)		51,475,773	48,630,169
Payments to suppliers and employees (inclusive of GST)		(51,749,025)	(47,757,387)
Interest received		153,683	182,222
Interest paid		-	(42,508)
		<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities		(119,569)	1,012,496
		<hr/>	<hr/>
Cash Flows From Investing Activities			
Payments for plant and equipment		(327,813)	(421,951)
Payments for intangible assets		(205,400)	(313,232)
Proceeds from sale of plant and equipment		-	3,636
		<hr/>	<hr/>
Net cash outflow from investing activities		(533,213)	(731,547)
		<hr/>	<hr/>
Cash Flows from financing activities			
Loans to related parties		-	(2,000,000)
		<hr/>	<hr/>
Net cash outflow from financing activities		-	(2,000,000)
		<hr/>	<hr/>
Net decrease in cash and cash equivalents		(652,782)	(1,719,051)
Cash and cash equivalents at the beginning of the financial year		3,985,250	5,704,301
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	4	3,332,468	3,985,250
		<hr/> <hr/>	<hr/> <hr/>

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

Sydney Swans Limited

Notes to the Financial Statements

For the Year Ended 31 October 2016

1 Summary of Significant Accounting Policies

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

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*, as appropriate for not-for-profit orientated entities.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

The financial report is presented in Australian dollars, which is the company's functional and presentation currency.

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

The financial report was authorised for issue on 15 December 2016, in accordance with a resolution of directors. The directors have the power to amend and reissue the financial report.

Historical Cost Convention

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

New, Revised or Amending Accounting Standards and Interpretations Adopted

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

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Revenue Recognition - Note 2

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

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

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

1 Summary of Significant Accounting Policies (continued)

(b) Revenue Recognition - Note 2 (continued)

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 and AFL Finals is recognised when control of the distribution is passed to the Club.

(c) Other Income - Note 2

Sale of Property, Plant and Equipment

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

Interest received

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

(d) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

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

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

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

(e) Finance Costs

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

(f) Income Tax

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

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

1 Summary of Significant Accounting Policies (continued)

(g) Impairment of Assets

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

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

(h) Cash and Cash Equivalents - Note 4

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

(i) Trade and Other Receivables - Note 5

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

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

(j) Inventories - Note 6

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

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

1 Summary of Significant Accounting Policies (continued)

(k) Plant and Equipment - Note 8

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

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

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

Leasehold improvements	3 to 10 years
Furniture and equipment	3 to 20 years
Motor vehicles	3 to 4 years

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

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

(l) Intangible Assets - Note 9

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

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

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

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

(m) Trade and Other Payables - Note 10

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

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

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

1 Summary of Significant Accounting Policies (continued)

(n) Employee Benefits - Note 11

Short-term employee benefits

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

Other long-term employee benefits

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

Superannuation Plan

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

(o) Critical Accounting Judgements, Estimates and Assumptions

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

Estimation of Useful Lives of Assets

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

Long Service Leave Provision

As discussed in note 1(n), the liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect to all employees at the reporting date. In determining the present value of the liability, consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

	2016 \$	2015 \$
2 Revenue and Other Income		
AFL distributions	12,340,423	12,275,430
AFL finals prize money	600,000	100,000
Merchandise revenue	596,405	553,393
Membership and match day	15,462,368	14,822,409
Sponsorship and marketing	18,566,389	16,939,798
Other revenue	1,353,917	682,138
	<hr/>	<hr/>
Total Revenue	48,919,502	45,373,168
	<hr/>	<hr/>
Other Income		
Interest received	153,683	182,222
Net profit on disposal of plant and equipment	-	3,636
	<hr/>	<hr/>
Total Other Income	153,683	185,858
	<hr/>	<hr/>
Total Revenue and Other Income	49,073,185	45,559,026
	<hr/>	<hr/>
3 Expenses		
Profit before income tax includes the following specific expenses:		
Depreciation		
Furniture and equipment	244,727	164,652
Leasehold improvements	230,094	224,510
Motor vehicles	15,983	53,129
Amortisation		
Intangible assets	254,703	201,934
	<hr/>	<hr/>
Total depreciation and amortisation	745,507	644,225
	<hr/>	<hr/>
Finance costs		
Interest paid on related party loans (refer to note 14)	-	42,508
	<hr/>	<hr/>

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

	2016 \$	2015 \$
3 Expenses (continued)		
Net loss on disposal of property, plant and equipment	-	3,636
Minimum lease payments under operating leases	919,665	858,384
Employee benefits expenses		
Salaries and wages	22,789,550	21,997,935
Defined contribution superannuation expense	1,461,841	1,325,807
Other employee benefits expense	1,808,348	1,550,031
Increase in liability for employee benefits	87,526	165,110
Total employee benefits expenses	26,147,265	25,038,883

4 Cash and Cash Equivalents

Reconciliation of Cash

Cash as at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash and cash equivalents	3,332,468	3,985,250
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5 Trade and Other Receivables

Current

Trade receivables	1,926,240	667,594
Less: Provisions for impairment	(143,152)	(43,955)
	1,783,088	623,639
Other receivables	105,886	217,182
Total current trade and other receivables	1,888,974	840,821

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

	2016 \$	2015 \$
5 Trade and Other Receivables (continued)		
Non-Current		
Loans to related parties (refer to note 14)	2,000,000	2,000,000
Loans to employees (refer to note 14)	299,205	299,205
Less: Provisions for impairment	(99,205)	(99,205)
	<hr/>	<hr/>
Total non-current trade and other receivables	2,200,000	2,200,000
	<hr/>	<hr/>
Movement in the provision for impairment of receivables is as follows:		
Opening balance	143,160	131,400
Additional provisions recognised	99,197	11,760
	<hr/>	<hr/>
Closing balance	242,357	143,160
	<hr/>	<hr/>
6 Inventories		
Merchandise	50,491	74,840
	<hr/>	<hr/>
7 Other Current Assets		
Prepayments	204,605	269,310
	<hr/>	<hr/>

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

	2016 \$	2015 \$
8 Plant and Equipment		
Leasehold improvements		
At cost	4,220,379	4,176,156
Accumulated amortisation	(3,485,086)	(3,254,992)
	735,293	921,164
Furniture and equipment		
At cost	1,892,739	1,609,149
Accumulated depreciation	(1,251,400)	(1,006,673)
	641,339	602,476
Motor vehicles		
At cost	204,430	204,430
Accumulated depreciation	(204,430)	(188,447)
	-	15,983
Total plant and equipment net book value	1,376,632	1,539,623

Reconciliations

Movements in Carrying Amounts

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

Leasehold Improvements		
Carrying amount at beginning of year	921,164	1,158,474
Additions	44,223	-
Disposals	-	(12,800)
Amortisation charge	(230,094)	(224,510)
	735,293	921,164
Carrying amount at end of year	735,293	921,164

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

	2016 \$	2015 \$
8 Plant and Equipment (continued)		
Reconciliations (continued)		
Furniture and Equipment		
Carrying amount at beginning of year	602,476	345,177
Additions	283,590	421,951
Depreciation charge	(244,727)	(164,652)
	<hr/>	<hr/>
Carrying amount at end of year	641,339	602,476
	<hr/>	<hr/>
Motor Vehicles		
Carrying amount at beginning of year	15,983	69,112
Depreciation charge	(15,983)	(53,129)
	<hr/>	<hr/>
Carrying amount at end of year	-	15,983
	<hr/>	<hr/>
9 Intangible Assets		
Commercial operations databases		
<i>At cost</i>	112,953	257,868
<i>Accumulated amortisation</i>	(66,112)	(173,377)
	<hr/>	<hr/>
	46,841	84,491
	<hr/>	<hr/>
Performance management database		
<i>At cost</i>	1,459,028	1,253,629
<i>Accumulated amortisation</i>	(1,272,025)	(1,054,973)
	<hr/>	<hr/>
	187,003	198,656
	<hr/>	<hr/>
Net carrying value	233,844	283,147
	<hr/>	<hr/>
Movements in Carrying Amounts		
Carrying amount at beginning of year	283,147	171,849
Additions	205,400	313,232
Amortisation charge	(254,703)	(201,934)
	<hr/>	<hr/>
Carrying amount at end of year	233,844	283,147
	<hr/>	<hr/>

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

	2016 \$	2015 \$
10 Trade and Other Payables		
Trade payables	2,355,632	1,752,758
Other creditors and accruals	1,817,430	2,052,466
Income received in advance	1,766,856	2,181,421
	<hr/>	<hr/>
	5,939,918	5,986,645
	<hr/>	<hr/>

11 Employee Benefits

Current	1,100,240	1,012,714
	<hr/>	<hr/>
Non-current	161,037	161,037
	<hr/>	<hr/>

Contributions

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

12 Commitments

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

Less than one year	1,886,838	1,818,055
Between one and five years	6,551,182	4,602,831
More than five years	6,945,056	8,009,741
	<hr/>	<hr/>
	15,383,076	14,430,627
	<hr/>	<hr/>

On 21 November 2014, Sydney Swans Limited entered into a venue license agreement with the Sydney Cricket Ground Trust. The commencement date of the agreement is 1 November 2016 and is for a period of 10 years, with two options to extend for a further 10 years each. On 16 September 2016, Sydney Swans Limited entered into new license agreements with the Sydney Cricket Ground Trust for the Academy and Office Premises Licences. The commencement date of the agreement for the Academy is 1 October 2016 and is for a period of 3 years. The commencement date of the agreement for the office premises is 1 January 2017 and is for a period of 3 years. The outgoing lease commitments payable for player facilities, signage, academy premises licence and office premises licence are detailed above.

Sydney Swans Limited
Notes to the Financial Statements
For the Year Ended 31 October 2016

13 Key Management Personnel Details

(a) Directors

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

Andrew Pridham - Chairman
Andrew McMaster - Deputy Chairman
Robert Morgan
Rob Pascoe
Greg Paramor
Lynn Ralph (Resigned 25 February 2016)
Bryan Tyson
Alexandra Goodfellow
Brad Seymour
Timothy Worner (Appointed 25 February 2016)

(b) Other Key Management Personnel

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

Name	Position
Andrew Ireland	Chief Executive & Managing Director
Tim Laing	Chief Financial Officer
Tom Harley	General Manager - Football
John Longmire	Senior Coach

(c) Key Management Personnel Compensation

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

	2016	2015
	\$	\$
Aggregate compensation	2,239,951	2,206,740
	<hr/>	<hr/>

Sydney Swans Limited

Notes to the Financial Statements

For the Year Ended 31 October 2016

14 Related Parties

Key Management Personnel

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

Transactions with related parties

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

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

In the prior year, Sydney Swans Limited provided a loan to the Sydney Swans Foundation of \$2,000,000 which remains receivable at year end (refer to note 5). The loan attracts interest at the official cash rate plus a margin of 1.75% and is repayable at a later date as deemed by the Lender. The Sydney Swans Limited has classified the loan receivable as non-current as the loan will not be required to be repaid within the next financial year. During the year, \$75,205 of interest was received from the Sydney Swans Foundation in relation to this loan (2015: \$55,671).

Sydney Swans Limited has provided two loans to a member of the key management personnel totalling \$299,205 which remains receivable at year end (refer to note 5). The loan is interest free and repayable upon termination of employment. The Sydney Swans Limited has classified the loan receivable as non-current as the loan will not be required to be repaid within the next financial year. In the prior year, a provision of \$99,205 was recorded against one of the loan receivables.

Apart from the above, no director or related party has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Receivable from and payable to related parties

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

Australian Football League (AFL)

A total amount of \$12,340,423 (2015: \$12,275,430) was received from the AFL comprising Club distributions, allowances and other grants and funding allowances. The Club also received \$600,000 (2015: \$100,000) from the AFL in finals prize money.

The AFL has provided a guarantee in relation to the borrowings of Sports Facilities Management Limited (SFML). The Club has lease arrangements with SFML with respect to venue arrangements at ANZ Stadium. The AFL contributed an amount of \$281,786 (2015: \$281,786) with respect to this venue arrangement. In consideration for this contribution, the Club provided the AFL with marketing and match day arrangements.

As at 31 October 2016 a net amount payable of \$179,644 (2015: \$1,032,101) with respect to normal operating activities was owed by the AFL to Sydney Swans Limited.

Sydney Swans Limited

Notes to the Financial Statements

For the Year Ended 31 October 2016

15 Company Details

The Club is incorporated and domiciled in Australia as a company limited by guarantee. At 31 October 2016 there was 1 Transitional Member, being the AFL.

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

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

16 Events Subsequent to Reporting Date

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