



**South East Australian Football Commission Ltd and controlled entities**  
ABN: 13 160 416 268

## **Consolidated Financial Report**

**For the Year Ended 31 October 2018**

## **South East Australian Football Commission Ltd and controlled entities**

ABN: 13 160 416 268

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**For the Year Ended 31 October 2018**

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# South East Australian Football Commission Ltd and controlled entities

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## Directors' Report

31 October 2018

The directors present their report, together with the consolidated financial statements of The South East Australian Football Commission Ltd ("AFL South East" or "The Group"), being the Company and its controlled entities, for the financial year ended 31 October 2018.

### Directors

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

<b>Names</b>	<b>Position</b>
Roger Hampson	Chairman, Commissioner
Russell Jacgung	Deputy Chair, Commissioner
Scott Grimster	Commissioner

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Additional Commissioners

Paul Theobald  
Ted Turner  
Ryan Ford  
Doug Bailey  
Molina Asthana  
Anita Jonceski  
Peter Wakeling (appointed 30 January 2018)  
Fraser Bayne (appointed May 2018)

### Information on directors

The names of each person who has been a director during the year and to the date of this report are:

Roger Hampson

Experience

After stepping down from his position as Chairman of the South East Juniors, Roger brings a wealth of senior executive experience to the South East Commission. Roger held positions as Chief Executive Officer of the Essendon Football Club (1988-1996), Tasmanian Football League (1996-1998), the Melbourne Tigers (1998-1999) and the Victorian Canine Association. His tenure within these positions have often been through particularly turbulent times in sports administration and he is currently a teacher at St Peter's College in Cranbourne. Roger was appointed Chairman of the AFL Victoria DDJFL Working Party in 2009, overseeing the transition into what is now the South East Juniors. He remained Chair of the league following on from that complex transition - a transition that now sees the league as one of the most respected, professional managed community sporting organisations.

## South East Australian Football Commission Ltd and controlled entities

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### Directors' Report

31 October 2018

#### Information on directors continued

Scott Grimster

Experience

A Senior Research Officer for the Office of Liquor, Gaming and Racing, Scott's detailed project management experience is an invaluable resource to the South East Commission. A life Member of the FDJFL Umpires Association, Scott was twice awarded the Umpire of the Year title and has extensive experience of umpiring at all levels. Scott also has a lengthy and detailed history of involvement in Basketball, including stints as a player, referee, volunteer and media commentator. As a freelance writer and commentator, Scott has provided content, stories and commentary for Pro Basketball Today, Mornington Life Magazine, Holiday Magazine, Fairfax Media, Divelog Magazine, Real Estate Weekly, Weekly Review and Channel 7 News Melbourne.

Russell Jacgung

Experience

Russell has been involved with local government for over 40 years. He has also had a long history of involvement in football on the Peninsula. Russell was Nepean FL Secretary from 1984-86, MPNFL Secretary from 1987-89 and an MPNFL Director from 1996-2007. Russell has served on the MPNFL Independent Tribunal from 2008-2012 and was Chair of the MPNFL History Committee from 2002-2013. He is a life Member of the MPNFL. Russell brings a wealth of local football knowledge and history to the South East Commission.

#### Company Secretary

Russell Jacgung held the position of Company secretary during the financial year.

#### Review of operations

The consolidated surplus of the Group for the financial year after providing for income tax amounted to \$ 232,328. (2017: surplus of \$310,646 which included a gain on disposal of property of 343,128).

During the year AFLSE took over the operation of Southern Umpires. This resulted in some leagues being charged for umpiring services by AFLSE.

#### Principal activities

The principal activities of the Group during the financial year were:

Developing and supporting vibrant and sustainable football and netball clubs and leagues which support growth, promote development and are community focused.

No significant change in the nature of these activities occurred during the year.

## **Directors' Report**

**31 October 2018**

### **Short term objectives**

The Group's short term objectives are to:

- Initiate and support programs to increase player and umpire participation rates at all levels of football and netball in order to facilitate growth of the games. Support leagues, their clubs and schools to provide quality management and environments to motivate volunteers, coaches, teachers and sports trainers for all levels of football and netball.
- Develop stakeholder and community engagement initiatives that support the vision, values and mission statement of AFL South East while enhancing social value and equal opportunity for all.
- Provide and promote development programs including pathways for players, umpires, coaches and administrators.
- Develop region wide plans to advocate for and collaborate on facility development for leagues, their clubs, umpires and schools. Develop strong and mutually beneficial partnerships with businesses, government, other sports and community organisations.
- Attract, develop and retain quality people and develop a culture of excellence in line with AFL South East's key objectives and values.

### **Long term objectives**

The Group's long term objectives are to:

- To ensure Australian Football is the sport of choice within the region for males and females of all ages and of all backgrounds.

### **Strategy for achieving the objectives**

To achieve these objectives, the Group has adopted the following strategies:

- Develop and implement a unified governance and administration model for all leagues and associations in the region under the AFL South East Commission.

### **How principal activities assisted in achieving the objectives**

The principal activities assisted the Group in achieving its objectives by:

- Developing and implementing a Regional Governance Review which recommended the integration of existing league boards into the AFL South East Commission.

### **Performance measures**

The following measures are used within the Group to monitor performance:

- Club to non-club revenue ratio and cost of administration to participant ratio will be the main performance measurements.

# South East Australian Football Commission Ltd and controlled entities

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## Directors' Report

31 October 2018

### Members guarantee

South East Australian Football Commission Ltd is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from members and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 100 for members that are corporations and \$ 100 for all other members, subject to the provisions of the company's constitution.

At 31 October 2018 the collective liability of members was \$ 9,300 (2017: \$ 9,200).

### Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

### Future developments and results

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

### Meetings of directors

During the financial year, 11 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

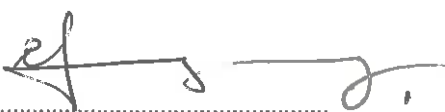
Directors' Meetings		
	Number eligible to attend	Number attended
Roger Hampson	11	10
Scott Grimster	11	10
Russell Jacgung	11	11

### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 31 October 2018 has been received and can be found on page 5 of the consolidated financial report.

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

Director:   
.....  
Roger Hampson

Director:   
.....  
Russell Jacgung

Dated this 25th day of February 2019

**South East Australian Football Commission Ltd and controlled entities**

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**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of South East Australian Football Commission Ltd and controlled entities**

I declare that, to the best of my knowledge and belief, during the year ended 31 October 2018, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

*Ashfords Audit and Assurance*

Ashfords Audit and Assurance Pty Ltd  
Chartered Accountants

*Ryan Dummett*

Ryan H. Dummett  
Director

24 February 2019

**South East Australian Football Commission Ltd**

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income****For the Year Ended 31 October 2018**

		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	5	3,576,243	3,391,671
Other income	5	154	343,128
Changes in inventories of finished goods and work in progress		10,589	(4,369)
Merchandise purchased		(421,934)	(451,799)
Employee benefits expense		(1,018,476)	(975,173)
Depreciation and amortisation expense	6	(10,008)	(14,425)
Finals and function costs		(423,333)	(435,567)
Marketing and sponsorship expenses		(104,685)	(114,720)
Match day filming costs		(91,650)	(94,800)
Representative expenses		(33,871)	(17,311)
Insurance expense		(41,299)	(39,964)
Umpire costs		(806,608)	(789,143)
League expenses		(70,377)	(65,144)
Development expenses		(117,188)	(130,086)
Finance costs	6	-	(6,852)
Other expenses		(215,229)	(284,800)
<b>Surplus before income tax</b>		<b>232,328</b>	<b>310,646</b>
Income tax expense		-	-
<b>Surplus for the year</b>		<b>232,328</b>	<b>310,646</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Items that will not be reclassified subsequently to profit or loss</b>			
Nil		-	-
<b>Items that will be reclassified to profit or loss when specific conditions are met</b>			
Nil		-	-
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>232,328</b>	<b>310,646</b>

The accompanying notes form part of these financial statements.



**South East Australian Football Commission Ltd**

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**Consolidated Statement of Financial Position****31 October 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	975,648	805,481
Trade and other receivables	8	102,842	151,049
Inventories	9	16,653	27,241
Financial assets	10	100,000	-
Other assets	13	32,747	-
<b>TOTAL CURRENT ASSETS</b>		<b>1,227,890</b>	<b>983,771</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	15,921	18,531
Intangible assets	12	505	1,045
<b>TOTAL NON-CURRENT ASSETS</b>		<b>16,426</b>	<b>19,576</b>
<b>TOTAL ASSETS</b>		<b>1,244,316</b>	<b>1,003,347</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	169,577	193,938
Employee benefits	16	98,150	60,044
Income received in advance		3,117	-
Other liabilities	15	10,825	11,325
<b>TOTAL CURRENT LIABILITIES</b>		<b>281,669</b>	<b>265,307</b>
Employee benefits	16	22,555	30,276
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>22,555</b>	<b>30,276</b>
<b>TOTAL LIABILITIES</b>		<b>304,224</b>	<b>295,583</b>
<b>NET ASSETS</b>		<b>940,092</b>	<b>707,764</b>
<b>EQUITY</b>			
Retained earnings		940,092	707,764
<b>TOTAL EQUITY</b>		<b>940,092</b>	<b>707,764</b>

The accompanying notes form part of these financial statements.

**South East Australian Football Commission Ltd**

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**Consolidated Statement of Changes in Equity**

For the Year Ended 31 October 2018

2018

	<b>Retained Earnings</b>	<b>Asset Realisation Reserve</b>	<b>Total</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 November 2017</b>	707,764	-	707,764
Surplus for the year	232,328	-	232,328
<b>Balance at 31 October 2018</b>	<b>940,092</b>	<b>-</b>	<b>940,092</b>

2017

	<b>Retained Earnings</b>	<b>Asset Realisation Reserve</b>	<b>Total</b>
<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 November 2016</b>	397,118	210,337	607,455
Surplus for the year	310,646	-	310,646
Transfer prior year revaluation increments to asset realisation on sale of freehold property	-	(210,337)	(210,337)
<b>Balance at 31 October 2017</b>	<b>707,764</b>	<b>-</b>	<b>707,764</b>

**a. Asset Revaluation Reserve**

The asset revaluation surplus records revaluations of non current assets. Under certain circumstances dividends can be declared from this reserve.

**South East Australian Football Commission Ltd**

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**Consolidated Statement of Cash Flows**

For the Year Ended 31 October 2018

	2018	2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers	4,027,968	3,634,384
Payments to suppliers and employees	(3,753,336)	(3,586,598)
Interest received	2,393	4,013
Interest and other finance costs paid	-	(6,852)
Net cash provided by/(used in) operating activities	<u>277,025</u>	<u>44,947</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment to establish term deposit	(100,000)	-
Proceeds from disposal of property, plant and equipment	-	553,174
Payments for property, plant and equipment	(6,858)	(4,733)
Net cash used by investing activities	<u>(106,858)</u>	<u>548,441</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of borrowings	-	(85,860)
Net cash used by financing activities	<u>-</u>	<u>(85,860)</u>
Net increase/(decrease) in cash and cash equivalents held	170,167	507,528
Cash and cash equivalents at beginning of year	805,481	297,953
Cash and cash equivalents at end of financial year	7 <u>975,648</u>	<u>805,481</u>

The accompanying notes form part of these financial statements.

## South East Australian Football Commission Ltd

ABN: 13 160 416 268

# Notes to the Financial Statements

For the Year Ended 31 October 2018

The consolidated financial report covers South East Australian Football Commission Ltd and controlled entities ('the Group'). South East Australian Football Commission Ltd is a not-for-profit Company limited by guarantee, incorporated and domiciled in Australia.

Comparatives are consistent with prior years, unless otherwise stated.

## 1 Basis of Preparation

In the Directors opinion, the Company is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This special purpose financial report has been prepared to meet the reporting requirements of the *Corporations Act 2001*.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 *Presentation of Financial Statements*, AASB 107 *Statement of Cash Flows*, AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* and AASB 1054 *Australian Additional Disclosures*.

## 2 Summary of Significant Accounting Policies

### (a) Income Tax

The Company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

### (b) Leases

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### (c) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Group and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

#### Sale of goods

Revenue is recognised on transfer of goods to the customer as this is deemed to be the point in time when risks and rewards are transferred and there is no longer any ownership or effective control over the goods.

#### Interest revenue

Interest is recognised using the effective interest method.

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

### **2 Summary of Significant Accounting Policies continued**

#### **(c) Revenue and other income continued**

##### **Rendering of services**

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

##### **Other income**

Other income is recognised on an accruals basis when the Group is entitled to it.

#### **(d) Goods and services tax (GST)**

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 Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### **(e) Inventories**

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the costs necessary to make the sale. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

#### **(f) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

## Notes to the Financial Statements

For the Year Ended 31 October 2018

### 2 Summary of Significant Accounting Policies continued

#### (f) Property, plant and equipment continued

##### Land and buildings

Land and buildings are measured using the revaluation model.

##### Plant and equipment

Plant and equipment are measured using the cost model.

##### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2%
Furniture, Fixtures and Fittings	20%
Office Equipment	20% - 30%
Computer Equipment	30% - 40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Assets measured using the revaluation model are carried at fair value at the revaluation date less any subsequent accumulated depreciation and impairment losses. Revaluations are performed whenever there is a material movement in the value of an asset under the revaluation model.

#### (g) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial Assets

Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

## Notes to the Financial Statements

For the Year Ended 31 October 2018

### 2 Summary of Significant Accounting Policies continued

#### (g) Financial instruments continued

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the consolidated statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Group's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Group renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Group does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.

Assets included within this category are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

##### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Group's management to hold them until maturity.

## Notes to the Financial Statements

For the Year Ended 31 October 2018

### 2 Summary of Significant Accounting Policies continued

#### (g) Financial instruments continued

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Group's available-for-sale financial assets comprise listed securities.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period consolidated consolidated statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the consolidated statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

##### *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities depending on the purpose for which the liability was acquired. Although the Group uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Group's financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

##### *Impairment of financial assets*

At the end of the reporting period the Group assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

##### *Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.



## Notes to the Financial Statements

For the Year Ended 31 October 2018

### 2 Summary of Significant Accounting Policies continued

#### (g) Financial instruments continued

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

##### *Available-for-sale financial assets*

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

#### (h) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

#### (i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

#### (j) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

## **Notes to the Financial Statements**

**For the Year Ended 31 October 2018**

### **2 Summary of Significant Accounting Policies continued**

#### **(j) Employee benefits continued**

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

#### **Defined contribution schemes**

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

### **3 Critical Accounting Estimates and Judgments**

The directors make estimates and judgements during the preparation of these Consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

#### **Key judgments - impairment of property, plant and equipment**

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. The directors did not identify any indicators of impairment during the year.

#### **Key estimates - receivables**

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

#### **Key estimates - provision of employee entitlements**

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### **4 Parent entity**

The following information has been extracted from the books and records of the parent, South East Australian Football Commission Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, South East Australian Football Commission Ltd has been prepared on the same basis as the consolidated consolidated financial statements except as disclosed below.

## Notes to the Financial Statements

For the Year Ended 31 October 2018

### 4 Parent entity continued

	2018	2017
	\$	\$
<b>Consolidated Statement of Financial Position</b>		
<b>Assets</b>		
Current assets	74,084	45,591
Non-current assets	8,157	10,397
<b>Total Assets</b>	<u>82,241</u>	<u>55,988</u>
<b>Liabilities</b>		
Current liabilities	254,602	249,453
Non-current liabilities	22,555	30,276
<b>Total Liabilities</b>	<u>277,157</u>	<u>279,729</u>
<b>Equity</b>		
Retained earnings	(194,916)	(223,741)
<b>Total Equity</b>	<u>(194,916)</u>	<u>(223,741)</u>
<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income</b>		
Surplus (deficit) for the year	28,824	(35,848)
<b>Total comprehensive income</b>	<u>28,824</u>	<u>(35,848)</u>

### Contingent liabilities

The parent entity did not have any contingent liabilities as at 31 October 2018 or 31 October 2017.

### 5 Revenue and Other Income

	2018	2017
	\$	\$
<b>Revenue</b>		
- Sale of goods	488,994	479,872
- Administration and management fees	170,135	169,361
- Fees	390,495	353,084
- Commissions	3,749	5,955
- Interest received	2,393	4,012
- Finals and function revenue	702,967	668,344
- Marketing and sponsorship income	448,156	432,294
- Development income	66,418	66,914
- Match day filming revenue	68,849	43,043
- Representative income	17,926	21,974
- Grants received	41,580	50,440
- Umpire revenue	879,915	759,509
- AFL funding	220,315	240,733
- Other revenue	74,351	96,136
<b>Total Revenue</b>	<u>3,576,243</u>	<u>3,391,671</u>

## Notes to the Financial Statements

For the Year Ended 31 October 2018

### 5 Revenue and Other Income continued

	2018	2017
	\$	\$
Other Income		
- Other income	154	-
- Net gain on disposal of property, plant and equipment	-	343,128
<b>Total Other Income</b>	<b>154</b>	<b>343,128</b>

### 6 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2018	2017
	\$	\$
Finance Costs		
- Interest on bank overdrafts and loans	-	6,852
<b>Total finance costs</b>	<b>-</b>	<b>6,852</b>
Cost of sales	411,345	456,168
Employee benefits expense	1,018,476	975,173
Depreciation expense	10,008	14,425
Impairment of receivables:		
- Bad debts	-	13,654
<b>Total impairment of receivables</b>	<b>-</b>	<b>13,654</b>
Rental expense on operating leases:		
- Minimum lease payments	12,992	7,000

### 7 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	328	314
Bank balances	723,607	523,210
Short-term deposits	251,713	281,957
	<b>975,648</b>	<b>805,481</b>

#### Reconciliation of cash

Cash and Cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	2018	2017
	\$	\$
Cash and cash equivalents	975,648	805,481
<b>Balance as per consolidated statement of cash flows</b>	<b>975,648</b>	<b>805,481</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 October 2018**

**8 Trade and Other Receivables**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Trade receivables	111,183	152,276
Provision for impairment	(10,000)	(10,000)
	<u>101,183</u>	<u>142,276</u>
GST receivable	332	3,239
Other receivables	1,327	5,534
	<u>102,842</u>	<u>151,049</u>
<b>Total current trade and other receivables</b>	<b>102,842</b>	<b>151,049</b>

**9 Inventories**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
At cost:		
Merchandise	16,653	27,241
	<u>16,653</u>	<u>27,241</u>

Write downs of inventories to net realisable value during the year were \$ NIL (2017: \$ NIL).

**10 Financial Assets**

**Held-to-maturity investments**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
CURRENT		
Term deposit	100,000	-
	<u>100,000</u>	<u>-</u>

## Notes to the Financial Statements

For the Year Ended 31 October 2018

### 11 Property, plant and equipment

#### PLANT AND EQUIPMENT

##### Furniture, fixtures and fittings

At cost	18,586	18,586
Accumulated depreciation	(17,755)	(15,949)
<b>Total furniture, fixtures and fittings</b>	<b>831</b>	<b>2,637</b>

##### Office equipment

At cost	80,353	79,965
Accumulated depreciation	(75,504)	(72,016)
<b>Total office equipment</b>	<b>4,849</b>	<b>7,949</b>

##### Computer equipment

At cost	28,752	22,282
Accumulated depreciation	(18,511)	(14,337)
<b>Total computer equipment</b>	<b>10,241</b>	<b>7,945</b>

#### **Total property, plant and equipment**

	<b>15,921</b>	<b>18,531</b>
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### 12 Intangible Assets

#### Computer software

Cost	2,699	2,699
Accumulated amortisation and impairment	(2,194)	(1,654)

#### **Net carrying value**

	<b>505</b>	<b>1,045</b>
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#### **Total Intangibles**

	<b>505</b>	<b>1,045</b>
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### 13 Other Assets

**2018**                      **2017**

**\$**                              **\$**

#### CURRENT

Prepayments	32,747	-
<b>Total other current assets</b>	<b>32,747</b>	<b>-</b>

### 14 Trade and Other Payables

**2018**                      **2017**

**\$**                              **\$**

#### CURRENT

Trade payables	146,180	168,540
GST payable	20,790	13,945
Sundry payables and accrued expenses	1,020	3,792
Other payables	1,587	7,661
	<b>169,577</b>	<b>193,938</b>

## South East Australian Football Commission Ltd

ABN: 13 160 416 268

### Notes to the Financial Statements

For the Year Ended 31 October 2018

#### 15 Other Liabilities

	2018	2017
	\$	\$
CURRENT		
Bonds	10,825	11,325
	<u>10,825</u>	<u>11,325</u>

#### 16 Employee Benefits

	2018	2017
	\$	\$
CURRENT LIABILITIES		
Employee benefits	98,150	60,044
	<u>98,150</u>	<u>60,044</u>
	2018	2017
	\$	\$
NON-CURRENT LIABILITIES		
Employee benefits	22,555	30,276
	<u>22,555</u>	<u>30,276</u>

#### 17 Members' Guarantee

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$ 100 each towards meeting any outstandings and obligations of the Company. At 31 October 2018 the number of members was 93 (2017: 92).

#### 18 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 October 2018 (31 October 2017: None).

#### 19 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

#### 20 Company Details

The registered office and principal place of business of the company is:

South East Australian Football Commission Ltd  
Casey Fields  
Berwick-Cranbourne Rd  
Cranbourne East Vic 3977

## South East Australian Football Commission Ltd and controlled entities

ABN: 13 160 416 268

### Directors' Declaration

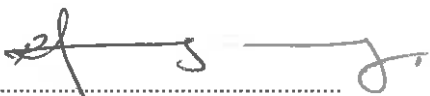
The directors have determined that the Company is not a reporting entity and that these special purpose consolidated financial statements should be prepared in accordance with the accounting policies described in Note 2 of the consolidated financial statements.

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 6 to 21, are in accordance with the *Corporations Act 2001* and:
  - (a) comply with Australian Accounting Standards as stated in Note 1; and
  - (b) give a true and fair view of the financial position as at 31 October 2018 and of the performance for the year ended on that date of is in accordance with the accounting policy described in Note 2 of the consolidated financial statements.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director .....  
  
Roger Hampson

Director .....  
  
Russell Jacgung

Dated this 25th day of February 2019



## Independent Audit Report to the members of South East Australian Football Commission Ltd

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report, being a special purpose financial report of South East Australian Football Commission Ltd (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 31 October 2018, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements and the directors' declaration.

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

- (i) giving a true and fair view of the Group's financial position as at 31 October 2018 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

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

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

#### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

#### Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Ryan H. Dummett  
Director



Ashfords Audit and Assurance Pty Ltd  
Chartered Accountants

Suite 5, 14 Garden Boulevard, Dingley VIC 3172

Dated this 28th day of February 2019