



**CARLTON FOOTBALL CLUB
151ST ANNUAL FINANCIAL REPORT**

PRESIDENT EXECUTIVE SUMMARY

Season 2015 has proved challenging both on and off the field for the Carlton Football Club.

Early in the season the Club declared that, for the first time in our history, we would need to pause and reconstruct our list before we could seriously challenge and set a course towards sustained success.

For some it was a painful admission, but the Board and Administration took a view that we would be honest with our members and supporters. We needed to reset. At times this journey will be difficult, but there are early signs that we are on the right track.

Given our core business is playing and winning games of AFL football, it is perhaps not surprising that our off-field performance has also been challenged. The Carlton Football Club has realised a statutory loss of \$2.7 million (*\$0.9 million EBDAG) for the 2015 year.

Aside from our win/loss record there are other factors that led to this result, but I can assure you the Board and management together have meticulously reviewed the operations of the Club. It is a statement of fact that every part of the operation, on and off the field, has been reviewed and all positions have been reassessed. The Carlton Football Club has been completely overhauled and a series of future-building decisions have been made.

Our future is in our own hands and I am confident that we now have the culture and people in place to return the Carlton Football Club to success. The higher profile appointments of our senior coach, Brendon Bolton and General Manager List Management & Strategy, Stephen Silvagni are examples of the caliber of the people we have appointed.

As Carlton members we should be optimistic about our future.

The Board has initiated a review of Ikon Park and in 2016 we will be releasing an exciting master plan that will ensure its future. The Princes Park precinct will forever be in our DNA.

We are in advanced discussions with the AFL regarding our central role in the expanding national women's competition.

Our members will have also noted that we have signed a new sponsor CareerOne who will sit beside our loyal joint major partner Hyundai.

The 2016 draw presents a wonderful opportunity for the Club to focus on our supporter base - particularly the Carlton families across Australia who we know will support their team on Saturdays and Sundays in traditional time slots.

I commend our management team for its hard work and commitment in 2015 and thank you, our loyal members, for your ongoing support.



Mark LoGiudice,
President, Carlton FC
Member ID: 1201017

*EBDAG - Earnings Before Depreciation, Amortisation and Grants



CARLTON FOOTBALL CLUB LIMITED
A.C.N. 005 449 909
(Company Limited by Guarantee)

151st ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 OCTOBER 2015

CARLTON FOOTBALL CLUB LIMITED

DIRECTORS' REPORT

The Directors present their report on the results of the Carlton Football Club Ltd (“the Football Club”) for the year ended 31 October 2015, and the state of affairs at that date.

1. Directors

The Directors in office during the year were:

M LoGiudice, M Clarke, A Fahour, I Fried, R. Geminder, A Gleeson, K Jenkins (appointed effective 19 October 2015), G Lee (resigned effective 19 October 2015), C Mathieson, J Pratt AC, and L Sayers.

All Directors, unless otherwise indicated, were in office from the beginning of the year until the date of this report. Particulars of Directors in office are disclosed in Note 23 of these accounts.

2. Company Secretary

The Company Secretary at the date of this report is Mr Sam Power.

Mr Power was appointed Company Secretary of Carlton Football Club Ltd on 2 February 2015. Mr Power replaced Mr Jason Reddick whom resigned from the Carlton Football Club on 16 January 2015.

3. Principal Activities

The principal activities of the Football Club during the year were to promote and play Australian Rules Football in the Australian Football League (“AFL”), in which Carlton holds one of the eighteen licenses.

4. Operating Results and Review of Operations

The Football Club EBDAG⁽¹⁾ for the year ended 31 October 2015 was a loss of \$946,847, this compares to an EBDAG profit of \$306,229 for the prior comparative year. This resulted in a \$2,718,876 net loss for the 2015 financial year compared to a net loss of \$1,605,453 for the prior comparative year. The following factors were key contributors to the decline in the financial performance:

- ☒ A \$708,835 increase in football related expenditure including player, non-player related payments and \$250,000 in AFL imposed equalisation tax.
- ☒ A \$880,446 decline in member gaming venues net contribution due to a decline in gaming revenues and an increase gaming taxes reflected for a full 12 months in 2015, effective 1 April 2014.
- ☒ Net membership revenues of \$8,651,762 down from \$9,184,262 in 2014. This decline in membership revenues was due to the total members declining from 47,557 in 2014 to 47,305 in 2015 coupled with a reduction in membership yield per member. The Club would like to acknowledge and thank the continued financial contribution of its members.
- ☒ A \$1,539,050 decline in Sponsorship and Hospitality revenues predominantly due to the non-renewal of a \$1,500,000 sponsorship signage agreement in 2015, a net contribution of \$50,000. Whilst the on field performance was below expectation over 750,000 fans attended Carlton matches in 2015 and 12,667,383 television viewers were recorded during the 2015 season.

The Club continues to maintain a term overdraft facility with Westpac Banking Corporation to fund the working capital requirements of the Club. As at 31 October 2015 the Club had \$5,000,000 in outstanding borrowings with an expiry 31 October 2017.

The Club’s community investment continues to grow, with the London Benchmarking Group (LBG) independently auditing the Clubs community investment at \$1,019,040 (2014: \$753,575). The Club continues to invest in the Carlton Football Club Community Fund, delivering community, educational, multicultural and environmental programs to over 20,000 young people per annum.

(1) EBDAG represents Earnings before depreciation, amortisation and government grants. The Club did not receive any government grants during the 2015 and 2014 financial year.

CARLTON FOOTBALL CLUB LIMITED**DIRECTORS' REPORT (CONT.)*****4. Operating Results and Review of Operations (cont.)***

Carlton increased its presence in the digital media space in 2015, growing to more than 230,000 likes on Facebook (despite a global Facebook cleanup initiative in March), over 69,000 Twitter followers and over 84,000 Instagram followers.

Dividends

No dividends were paid or declared during the financial year. The Football Club is precluded from paying dividends by its Constitution.

5. Significant Changes in the State of Affairs

During the financial year, there was no significant change in the state of affairs of the Club other than that referred to in the financial statements or notes thereto.

6. Subsequent Events

In the period between the end of the financial year and the date of this report, no matter or circumstance has arisen that has significantly or may significantly affect the operations of the Football Club, the results of those operations or the state of affairs of in subsequent financial years.

7. Future Developments

Disclosure of information regarding likely developments in the operations of the Club in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Club. Accordingly, this information has not been disclosed in this Report.

8. Environmental Regulation

The Directors believe that the operations of the economic entity are not subject to any particular or significant environmental regulation.

Environmentally Sustainable Design (ESD) initiatives have been incorporated into the facilities at Ikon Park.

9. Auditor Independence and Non-Audit Services

The directors have received an Independence Declaration from the auditor of the Football Club as set out on page 5 and it forms part of the director's report for the year ended 31 October 2015.

Ernst & Young did not receive and are not due to receive any fees for the provision of non-audit services.

CARLTON FOOTBALL CLUB LIMITED

DIRECTORS' REPORT (CONT.)

10. Indemnification and Insurance of Directors and Officers

During the financial year the Football Club paid premiums to insure each of the Football Club's Directors and Officers against liabilities for costs that may arise out of their conduct while acting in the capacity of Director or Officer of the Football Club.

The Directors have not included details of the nature of the liabilities covered or the amount of the premiums paid in respect of the Directors and Officers Liability insurance contract, as such disclosure is prohibited under the terms of the contract.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit. No payment has been made to indemnify Ernst & Young during or since the financial year.

Signed in accordance with a resolution of the Directors at Carlton this 19th day of November 2015.

A handwritten signature in black ink, appearing to read 'Mark LoGiudice', written in a cursive style.

Mark LoGiudice
President



Ernst & Young
8 Exhibition Street
Melbourne VIC 3000 Australia
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
Fax: +61 3 8650 7777
ey.com/au

Auditor's Independence Declaration to the Directors of Carlton Football Club Limited

In relation to our audit of the financial report of Carlton Football Club Limited for the financial year ended 31 October 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Kester C Brown' in a cursive style.

Kester C Brown
Partner
19 November 2015

CARLTON FOOTBALL CLUB LIMITED

STATEMENT OF PROFIT AND LOSS AND COMPREHENSIVE INCOME

YEAR ENDED 31 OCTOBER 2015

	Notes	2015 \$	2014 \$
Revenue	5	54,052,486	56,641,156
Membership related expenses		(3,173,263)	(3,627,872)
Administration expenses		(3,213,701)	(2,925,854)
Operating expenses	6(b)	(49,076,126)	(49,922,799)
Borrowing costs	6(a)	(373,049)	(362,856)
Depreciation and lease amortisation	6(a)	(1,618,332)	(1,757,968)
Amortisation of intangible	6(a)	(153,697)	(153,714)
Profit / (Loss) on disposal of non-current assets		23,195	(55,871)
Other income		813,611	560,325
Net Profit/(Loss)		<u>(2,718,876)</u>	<u>(1,605,453)</u>
Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Income/(Loss) for the period		<u>(2,718,876)</u>	<u>(1,605,453)</u>

The above Statement of Profit and Loss and Comprehensive Income should be read in conjunction with the accompanying notes.

CARLTON FOOTBALL CLUB LIMITED

STATEMENT OF CONSOLIDATED FINANCIAL POSITION

AS AT 31 OCTOBER 2015

	Notes	2015 \$	2014 \$
CURRENT ASSETS			
Cash and cash equivalents	4	2,733,391	1,969,289
Trade and other receivables	7	2,143,113	2,004,326
Inventories	8	412,799	390,157
Other assets	9	185,803	401,744
TOTAL CURRENT ASSETS		5,475,106	4,765,516
NON CURRENT ASSETS			
Property, plant and equipment	10	18,231,391	19,332,807
Intangible assets	11	1,043,862	1,197,558
TOTAL NON CURRENT ASSETS		19,275,253	20,530,365
TOTAL ASSETS		24,750,359	25,295,881
CURRENT LIABILITIES			
Trade and other payables	12	5,526,308	4,486,170
Income received in advance	13	2,109,546	818,928
Interest bearing liabilities	14	685,420	707,093
Provisions	15	833,942	1,085,639
TOTAL CURRENT LIABILITIES		9,155,216	7,097,830
NON CURRENT LIABILITIES			
Trade and other payables	12	276,391	543,417
Interest bearing liabilities	14	6,304,336	5,966,818
Provisions	15	104,756	59,280
TOTAL NON CURRENT LIABILITIES		6,685,483	6,569,515
TOTAL LIABILITIES		15,840,699	13,667,345
NET ASSETS		8,909,660	11,628,536
Accumulated surplus		8,909,660	11,628,536
TOTAL ACCUMULATED FUNDS		8,909,660	11,628,536

The above Statement of Consolidated Financial Position should be read in conjunction with the accompanying notes.

CARLTON FOOTBALL CLUB LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 OCTOBER 2015

	Notes	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		60,618,245	61,150,480
Payments to suppliers and employees		(59,865,066)	(61,637,846)
Other Income		813,611	560,325
Interest received		15,306	52,314
Borrowing costs paid		(362,837)	(337,710)
NET CASH PROVIDED BY /(USED IN) OPERATING ACTIVITIES		1,219,259	(212,437)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(181,220)	(608,749)
Payment for gaming entitlements		(254,085)	(291,154)
NET CASH PROVIDED BY /(USED IN) INVESTING ACTIVITIES		(435,304)	(899,903)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		700,000	518,947
Repayment of interest bearing liabilities		(446,766)	(1,437,375)
Repayment of finance lease principal		(273,086)	(123,783)
NET CASH PROVIDED BY /(USED IN) FINANCING ACTIVITIES		(19,852)	(1,042,211)
Net increase/(decrease) in cash and cash equivalents held		764,103	(2,154,551)
Cash and cash equivalents at the beginning of the year		1,969,289	4,123,840
Cash and cash equivalents at the end of the year	4	2,733,392	1,969,289

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

CARLTON FOOTBALL CLUB LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 OCTOBER 2015

	Retained Profits \$
BALANCE AS AT 1 NOVEMBER 2013	<u><u>13,233,989</u></u>
Changes in equity:	
Total Comprehensive Income for the year	<u>(1,605,453)</u>
BALANCE AS AT 31 OCTOBER 2014	<u><u>11,628,536</u></u>
Changes in equity:	
Total Comprehensive Income for the year	<u>(2,718,876)</u>
BALANCE AS AT 31 OCTOBER 2015	<u><u>8,909,660</u></u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 1 CLUB INFORMATION

The Football Club was formed in 1864 and incorporated in Melbourne, Australia, on 20 June 1978.

The registered office of the Football Club is located at Princes Park, Royal Parade, Carlton North, 3054.

The principal activities of the Football Club during the year were to promote and play Australian Rules Football in the Australian Football League (“AFL”), in which Carlton holds one of the eighteen licences. The financial report of the Football Club for the year ended 31 October 2015 was authorised for issue in accordance with a resolution of the directors on 16 November 2015. Carlton Football Club is a Company Limited by Guarantee and is a not-for-profit entity.

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

This general purpose financial report has been prepared in accordance with Australian Accounting Standards and the Corporations Act 2001, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared in accordance with the historical cost convention.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

(b) Statement of Compliance

The Group has adopted AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure*.

The consolidated financial statements of the Football Club are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB-RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Other Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Football Club for the annual reporting period ended 31 October 2015.

CARLTON FOOTBALL CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2015****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)**

The Group has adopted the following accounting standards, which became applicable from 1 November 2014:

- AASB 10 - Consolidated Finance Statements

The adoption of these standards did not have a material effect on the financial position or performance of the Group during the period.

(c) Going Concern

As at 31 October 2015 the Carlton Football Club Limited has a current asset deficiency of \$3,680,111 (2014: \$2,332,314) and incurred an operating loss of \$2,718,876 (2014: \$946,847) for the year ended 31 October 2015.

Notwithstanding the current asset deficiency of the Football Club, the accounts have been prepared on the basis that the Carlton Football Club Limited is a going concern. The appropriateness of adopting this basis is dependent on the Football Club being able to successfully generate sufficient funds through membership, sponsorship, fundraising, gate receipts and other revenue sources in addition to receiving AFL distributions, to meet its debts as and when they become due and payable and to continue to fund its ongoing operations.

The directors also note the following factors:

- The Football Club's banker ("Westpac") and the Australian Football League ("AFL") have continued to provide financial support through to the date of this report. The facility from Westpac is in the form of a commercial bill facility (balance at 31 October 2015 of \$5,000,000) with a fixed term that expires on 31 October 2017. The AFL provides a guarantee for the full amount of the Westpac facility which also expires on 31 October 2017.
- The AFL and Westpac commitment to provide additional financial support should it be required.
- A cash flow positive business performance, inclusive of the planned sale of non-core assets, is anticipated for the year ended 31 October 2016.

Should the Football Club not continue as a going concern it may be required to realise assets other than in the ordinary course of operations and at amounts other than those recorded in the financial report. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(d) Significant accounting judgments, estimates and assumptions

(i) Impairment of Intangible Assets

The Football Club assesses impairment of intangible assets at each reporting date by evaluating conditions specific to the Football Club and to the particular asset that may lead to impairment. In reviewing potential impairment of intangible assets reference is made to factors including forecast future cash flows and discount rates. To the extent that intangible assets are determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

(e) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Sales revenue is detailed in note 5 and comprises revenue earned from sponsorships & hospitality, AFL dividends & distributions, membership & reserved seating, gaming, gate receipts, merchandise and fundraising. Revenues are recognised at the fair value of the consideration received, net of the amount of goods and services tax (GST). The following specific recognition criteria must also be met before revenue is recognised:

Sponsorship Income

In accordance with a payment schedule upon receipt of a signed sponsorship agreement. Sponsorship involving contra arrangements are recognised as revenue equivalent to the fair value of services provided by the sponsor.

Sale of Goods

Control of the goods has passed to the buyer.

Interest

Control of a right to receive consideration for the provision of, or investment in, assets has been attained.

Gaming revenue

Gaming revenue is recognised net of gaming wins and losses.

ASF Grants

ASF Grants are recognised upon receipt of cash.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Plant and Equipment

Cost

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

Depreciation

Depreciation is provided on all plant and equipment over their estimated useful lives.

Major depreciation periods are:	2015	2014
• Equipment	3-10 years	3-10 years
• Furniture and fittings	7 years	7 years
• Leasehold improvements & buildings	26 years	26 years

Leases

Leases are classified at their inception as either operating or finance leases based in the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating Leases

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

Finance Leases

Leases which effectively transfer substantially all of the risks and benefits incidental to ownership of the leased term to the Football Club are capitalised at the present value of the minimum lease payments and disclosed as property, plant and equipment under lease. A lease liability of equal value is also recognised.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the assets and the lease term.

Lease payments are apportioned between finance charges and reduction of the lease liability so that a constant rate of interest is recognised on the remaining balance of the liability.

(g) Inventories

Inventories are valued in the accounts at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

(h) Trade and Other Receivables

Trade Receivables, which generally have 30-60 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for impairment is made when there is objective evidence that the Football Club will not be able to collect the debts. Bad debts are written-off when identified.

Receivables from related parties are initially recognised at fair value and carried at amortised cost. Interest is taken up as income on an accrual basis.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(i) Trade and Other Payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Football Club prior to the end of the financial year that are unpaid and arise when the Football Club becomes obliged to make future payments in respect of the purchase of these goods and services.

Payables to related parties are initially recognised at fair value and carried at amortised cost. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(j) Intangibles

Gaming Entitlements

The Football Club acquired 260 gaming machine entitlements (GME) at auction in May 2010 and a further 30 GMEs via the gaming machine transfer market in July 2012. These GME's came into effect on 16 August 2012, at which time the present value of the GME purchase price was recorded as an intangible asset and a liability recorded for payment for the entitlements which are to be made over the remaining 2 years. The useful life of this intangible asset expires in line with the expiry of the gaming entitlements in August 2022. The asset is being amortised on a straight line basis over 10 years.

(k) Impairment

Plant & Equipment and Intangible assets

The carrying values of plant and equipment and intangible assets are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs.

Where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Football Club would, if deprived of the asset, replace the asset, value in use is determined as the depreciated replacement cost of the asset.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the income statement in the cost of sales line item.

CARLTON FOOTBALL CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2015****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)*****Financial Assets***

The entity assesses at each balance sheet date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss has been incurred on a financial asset, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows.

The discount rate used for financial assets carried at amortised cost is the financial asset's original effective interest rate (i.e. The effective interest rate computed at initial recognition).

(l) Income Tax

As a club established for the encouragement of a game or sport, Carlton Football Club Limited is exempt from income tax in accordance with section 50-45 of the Income Tax Assessment Act 1997.

(m) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts. All other employee entitlement liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the interest rates attaching to high quality corporate bonds which have terms to maturity approximating the terms of the related liability are used.

(n) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST). The amounts reported for receivables and payables are inclusive of GST. The net amount of GST receivable from, or payable to, the ATO is included as a current asset or liability in the Balance Sheet.

Cash flows from operating activities are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows applicable to investing and financing activities that are recoverable from, or payable to, the ATO are classified in operating cash flows.

(o) Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks and investments in money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts. Bank overdrafts are carried at the principal amount. Cash on hand and in banks are stated at nominal value.

(p) Comparative Figures

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(q) Members' Liability on Winding Up

The Football Club is a company limited by guarantee and domiciled in Australia. Accordingly the liability of the members of the Football Club is limited. As stated in clause 4 of the Football Club's Memorandum of Association, each member of the Football Club undertakes to contribute to the assets of the Football Club in the event of it being wound up while they are a member or within one year afterwards for payment of the debts and liabilities of the Football Club contracted before they cease to be a member and of the costs, charges and expenses of winding up the Football Club and for the adjustment of the rights of the contributories amongst themselves such amount as may be required not exceeding fifty dollars (\$50).

(r) Interest Bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised. Borrowing costs are recognised as an expense when incurred.

(s) Derecognition of Assets

A financial asset is derecognised when the rights to receive cash flows from the asset have been extinguished or expired.

(t) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 October 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

(u) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

CARLTON FOOTBALL CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2015****NOTE 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)****(u) Business combinations (cont)**

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Football Club's principal financial instruments comprise receivables, payables, bank commercial bill facility, AFL loan, other loans, unsecured debentures, and cash.

The main purpose of these financial instruments is to raise finance for the Football Club's operations. It is, and has been throughout the period under review, the Football Club's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Football Club's financial instruments are interest rate risk, credit risk and liquidity risk. The Football Club uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of prevailing market interest rates, analysing and monitoring of customers for credit risk, and assessing liquidity risk by producing future rolling cash flow forecasts, which are performed on a monthly basis.

Primary responsibility for identification and control of financial risks rests with the Finance sub-committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including interest rate risk, credit terms and future cash flow forecast projections.

Fair Values

The fair values of the Football Club's financial instruments are materially consistent with the carrying amounts recognised in the financial statements.

Risk Exposures and Responses***Interest Rate Risk***

The Football Club's exposure to market interest rates relates primarily to the Football Club's debt facility obligations. The facility is provided by Westpac. The level of debt is disclosed in Note 14. The Football Club regularly analyses its interest rate exposure, cash and debt levels. The Football Club has a Commercial Bill Facility of \$5,000,000.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT.)

Foreign Currency Risk

The Football Club has no exposure to foreign currency risk.

Capital Management

In managing capital, the Football Club aims to maintain a stable capital base, capable of withstanding cash flow fluctuations, but flexible enough to accommodate the Football Club's plans for growth. The Football Club aims to maintain an optimal capital structure to reduce the cost of capital and maximise benefits to members.

The capital structure of the group consists of debt, which includes interest-bearing loans as disclosed in Note 14, cash and cash equivalents.

The Football Club is not subject to any externally imposed capital requirements.

CARLTON FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2015

NOTE 4 CASH AND CASH EQUIVALENTS

	2015	2014
	\$	\$
Reconciliation of cash		
Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows comprise the following items:		
Cash on hand	523,462	565,762
Cash at bank	<u>2,209,929</u>	<u>1,403,527</u>
Cash and cash equivalents	<u>2,733,391</u>	<u>1,969,289</u>
Non cash financing activities		
Acquisition of assets by means of finance lease	<u>90,451</u>	<u>207,833</u>

NOTE 5 REVENUES

	2015	2014
	\$	\$
Sponsorship and hospitality	12,063,625	13,602,675
AFL income	9,938,232	9,558,559
Membership and reserved seating	8,651,762	9,184,262
Member venue revenue	18,098,704	18,357,199
Gate receipts	2,689,066	2,517,758
Merchandise	1,033,097	1,980,904
Fundraising	268,512	561,703
Interest income	15,306	52,314
Other football operations income	1,294,183	825,782
Total revenues	<u>54,052,486</u>	<u>56,641,156</u>

CARLTON FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2015

NOTE 6 EXPENSES AND LOSSES/(GAINS)

(a) Expenses	2015	2014
	\$	\$
Cost of merchandise sold	539,895	1,015,091
Merchandise Inventory write off	59,833	146,301
	<hr/>	<hr/>
Depreciation of non-current assets		
-Plant and equipment	1,510,640	1,651,596
-Leased assets	107,692	106,372
	<hr/>	<hr/>
	1,618,332	1,757,968
Amortisation of non-current assets		
-Intangible assets	153,697	153,714
	<hr/>	<hr/>
Total depreciation and amortisation expenses	1,772,029	1,911,682
	<hr/>	<hr/>
Lease payments – operating lease	88,121	88,121
Borrowing costs expensed		
Interest expense		
-Finance lease	10,212	25,146
-Gaming entitlement	35,759	49,014
-Commercial Bill, AFL Facility, other loans	327,078	288,696
	<hr/>	<hr/>
Total borrowing costs expensed	373,049	362,856
	<hr/>	<hr/>
(b)		
Football department costs	22,525,287	21,816,452
Member venue costs	15,794,291	15,172,340
Marketing and other department costs	10,756,548	12,934,007
	<hr/>	<hr/>
	49,076,126	49,922,799
	<hr/>	<hr/>
(c) Personnel Expenses *		
Wages and salaries	23,042,227	21,787,747
Contributions to superannuation	1,412,361	1,279,947
Movement in employee entitlements	(101,484)	58,661
	<hr/>	<hr/>
	24,353,104	23,126,355
	<hr/>	<hr/>

* Personnel expenses in note 6(c) are included in Operating expenses in note 6(b)

CARLTON FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2015

NOTE 7 TRADE AND OTHER RECEIVABLES

Current	2015	2014
	\$	\$
Trade receivables	746,786	1,074,608
Provision for doubtful debts	(19,790)	(27,656)
Trade receivables	726,996	1,046,952
Other receivables	1,347,937	908,002
Related party loans	68,180	49,372
Total trade receivables	2,143,113	2,004,326

Trade receivables and allowance for impairment

Trade receivables are non-interest bearing and are generally on 30 – 60 day terms.

An allowance for impairment (impairment loss) is recognised when there is objective evidence that a trade receivable is impaired.

	31-Oct-15	31-Oct-14
	\$	\$
Allowance for impairment losses opening balance	(27,656)	(29,410)
Amounts provided for	(19,790)	(27,656)
Amounts written off	27,656	29,410
Allowance for impairment losses closing balance	(19,790)	(27,656)

The Football Club maintains direct contact with debtors and is satisfied that payment of the amounts past due but not impaired will be received.

CARLTON FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2015

NOTE 8 INVENTORIES

	2015	2014
	\$	\$
Merchandise stock		
At lower of cost and net realisable value	322,802	320,332
Other inventory	89,997	69,825
	<u>412,799</u>	<u>390,157</u>

NOTE 9 OTHER ASSETS

	2015	2014
	\$	\$
Current		
Prepayments	185,803	401,744
	<u>185,803</u>	<u>401,744</u>

CARLTON FOOTBALL CLUB LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 OCTOBER 2015

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

	2015	2014
	\$	\$
Plant & equipment		
At cost	7,415,592	6,910,540
Accumulated depreciation	<u>(4,865,924)</u>	<u>(4,171,245)</u>
Net carrying amount	<u>2,549,668</u>	<u>2,739,295</u>
Furniture and fittings		
At cost	363,518	311,172
Accumulated depreciation	<u>(203,799)</u>	<u>(159,384)</u>
Net carrying amount	<u>159,719</u>	<u>151,788</u>
Leased assets		
At cost	471,291	670,974
Accumulated amortisation	<u>(203,087)</u>	<u>(238,093)</u>
Net carrying amount	<u>268,203</u>	<u>432,881</u>
Leasehold improvements & buildings		
At cost	19,631,080	19,631,080
Accumulated depreciation	<u>(4,377,279)</u>	<u>(3,622,237)</u>
Net carrying amount	<u>15,253,801</u>	<u>16,008,843</u>
Total plant and equipment	<u>18,231,391</u>	<u>19,332,807</u>

Reconciliations

Movements in the carrying amount of each class of plant & equipment between the beginning and the end of the current financial year are set out on the following page.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

2015	Plant & Equipment \$	Furniture & Fittings \$	Leased Assets \$	Leasehold Improvements \$	Total \$
Carrying amount at the beginning of the year	2,739,295	151,788	432,881	16,008,843	19,332,807
Additions	391,630	52,345	85,712	-	529,688
Disposals / Transfers	129,926	-	(142,698)	-	(12,772)
Depreciation expense	(711,183)	(44,415)	(107,692)	(755,042)	(1,618,332)
Carrying amount at year end	2,549,668	159,718	268,203	15,253,801	18,231,391

Plant & Equipment pledged as security for liabilities. Leased kitchen equipment and motor vehicles are pledged as security for the related finance lease, and EGM's are pledged as security for related loan with SME Finance.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 11 INTANGIBLE ASSETS

Reconciliation of carrying amount at the beginning and end of the period

	2015	2014
	\$	\$
Gaming entitlement at cost	1,536,971	1,536,971
Accumulated amortisation	(493,109)	(339,413)
Net carrying amount	<u>1,043,862</u>	<u>1,197,558</u>
Gaming Entitlements	<u>2015</u>	
	\$	
Carrying amount at the beginning of the year	1,197,558	
Amortisation	(153,696)	
Carrying amount at the end of the year	<u>1,043,862</u>	

The Football Club acquired 260 gaming machine entitlements (GME) at auction in May 2010 and a further 30 GMEs via the gaming machine transfer market in July 2012. These GME's came into effect on 16 August 2012, at which time the present value of the GME purchase price has been recorded as an intangible asset as payment for the entitlements are to be made over 5 years. The useful life of this intangible asset expires in line with the expiry of the gaming entitlements in August 2022. The asset is being amortised on a straight line basis over those 10 years.

Refer to note 2(j) for a description of gaming entitlements.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 12 TRADE AND OTHER PAYABLES

	2015	2014
	\$	\$
Current		
Trade creditors	2,290,831	1,246,256
Other Loans – VCGR	(a) 267,024	254,082
Other creditors	2,968,453	2,985,832
	<u>5,526,308</u>	<u>4,486,170</u>
Non Current		
Other Loans – VCGR	(a) 276,391	543,417
	<u>276,391</u>	<u>543,417</u>

a) Loans - Victorian Commissioner of Gaming Regulation

The current and non-current loans totalling \$543,415 relate to amounts payable to the Victorian Commissioner of Gaming Regulation for the remainder of gaming entitlements over the next 2 years.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 13 INCOME RECEIVED IN ADVANCE

Current	2015 \$	2014 \$
Membership	1,743,290	224,804
Sponsorship and hospitality	366,256	594,123
	<u>2,109,546</u>	<u>818,927</u>

The Football Club launched its 2016 membership campaign on 15 October 2015. Memberships received prior to 31 October 2015 are recorded as income received in advance.

NOTE 14 INTEREST BEARING LIABILITIES

Current		2015 \$	2014 \$
Lease liability	(a)	163,187	263,963
Other loans	(b)	522,233	443,130
		<u>685,420</u>	<u>707,093</u>
Non Current			
Commercial bills	(c)	5,000,000	4,300,000
Lease liability	(a)	61,343	147,941
Unsecured – notes		12,279	12,279
Other loans	(b)	1,230,713	1,506,598
		<u>6,304,336</u>	<u>5,966,818</u>

a) Finance Leases

The current and non-current lease liabilities totalling \$224,531 (2014: \$411,904) represents finance leases maturing between 2016 and 2018 with fixed interest rates between 3% and 6.5%.

b) Other loans

Other loans relate to the acquisition of Electronic Gaming Machines (EGMs). A further \$249,984 was borrowed during 2015 to upgrade existing EGM's. These loans, secured against EGM's, are repayable over a five year term. The total balance at 31 October 2015 is \$1,752,946 (2014: \$1,949,728).

c) Commercial Bill facilities

The Football Club has \$5,000,000 in Commercial Bill facilities provided by Westpac which are secured by a guarantee limited to \$5,000,000 given by the Australian Football League (the guarantee expires on 31 October 2017). As at 31 October 2015, the facility is fully utilised.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 15 PROVISIONS

	2015	2014
	\$	\$
Employee benefits		
Annual leave:	432,496	559,667
Long service leave (current)	401,446	525,972
	<u>833,942</u>	<u>1,085,639</u>
Long service leave (non-current)	<u>104,756</u>	<u>59,280</u>

NOTE 16 COMMITMENTS

	2015	2014
	\$	\$
Player Contracts		
Amounts contracted to AFL players		
Not later than one year	8,395,000	10,089,750
Later than one year but not later than two years	6,420,000	6,335,000
Later than two years but not later than five years	3,000,000	5,930,000
	<u>17,815,000</u>	<u>22,354,750</u>

Operating lease commitments

The Football Club has a 40 year lease agreement with the Melbourne City Council for the Ikon Park venue that continues through until 2035. The annual rent is \$88,121 (2014: \$88,121).

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 16 COMMITMENTS (CONT.)

Finance lease commitments

The Football Club has finance lease contracts for various items of IT equipment, EGM's and motor vehicles with a carrying amount of \$224,531 (2014: \$411,904). These lease contracts expire within three to five years.

	2015	2014
	\$	\$
Finance lease commitments		
Within one year	169,013	279,153
After one year but not more than five years	63,062	151,115
Less future finance charges	(7,544)	(18,364)
Carrying amount of finance lease liabilities	<u>224,531</u>	<u>411,904</u>

Rent and Management Fees:

The Football Club has entered into lease agreements and management agreements payable to ALH and Michael O'Brien pertaining to the Football Club's member venues which are effective through to 2022. The Football Club's commitments under these agreements are as follows:

	2015	2014
	\$	\$
Rent		
Within one year	3,380,764	3,406,655
After one year but not more than five years	14,568,171	14,679,782
After five years	7,690,207	16,245,496
Total rental payments	<u>25,639,142</u>	<u>34,331,933</u>
Management Fee		
Within one year	1,567,276	1,683,075
After one year but not more than five years	6,753,603	7,252,599
After five years	3,412,087	7,884,355
Total management fee payments	<u>11,732,966</u>	<u>16,820,029</u>

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 17 CONTINGENCIES

There are no material contingent liabilities or contingent assets as at 31 October 2015.

NOTE 18 MEMBERS' CONTRIBUTION

The amount capable of being called up in the event of, and for the purpose of, the winding up of the Football Club is limited to \$50 per member, subject to the provision of the Constitution.

NOTE 19 SUBSEQUENT EVENTS

In the period between the end of the financial year and the date of this report, no matter or circumstance has arisen that has significantly or may significantly affect the operations of the Football Club, the results of those operations or the state of affairs of the Football Club in subsequent financial years.

NOTE 20 DIRECTORS' REMUNERATION

Non-executive directors do not receive directors' fees, but the Football Club has paid premiums in respect of indemnification and insurance of directors.

Disclosure of the liabilities covered and the amount of the premiums paid in respect of the Directors and Officers Liability insurance contract is prohibited under the terms of the contract.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 21 PARENT ENTITY

The following information relates to the Carlton Football Club (The Parent Entity)

	2015	2014
	\$	\$
Current assets	5,473,941	4,764,740
Total assets	19,275,253	25,295,105
Current liabilities	9,155,081	7,097,615
Total liabilities	6,685,482	13,667,131
Net assets	8,908,630	9,295,099
Accumulated Surplus	8,908,630	9,295,099
Profit/(loss) of the Parent Entity	(2,719,344)	(1,606,651)
Total Comprehensive Income/(loss) of the Parent Entity	(2,719,344)	(1,606,651)

Refer to note 16 for details of the Parent Entity commitments.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 22 RELATED PARTY

Key Management personnel as at 31 October 2015 are as follows:

- Chief Executive Officer - Steven Trigg
- General Manager Digital, Media and Brand - Jay Allen
- Human Resources Manager - Luisa Amarella (promoted to Executive 1 November 2015)
- Chief Commercial Officer - Nigel Clark (commenced 17 February 2015)
- Chief Financial Officer - Simon Kelleher (commenced 13 April 2015)
- General Manager Football - Andrew McKay

During the financial year the following Key Management personnel changes incurred:

- Chief Financial Officer - Jason Reddick (resigned 16 January 2015)
- General Manager Commercial Operations - Anthony Barham (resigned 6 February 2015)
- General Manager Operations - Martin Shannon - (new role commenced at Carlton FC 16 March 2015)
- General Manager Consumer Business and Fan Development - Clinton Bown (resigned 26 June 2015)

During the year, a total of \$2,672,786 (2014: \$3,528,236) of total remuneration was paid or was payable to these key personnel for services to the Football Club.

The Football Club is the sole unit holder in the PFS Unit Trust (“Premier Finance”). The results of Premier Finance are included in the consolidated results of the Football Club. Premier Finance operates mortgage financing services. During the year the Football Club did not loan Premier Finance any funds, \$465 is owing to the Football Club by Premier Finance at 31 October 2015 (2014: \$208). The loan has been eliminated on consolidation.

Carlton Football Club Foundation was established as a Prescribed Private Fund governed by a Trust Deed. Funds were loaned by The Football Club to The Carlton Football Club Foundation during the year, to the amount of \$11,818, a total of \$15,734 is owing to the Football Club by the Carlton Football Club Foundation at 31 October 2015 (2014: \$3,916).

Carlton Football Community Fund is a charitable trust governed by the terms of a Trust Deed. Mr LoGiudice is a trustee of the Fund. The Carlton Football Community Fund employed staff to conduct a multi-cultural community program to engage the community in the benefits of Australian Rules football. The Football Club loaned Carlton Football Community Fund \$20,312 during the year to cover operational costs. \$49,491 is owing to the Football Club by the Carlton Football Community Fund at 31 October 2015 (2014: \$29,179).

The Carlton Football Club Foundation and Carlton Football Club Community Fund are not controlled entities of Carlton Football Club Limited and have not been consolidated.

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 22 RELATED PARTY (CONT)

Director transactions with the Football Club

A number of directors of the Football Club, or their director-related entities, hold positions in other entities that result in them having control or significant influence over these entities.

The terms and conditions of the transactions with directors and their director related entities were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year in relation to directors and their related entities were as follows:

Director	Service	Income/ (Expense) 2015	Receivable/ (Payable) 2015	Income/ (Expense) 2014	Receivable/ (Payable) 2014
M Clarke	Corp Sales / M'Ship	2,964	-	4,275	-
A Fahour	Corp Sales / M'Ship Postage	14,879 (195,309)	-	18,845 (210,876)	-
I Fried	Corp Sales / M'Ship	11,923	-	14,300	-
R Geminder	Corp Sales / M'Ship	275,992	-	239,962	-
A Gleeson	Corp Sales / M'Ship	6,181	-	20,302	-
K Jenkins (Appointed 19.10.2015)	M'ship	960	-	-	-
G Lee (Resigned 19.10.2015)	Corp Sales / M'Ship	12,109	-	7,159	-
M LoGiudice	Corp Sales / M'Ship Goods	14,228 (5,866)	-	34,583 (4,399)	-
C Mathieson	Corp Sales / M'Ship	50,922	-	47,600	-
J Pratt AC	S'Ship / M'Ship Goods	598,055 (3,846)	- (110)	1,040,628 (25,062)	- (2,336)
L Sayers	Corp Sales / M'Ship	36,718	-	30,332	-

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 22 RELATED PARTY (CONT)

Director transactions with the Football Club

During 2015 financial year Mr LoGiudice donated a Hyundai vehicle to the Club to be raffled, which raised \$37,000 and Mr Geminder donated a portrait of Chris Judd to the value of \$20,000. During 2014 financial year Mr Fahour won a Hyundai vehicle in the Club's 150th Year event raffle. Mr Fahour donated the vehicle back to the Club to auction, which raised \$40,000.

Director transactions with Australian Sports Foundation

The following directors contributed unconditional donations throughout the year to the Australian Sports Foundation, nominating their preference for their gift to benefit the Carlton Football Club. The Australian Sports Foundation makes the ultimate determination as to how the donations are dealt with and distributed.

Director	2015	2014
M Clarke	5,750	5,000
A Fahour	750	-
I. Fried	35,750	-
R Geminder	43,000	15,000
A Gleeson	12,750	-
G. Lee	2,000	-
M LoGiudice	44,250	28,000
C Mathieson	36,000	20,500
J Pratt	10,000	-
L Sayers	25,720	20,000

Director transactions with Carlton Football Club Foundation

The following directors contributed an unconditional donation throughout the year to the Carlton Football Club Foundation, nominating their preference for the gift to be granted to the ASF Carlton Football Club Elite Training Facilities Project no. 205300. The Trustees of the Foundation make the ultimate determination as to how the donations are dealt with.

Director	2015	2014
I Fried	-	20,000
A Fahour	-	50,000

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 23 PARTICULARS OF DIRECTORS

Full Names and Office Held	Date and Place of Birth	Nature and Date of Change	Number of Years on Board	Experience/Background	Qualifications
CLARKE, Marcus Director	24.01.1961 Melbourne, Australia	Continuing	8 years, 9 months	Mr Clarke has been a barrister since 1987 and has represented a number of Carlton players at the AFL Tribunal and in appeals from the Tribunal.	B.Ec., LL.B
FAHOUR, Ahmed Director	05.10.1966 Lebanon	Retiring at the December 2015 AGM	3 years	Mr Fahour was appointed Managing Director and CEO of Australia Post in February 2010. Has held a number of senior executive positions within the finance and banking industries in Australia and overseas. Was previously CEO of Citigroup Alternative Investments (NY, USA), CEO of Citigroup (Australia and New Zealand); Executive Director and CEO of National Australia Bank (Australia and Asia); Currently Chairman of Pro-Pac.	BEcon (Hons), MBA
FRIED, Isaac Jacob Director	20.06.1972 Melbourne, Australia	Continuing	8 years, 11 month	Mr Fried is Executive Deputy Chairman Spotlight Group Holdings, which includes Spotlight, Anaconda and Spotlight property Group.	

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 23 PARTICULARS OF DIRECTORS (CONT.)

Full Names and Office Held	Date and Place of Birth	Nature and Date of Change	Number of Years on Board	Experience/Background	Qualifications
GEMINDER, Raphael Director	24.03.1960 Spring Hill, Australia	Retiring at the December 2015 AGM	5 years, 6 months	Mr Geminder is Non-Executive Chairman of Pact Group, a leading Australasian packaging business in a broad range of rigid plastic and metal packaging. Prior to acquiring Pact Group, Mr Geminder was the co-founder and Chairman of Visy Recycling, growing it into the largest recycling company in Australia.	MBA (Finance)
GLEESON, Adrian Paul. Director	29.04.1967 Koroit, Australia	Continuing	9 years, 6 months	Mr Gleeson is a Certified Financial Planner, practicing and Partner of C.A.G Wealth Management P/L. In addition Mr Gleeson is Chairman of the Johns Lyng Group.	CFP, Dip FP
JENKINS, Kate Michelle Director	27.03.1968 Mitcham, Australia	Appointed 19.10.2015	1 month	Ms Jenkins has 20 years' experience as an employment lawyer at Herbert Smith Freehills, including 14 years as partner. Appointed September 2013 as the Victorian Equal Opportunity and Human Rights Commissioner. In addition Ms Jenkins is a Director of Berry Street Victoria and Heide Museum of Modern Art.	BA (Hons) LLB (Hons)
LEE, Gregory Douglas Director	26.11.1955 Melbourne, Australia	Continuing	9 years, 7 months	Mr Lee is Managing Director of United Recruitment which he started in 1994. A Fellow of the Institute of Company Directors.	B.Sc, FAICD, FAIM

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 23 PARTICULARS OF DIRECTORS (CONT)

Full Names and Office Held	Date and Place of Birth	Nature and Date of Change	Number of Years on Board	Experience/Background	Qualifications
LOGIUDICE, Mark Director	16.05.1969 Melbourne, Australia	Continuing	5 years, 6 Months	Mr LoGiudice has been in the property industry since 1986 and is Managing Director of Crawford Group, a family owned investment and development company, involved in commercial, industrial and retail property. Further to his property interests Mr LoGiudice is a Director of Premier Fruits Group, a national farming, marketing and logistics company of fresh produce.	
MATHIESON, Craig Donald Director	14.05.1968 Melbourne, Australia	Continuing	3 years	Mr Mathieson is Managing Director of the Mathieson Group; a diverse family business. Prior to joining the family business, Craig spent 10 years in the Banking Industry, He was also the CEO of DMS Glass until it's sale to CSR Ltd in 2007.	B Bus (Banking & Finance)

CARLTON FOOTBALL CLUB LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 OCTOBER 2015

NOTE 23 PARTICULARS OF DIRECTORS (CONT.)

Full Names and Office Held	Date and Place of Birth	Nature and Date of Change	Number of Years on Board	Experience/Background	Qualifications
PRATT, Jeanne AC Director	01.02.1936 Lowicz, Poland	Continuing	4 years, 7 months	Mrs Pratt is Co-Chairman of Visy the world's largest privately owned, paper and recycling company. Chair of The Production Company a non-profit theatrical company she founded in 1998. Philanthropist and arts patron.	Jeanne Pratt AC DUniv (Swin)
SAYERS, Luke Frederick Director	16.11.1969 Melbourne, Australia	Continuing	3 years	Mr Sayers joined PwC Audit practice in 1993 and in 2012 was appointed CEO of and is currently the Vice Chairman, PwC Asia. In addition Chairman of the Melbourne Chapter of the Australian Business, Community Network (ABCN) and e.motion21. Member of Monash University's Industry Council of Advisors (MICA), the Genazzano FCJ College Council, and leads the Victorian Branch of the Male Champions of Change.	B Bus (Accounting) B Computing (Info Systems)

CARLTON FOOTBALL CLUB LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31 OCTOBER 2015****NOTE 23 PARTICULARS OF DIRECTORS (CONT.)****Directors Attendances at Board and Sub-Committee Meetings during the year:**

Name	Board (Total 10)
M Clarke	9
A Fahour	8
I Fried	8
R Geminder	7
A Gleeson	10
G Lee	9
M LoGiudice	10
C Mathieson	9
J Pratt AC	8
L Sayers	9

The directors also serve time on the following sub-committees, which met on an ad-hoc basis as required:

- 1) Finance, Audit and Risk - L Sayers (Chair), I Fried, M LoGiudice, M Clarke, C Mathieson
- 2) AFL Compliance, Risk & Integrity – M Clarke (Chair), M LoGiudice
- 3) Club Member Venues - M LoGiudice (Chair), I Fried, C Mathieson
- 4) Independent Nominations - John Davies (Chair) & Andrew Mansour (non-director members), M LoGiudice
- 5) List Management - A Gleeson
- 6) Marketing - R Geminder (Chair), I Fried

CARLTON FOOTBALL CLUB LIMITED

DIRECTORS' DECLARATION

At 31 October 2015

In accordance with a resolution of the Directors of Carlton Football Club Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of Carlton Football Club Ltd 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 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards – Reduced Disclosure Requirements (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (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 as noted in Note 2c.

On behalf of the Board



MARK LOGIUDICE
President

19 November 2015



Ernst & Young
 8 Exhibition Street
 Melbourne VIC 3000 Australia
 GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000
 Fax: +61 3 8650 7777
 ey.com/au

Independent auditor's report to the members of Carlton Football Club Limited

Report on the financial report

We have audited the accompanying financial report of Carlton Football Club Limited, which comprises the consolidated statement of financial position as at 31 October 2015, 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 comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 controls as the directors determine are necessary to enable the preparation of the financial report that 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 judgment, 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 controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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 have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.



Opinion

In our opinion the financial report of Carlton Football Club Limited is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the financial position of the consolidated entity at 31 October 2015 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.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Kester C Brown'.

Kester C Brown
Partner

Melbourne
19 November 2015

A series of horizontal dotted lines for writing notes.



CARLTONFC.COM.AU



HYUNDAI

