

FINANCIAL REPORT

IAN ANDERSON
CHIEF FINANCIAL OFFICER



POWER PLAY

Port Adelaide's
Robbie Gray
was one of the
stars of 2014.



FINANCIAL REPORT

The AFL's net surplus of \$12.5 million was ahead of the budget that was set at the start of the financial year.

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The AFL has announced two new financial equalisation measures that will be introduced in 2015

AFL CONSOLIDATED FINANCIAL RESULTS

The AFL recorded a net surplus of \$12.5 million for the 2014 financial year. This result, while down on last year, was ahead of the budget that was set at the start of the year. Most revenue streams, except the finals series, were up on last year. As well, there were a number of new expenditure initiatives budgeted during the year, particularly in the areas of Marketing and Human Resources. These factors combined with increased distributions to clubs and stadia, contributed to the overall result being down on last year.

Finally, the consolidated result, which includes all the AFL's controlled state subsidiaries, was a net surplus of \$13.3 million. All states produced an operating surplus, which was a pleasing result.

AFL CLUBS' FINANCIAL RESULTS

The AFL clubs continued to report mixed financial results in 2014. Ten clubs reported an operating profit, with most of these clubs in the finals. However, eight clubs reported an operating loss, which is a continuing trend from the past few years.

The AFL has announced two new financial equalisation measures that will be introduced in 2015 to try to improve the financial equality between all clubs. The first measure is a Revenue Sharing formula which results in revenues from the top 10 clubs being redistributed to the bottom clubs. The amount is fixed for the next two years and will be reviewed after this date. The second measure is a soft cap on non-player football department expenditure. Any club that exceeds the cap amount will have to pay a tax on this excess amount, the proceeds of which will be distributed to the bottom clubs. The cap has been set for the next two years and will be reviewed after this date.

INFORMATION TECHNOLOGY

The AFL's IT department, as well as managing all the day-to-day needs of the AFL and its state operations, also undertook a number of new initiatives in 2014 including:

- Continued development of the Player Database system including adding a List Management module and Player Movement report.
- Implemented a player sanctions database.
- Implemented a supplements reporting system for use by all clubs and players in the AFL.
- Implemented an AFL Club Officials registration database, which allows the AFL clubs to register all club staff directly with the AFL.
- Implemented a new ticketing system for use in the 2014 season that automated the distribution of tickets to AFL sponsors.
- Implemented the first modules of a new Human Resources Information System.

INSURANCE AND RISK MANAGEMENT

The AFL's Risk Management and Insurance programs continue to provide a valuable service to the whole AFL industry. These services are supported by the AFL's insurance broker, JLT.

At the AFL level, a Business Risk Assessment is prepared annually and specific actions are undertaken to help minimise these risks eventuating.

At the AFL club level, all AFL clubs are monitored on a yearly basis to ensure they meet the AFL's minimum standards, as well as being assessed against the annual Key Performance Indicators that are put in place to target specific improvements in Risk Management behaviours.

At the AFL Community level, the main focus has been on improving the insurance cover for all community clubs and their participants. In particular, over the past three years, the AFL has been increasing the level of cover for serious injuries such as quadriplegia and paraplegia. The standard level of this cover was increased from \$250,000 in 2013 to \$500,000 in 2014. In 2015, this cover will increase again to \$1 million. Pleasingly, this increase has been negotiated at no extra cost to the football community.

PAYMENTS TO CLUBS

CLUB	BASE	FUTURE FUND	OTHER	TOTAL
ADELAIDE CROWS	7,514,004	500,000	2,105,064	10,119,068
BRISBANE LIONS	7,514,004	1,414,431	2,676,149	11,604,584
CARLTON	7,514,004	750,000	3,239,505	11,503,509
COLLINGWOOD	7,514,004	-	3,587,330	11,101,334
ESSENDON	7,514,004	-	4,268,543	11,782,547
FREMANTLE	7,514,004	600,000	2,137,045	10,251,049
GEELONG CATS	7,514,004	-	2,968,509	10,482,513
GOLD COAST SUNS	7,514,004	2,400,000	3,412,603	13,326,607
GREATER WESTERN SYDNEY GIANTS	7,514,004	2,693,973	3,340,340	13,548,317
HAWTHORN	7,514,004	650,000	4,147,931	12,311,935
MELBOURNE	7,514,004	2,270,000	2,596,582	12,380,586
NORTH MELBOURNE	7,514,004	2,810,000	3,170,960	13,494,964
PORT ADELAIDE	7,514,004	1,075,000	2,552,421	11,141,425
RICHMOND	7,514,004	1,650,000	3,202,086	12,366,090
ST KILDA	7,514,004	3,034,498	3,591,270	14,139,772
SYDNEY SWANS	7,514,004	2,263,000	2,797,405	12,574,409
WEST COAST EAGLES	7,514,004	-	1,970,439	9,484,443
WESTERN BULLDOGS	7,514,004	3,468,000	3,341,869	14,323,873
TOTAL	135,252,072	25,578,902	55,106,051	215,937,025

PROCUREMENT

The AFL has continued to develop its centralised procurement programs. These procurement activities are focused on managing the purchasing activities of the AFL, the state football bodies and the AFL clubs. In 2014, a number of new initiatives were undertaken and implemented including:

- A new accommodation agreement with Accor for use throughout the AFL industry.
- Negotiating new apparel agreements with BLK and ISC for a variety of apparel needs throughout the AFL and state football, including umpires' apparel.

PAYMENTS TO AFL CLUBS

The AFL makes a number of distributions and payments to AFL Clubs. These payments included the following in 2014:

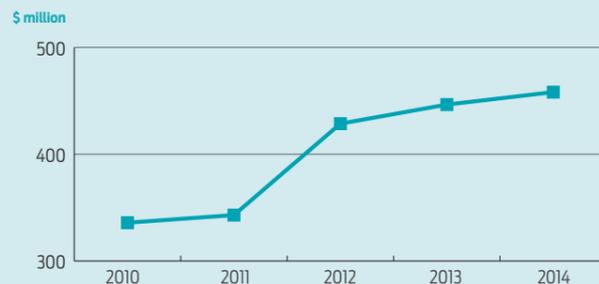
- A base distribution to all clubs which totalled \$135.3 million, an increase of \$5.7 million.
- A bonus distribution of \$1.2 million to all clubs from the broadcast rights proceeds.
- Equal and disequal payments totalling \$25.6 million to all clubs in 2014 from the Club Future Fund.
- Other payments to clubs including prize money, distribution of the AFL's signage rights at Etihad Stadium and promotional funding to help clubs develop the game around Australia.

At the AFL club level, all AFL clubs are monitored on a yearly basis to ensure they meet the AFL's minimum standards, as well as being assessed against the annual Key Performance Indicators

KEY FINANCIAL INDICATORS

REVENUE

↑ 3%
to \$458 million

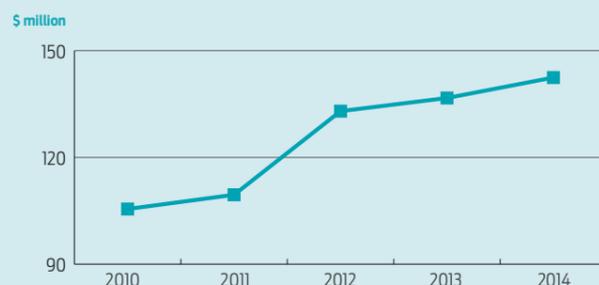


Revenue increased by \$12 million with the major movements comprising:

- Broadcasting and Media Revenues up \$9 million.
- Commercial Operations Revenues up \$3 million.

EXPENDITURE

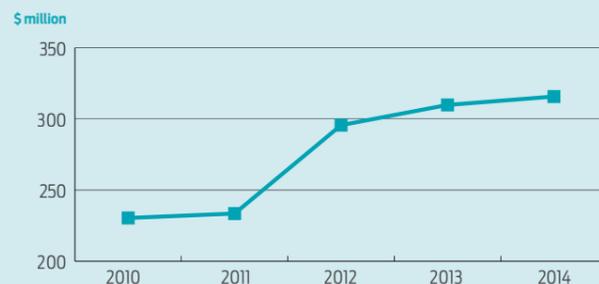
↑ 4%
to \$142 million



Expenditure increased by \$6 million due primarily to revenue-related increases.

OPERATING PROFIT

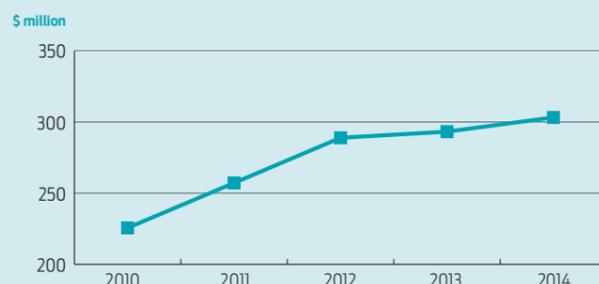
↑ 2%
to \$316 million



The AFL's Operating Surplus increased by \$6 million to \$316 million. This increase enabled greater distributions to all stakeholders.

DISTRIBUTIONS

↑ 3%
to \$303 million



Distributions increased by \$10 million in the following areas:

- Payments to Clubs up \$7 million.
- Grants to AFL State Football bodies up \$1.6 million.
- Facilities Development up \$1.4 million.

NET PROFIT

\$12.5M



The AFL's Net Profit decreased by \$4 million in 2014. This profit is being invested in the AFL's Future Fund.

THE AFL 2005-14

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Profit & Loss (\$ mill)										
Revenue	203.695	215.220	284.794	302.139	303.450	335.862	343.017	428.623	446.505	458.157
Operating Expenses	69.430	72.141	81.047	94.666	89.885	105.479	109.479	132.988	136.682	142.447
Interest Expense	3.861	2.982	1.272	0.028	0.022	-	-			
Operating Surplus	130.404	140.097	202.475	207.445	213.543	230.383	233.538	295.635	309.823	315.710
Payments to Clubs	91.964	96.559	125.488	131.752	135.808	141.978	158.866	200.251	209.152	215.937
Payments to AFLPA	7.767	8.701	12.131	12.518	13.897	14.491	21.992	21.986	21.692	22.680
Game Development Grants	18.997	21.495	25.852	25.871	27.305	29.129	30.750	36.520	37.292	38.904
Ground Improvements	5.148	5.591	4.951	5.095	5.014	4.547	5.065	6.025	6.071	6.389
AFL Foundation	-	0.200	0.231	0.255	0.300	0.300	0.161	0.150	0.329	0.842
Facilities Development			4.665	8.655	13.735	9.524	6.720	7.731	5.890	7.306
Strategic Partnership			1.198	0.877	1.502	1.848	1.915	1.645	1.237	1.228
New Markets			1.618	2.967	13.349	23.738	31.683	14.594	11.553	9.887
Net Profit/(Loss) before Transfers (to)/from Reserves	6.528	7.551	26.341	19.455	2.633	4.828	(23.614)	6.733	16.607	12.537
Facilities Development Reserve	(3.000)	(3.600)	(4.535)	0.314	6.333	2.123	(0.682)	1.731	0.190	0.990
Strategic Partnership Reserve	(1.800)	(1.800)	0.198	(0.123)	0.502	0.848	0.915	-	-	-
New Markets Reserve	-	-	(0.382)	(0.033)	0.415	-	-	-	-	-
Future Fund Reserve	-	-	(16.400)	(17.245)	(17.409)	(18.431)	(19.874)	-	-	-
Net Surplus/(Deficit)	1.728	2.151	5.222	2.368	(7.526)	(10.632)	(43.255)	8.464	16.797	13.527
Balance Sheet (\$ mill)										
Total Assets	142.353	110.094	124.581	152.073	151.640	155.967	185.294	138.331	151.003	161.654
Total Liabilities	89.617	52.179	40.325	48.361	45.295	44.798	97.741	44.044	40.109	38.223
Net Assets	52.736	57.915	84.256	103.712	106.345	111.169	87.553	94.287	110.894	123.431
TPP & Club Distribution Statistics (\$ mill)										
Total Player Payments (TPP)	100.813	103.565	111.100	118.900	123.100	127.200	139.613	158.173	164.500	173.383
TPP per Club	6.301	6.473	6.944	7.431	7.694	7.950	8.213	8.787	9.139	9.632
Base Distribution per Club	4.270	4.442	4.913	5.411	5.673	5.930	6.182	6.757	7.196	7.514
Base Distribution as a % of TPP	67.8%	68.6%	70.8%	72.8%	73.7%	74.6%	75.3%	76.9%	78.7%	78.0%
Attendance Statistics (mill)										
Home & Away Season Attendance	6.284	6.204	6.476	6.511	6.371	6.496	6.525	6.239	6.368	6.385
Finals Series Attendance	0.480	0.532	0.574	0.572	0.615	0.651	0.615	0.540	0.558	0.570
Total Premiership Season Attendance	6.764	6.736	7.050	7.083	6.986	7.147	7.140	6.779	6.926	6.955
Pre-Season Attendance	0.307	0.235	0.244	0.240	0.283	0.227	0.256	0.298	0.267	0.136
Total Attendance	7.071	6.971	7.294	7.323	7.269	7.375	7.396	7.077	7.193	7.090
Membership Statistics										
Total of Club Members	506,509	519,126	532,697	574,091	586,748	614,251	699,684	707,621	756,717	804,480
No. of Clubs in the AFL	16	16	16	16	16	16	17	18	18	18
Average No. of Members per Club	31,657	32,445	33,294	35,881	36,672	38,391	41,158	39,312	42,040	44,693
Total AFL Members	44,866	44,726	46,871	49,150	51,013	53,959	55,216	56,595	56,513	56,510

CONCISE FINANCIAL REPORT

Australian Football League
and its controlled entities.

YEAR ENDING
31 October 2014

DIRECTORS' REPORT

The Directors present their report together with the concise financial report of the Australian Football League ("the Company") and Consolidated Entity, being the Company and its controlled entities, for the year ended 31 October 2014 and the auditor's report thereon.

DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Mr M C Fitzpatrick — Chairman

Appointed Commissioner 2003, Chairman from March 2007; Chairman of Remuneration Committee; Member of Audit Committee

Qualifications: Bachelor of Engineering (Hons.) (University of Western Australia) Bachelor of Arts (Hons.) (Oxford University, UK)
Experience: Director, The Walter and Eliza Hall Institute of Medical Research; Chairman, Treasury Group Limited; Director, Rio Tinto Limited/Plc; Director, Infrastructure Capital Group Pty Ltd; Director, Carnegie Ltd; Director, Creswick Ltd; Director, Latam Autos Ltd; Player, Carlton Football Club 1975-1983; Director, Carlton Football Club 1989-1995; Chairman, Australian Sports Commission 1995-1998; Player, Subiaco Football Club 1970-1974; Founder and Managing Director, Hastings Fund Management Ltd, 1994-2005

Mr G A McLachlan — Chief Executive Officer

Appointed June 2014

Qualifications: Bachelor of Commerce (University of Adelaide); Bachelor of Law (Hons.) (University of Melbourne)
Experience: AFL General Manager Commercial Operations 2003-2006; AFL General Manager Broadcasting & Major Projects 2006-2008; AFL Chief Operating Officer 2008-2012; AFL Deputy CEO 2012-2014

Mr A Demetriou — Chief Executive Officer

Appointed 2003 – Resigned 5 June 2014

Qualifications: Bachelor of Arts (LaTrobe University); Diploma of Education (LaTrobe University)
Experience: Player, North Melbourne (Kangaroos) Football Club 1981-1987; Player, Hawthorn Football Club 1988-1989; Director, Ruthinium Group; Chief Executive Officer, AFL Players' Association 1998-2000; Board Member, Robert Rose Foundation; Public Appeal Chairman, Olivia Newton-John Cancer Centre; Director, AFL (NSW/ACT) Commission; Director, NAB Community Advisory Council; Director, Australian Multicultural Advisory Council

Mr C Lynch — Non-Executive Commissioner

Appointed 2008 – Resigned 4 March 2014

Qualifications: Bachelor of Commerce (Deakin University); Master of Business Administration (Deakin University)
Experience: Finance Director, Rio Tinto Ltd/Plc; Former CEO and Executive Director, Transurban Group; Former Executive Director, BHP Billiton Ltd/Plc

Mr W J Kelty — Non-Executive Commissioner

Appointed 1998

Qualifications: Bachelor of Economics (La Trobe University)
Experience: Director, Linfox Group; Chairman, Virtual Communities Pty Ltd; Member, McGuire Media Advisory Board;

Former Secretary, ACTU; Former Director, Reserve Bank of Australia; Chairman, Evans & Partners Advisory Committee; Council Member, La Trobe University; Member, Foundation for Regional Renewal

Mr C D Langford — Non-Executive Commissioner

Appointed 1999, Chairman of Audit Committee

Qualifications: Bachelor of Architecture (University of Melbourne)
Experience: Director, Newmark Capital Pty Ltd; Former CEO Retail Projects, Mirvac Group; Player, Hawthorn Football Club 1980-1997; Member, AFL (NSW/ACT) Commission 1998-2004

Ms S J Mostyn — Non-Executive Commissioner

Appointed 2005, Member of Remuneration Committee

Qualifications: Bachelor of Arts (Australian University); Bachelor of Law (Australian University)
Experience: Director, Virgin Australia Holdings Ltd; Director, Australian Volunteer International; Director, Transurban Holdings Ltd; Director, Citi Australia Ltd; Director, Covermore Insurance

The Honourable L Dessau, AM — Non-Executive Commissioner

Appointed 2008

Qualifications: Bachelor of Law (Hons.) (University of Melbourne)
Experience: Former Justice of the Family Court of Australia; Children's Court Magistrate, Coroner and Magistrate 1978-1995; Director, Winston Churchill Memorial Trust; Director, AFL Sportsready; Chair, Melbourne Festival; Trustee, National Gallery of Victoria; Director, Unicorn Foundation; Director, Bangeta Pty Ltd

Mr R Goyder — Non-Executive Commissioner

Appointed November 2011, Member of Audit Committee

Qualifications: Bachelor of Commerce (University of Western Australia)
Experience: Director, Wesfarmers Limited; Director, Gresham Partners Holdings Limited; Director, Business Council of Australia; Director, UWA Business School Advisory Board; Former Director, Fremantle Football Club; Chairman, Australian B20

Mr P Bassat — Non-Executive Commissioner

Appointed February 2012, Member of Remuneration Committee

Qualifications: Bachelor of Law, Bachelor of Commerce (University of Melbourne)
Experience: Co-founder and former CEO, SEEK Limited 1997-2011; Director, Square Peg Capital Pty Ltd; Director, Peter MacCallum Cancer Foundation; Advisory Board, Faculty of Business and Economics, The University of Melbourne; Member, Mount Scopus College Foundation; Director, Wesfarmers Ltd; Director, Wego Pte Ltd; Director, The Prince's Charities Australia

Mr K Williams — Non-Executive Commissioner

Appointed February 2014

Qualifications: Bachelor of Music (The University of Sydney); Honorary Doctorate of Letters (Macquarie University).
Experience: Board Member, University of Western Sydney Foundation; Board Member, Myer Foundation; Board Member, NSW State Library Foundation; Board Member, Australian Music Foundation; Board Member, Australian Grape and Wine Authority; Director, Executive Channel International

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year were:

DIRECTORS

Director	Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	No. of Meetings attended	No. of Meetings held*	No. of Meetings attended	No. of Meetings held*	No. of Meetings attended	No. of Meetings held*
Mr M C Fitzpatrick	11	11	2	2	2	2
Mr G McLachlan	5	5	-	-	-	-
Mr A Demetriou	6	6	-	-	-	-
Mr W J Kelty	10	11	-	-	-	-
Mr C D Langford	10	11	2	2	-	-
Ms S J Mostyn	10	11	-	-	2	2
Mr C Lynch	3	3	-	-	-	-
Ms L Dessau	11	11	-	-	-	-
Mr P Bassat	10	11	-	-	2	2
Mr R Goyder	10	11	2	2	-	-
Mr K Williams	7	8	-	-	-	-

* Reflects the number of meetings held during the time the director held office during the year.

The role of the Audit Committee is to give the Board of Directors additional assurance regarding the quality and reliability of financial information prepared for use by the Board in determining policies or determining items for inclusion in the financial statements.

The role of the Remuneration Committee is to review the remuneration packages and policies applicable to senior executives of the Company.

As well as the above meetings, the Directors also attended numerous other meetings including meetings with the Presidents of all AFL Clubs.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the course of the financial year have been to promote, control, manage and encourage Australian Rules Football.

There were no significant changes in the nature of the activities of the Consolidated Entity during the year.

OBJECTIVES

The major objectives of the Company include the following:

- To manage the AFL competition to ensure that it remains the most exciting in Australian Sport.
- To build a stronger relationship with the supporters at all levels of the game.
- To help ensure that AFL Clubs are financially secure and competitive.
- To provide the best possible benefits for AFL players and to drive the next generation of elite athletes to choose our game.

STRATEGY AND PERFORMANCE

The Company's strategy is to promote the AFL brand throughout Australia and to a limited extent outside Australia. This includes the introduction of new AFL teams on the Gold Coast and Greater Western Sydney. Key Performance Indicators such as attendances at AFL games, television ratings and participant numbers are used to measure the Company's performance against this strategy.

REVIEW AND RESULTS OF OPERATIONS

The operating profit of the AFL and its controlled entities was \$13.3 million, compared with an operating profit of \$18.2 million in 2013.

STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

LIKELY DEVELOPMENTS

The Directors do not anticipate any major changes in the basis of operations of the Consolidated Entity and the future results of those operations in subsequent financial years.

INSURANCE PREMIUMS

Since the end of the previous financial year the Company has paid insurance premiums in respect of Directors' and Officers' liability and legal expenses, insurance contracts, which include cover for current officers, including executive officers of the Company. The insurance premiums in respect of the officers of the Company relate to:

- Costs and expenses that may be incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome.
- Other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

DIRECTORS' BENEFITS

Since the end of the previous financial year no Director of the Company has received or become entitled to receive any benefit (other than the fixed salary of a full-time employee of the Company or of a related body corporate) by reason of a contract made by the Company, its controlled entities, or a related body corporate with a Director or with a firm of which a Director is a member, or with an entity in which a Director has a substantial interest other than as disclosed in notes 20 and 21 of the annual financial report.

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The Lead Auditor's Independence Declaration is set out on this page and forms part of the Directors' report for the year ended 31 October 2014.

PARENT ENTITY FINANCIAL STATEMENTS

A concise set of Parent Entity Financial Statements has been included alongside the Concise Consolidated Financial Statements in accordance with the option available to the Company under the Australian Securities and Investments Commission (ASIC) Class Order 10/654 issued on 26 July 2010.

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Dated at Melbourne this 15th day of December 2014.

Signed in accordance with a resolution of the Directors:

Mr M C Fitzpatrick
Chairman

Mr G A McLachlan
Director

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the directors of Australian Football League.

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 31 October 2014 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contravention of any applicable code of professional conduct in relation to the audit.

KPMG

Maurice Bisetto
Partner

Melbourne

15 December 2014

STATEMENTS OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 October 2014

	Note	CONSOLIDATED		THE COMPANY	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue	3	524,431	502,699	468,940	459,495
Net financing income/(expense)		596	(42)	471	(137)
Expenses from operating activities		(511,707)	(484,428)	(456,874)	(442,751)
Profit from operating activities before related income tax expense		13,320	18,229	12,537	16,607
Income tax expense relating to operating activities		-	-	-	-
Profit for the year		13,320	18,229	12,537	16,607
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		13,320	18,229	12,537	16,607
Profit attributable to:					
Owners of the Company		12,831	17,405	12,537	16,607
Non-controlling interests		489	824	-	-
Profit for the year		13,320	18,229	12,537	16,607
Total comprehensive income attributable to:					
Owners of the Company		12,831	17,405	12,537	16,607
Non-controlling interests		489	824	-	-
Total comprehensive income for the year		13,320	18,229	12,537	16,607

The Statements of Profit & Loss and other comprehensive income are to be read in conjunction with the notes to the concise financial statements set out on pages 168 to 169.

Discussion and analysis of the Statements of Profit & Loss and Other Comprehensive Income

The consolidated operating profit in 2014 was \$13.3 million which compared with an operating profit of \$18.2 million in 2013.

Consolidated revenue increased by \$21.7 million to \$524.4 million. There were five main areas of revenue which contributed to this movement:

- An increase in media revenues totalling \$7.7 million.
- An increase in commercial operations revenue totalling \$2.8 million.
- An increase in equalisation revenue totalling \$1.1 million.
- A decrease in AFL club-related fine revenue totalling \$3.5 million.
- An increase in subsidiaries' consolidated revenue totalling \$12.3 million.

Consolidated expenditure increased by \$27.3 million to \$511.7 million. There were nine main areas of expenditure which contributed to this movement:

- An increase in distributions to clubs totalling \$6.8 million.
- An increase in distributions to the AFL Players Association totalling \$1.0 million.
- An increase in facility development expenditure totalling \$1.4 million.
- An increase in strategy and marketing expenditure totalling \$1.6 million.
- An increase in media expenditure totalling \$0.9 million.
- An increase in commercial operations expenditure totalling \$3.0 million.
- An increase in football operations expenditure totalling \$1.5 million.
- An increase in subsidiaries' consolidated expenditure totalling \$13.2 million.
- A decrease in new markets expenditure totalling \$1.7 million.

STATEMENTS OF CHANGES IN EQUITY

For the year ended 31 October 2014

	CONSOLIDATED		THE COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Total equity at the beginning of the year	123,238	105,009	110,894	94,287
Other member contributions	-	-	-	-
Total comprehensive income for the year	13,320	18,229	12,537	16,607
Total equity at the end of the year	136,558	123,238	123,431	110,894
Equity attributable to:				
Owners of the Company	134,434	121,603	123,431	110,894
Non-controlling interests	2,124	1,635	-	-
Total equity at the end of the year	136,558	123,238	123,431	110,894

The Statements of Changes in Equity are to be read in conjunction with the notes to the concise financial statements set out on pages 168 to 169.

STATEMENTS OF FINANCIAL POSITION

As at 31 October 2014

	CONSOLIDATED		THE COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Assets				
Cash and cash equivalents	60,912	59,235	52,306	51,958
Trade and other receivables	45,271	34,976	41,153	28,555
Inventories	96	168	-	-
Other	26,288	18,966	19,672	14,490
Total current assets	132,567	113,345	113,131	95,003
Trade and other receivables	2,350	8,000	2,350	8,000
Property, plant and equipment	21,275	23,243	16,173	17,940
Other	30,000	30,060	30,000	30,060
Total non-current assets	53,625	61,303	48,523	56,000
Total assets	186,192	174,648	161,654	151,003
Liabilities				
Trade and other payables	35,471	32,682	32,203	33,072
Deferred income	3,838	9,114	1,216	2,854
Interest-bearing loans and borrowings	10	10	-	-
Provisions	8,916	8,343	3,981	3,411
Total current liabilities	48,235	50,149	37,400	39,337
Interest-bearing loans and borrowings	47	1	-	-
Provisions	1,352	1,260	823	772
Total non-current liabilities	1,399	1,261	823	772
Total liabilities	49,634	51,410	38,223	40,109
Net assets	136,558	123,238	123,431	110,894
Equity				
Member Contributions	21	44	-	-
Reserves	89,884	90,874	89,884	90,874
Retained earnings	44,529	30,685	33,547	20,020
Total equity attributable to equity holders of the Company	134,434	121,603	123,431	110,894
Non-controlling interest	2,124	1,635	-	-
Total equity	136,558	123,238	123,431	110,894

The Statements of Financial Position are to be read in conjunction with the notes to the concise financial statements set out on pages 168 to 169.

Discussion and analysis of the Statements of Financial Position

The consolidated entity's total assets increased by \$11.5 million to \$186.2 million.

The movement in total assets principally comprised:

- An increase in cash and cash equivalents of \$1.7 million.
- An increase in current trade and other receivables totalling \$10.3 million.
- A decrease in property, plant and equipment totalling \$2.0 million.
- A decrease in non-current trade and other receivables totalling \$5.7 million.
- An increase in other current and non-current assets totalling \$7.3 million.

The consolidated entity's total liabilities decreased by \$1.8 million to \$49.6 million over the year.

The movement in total liabilities principally comprised:

- An increase in trade and other payables totalling \$2.8 million.
- An increase in provisions totalling \$0.7 million.
- A decrease in deferred income totalling \$5.3 million.

STATEMENTS OF CASH FLOWS

For the year ended 31 October 2014

	CONSOLIDATED		THE COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash flows from operating activities				
Cash receipts in the course of operations	536,883	518,371	477,208	475,874
Cash payments in the course of operations	(522,741)	(501,841)	(475,765)	(468,376)
Net cash from operating activities	14,142	16,530	1,443	7,498
Cash flows from investing activities				
Interest received	1,519	612	1,390	513
Payments for property, plant and equipment	(13,107)	(5,823)	(1,566)	(1,970)
Net cash used in investing activities	(11,588)	(5,211)	(176)	(1,457)
Cash flows from financing activities				
Interest paid	(923)	(654)	(919)	(650)
Payment of finance lease liabilities	46	(27)	-	-
Segregated cash (invested)/re-assigned	-	3,000	-	3,000
Net cash from/(used in) financing activities	(877)	2,319	(919)	2,350
Net increase/(decrease) in cash and cash equivalents	1,677	13,638	348	8,391
Cash and cash equivalents at the beginning of the financial year	59,235	45,597	51,958	43,567
Cash and cash equivalents at the end of the financial year	60,912	59,235	52,306	51,958

The Statements of Cash Flows are to be read in conjunction with the notes to the concise financial statements set out on pages 168 to 169.

Discussion and analysis of the Statements of Cash Flows

There was a net increase in cash holdings of the consolidated entity during the year totalling \$1.7 million.

The major movements in cash during the year included the following:

- Funds provided by the operating activities for the year totalling \$14.1 million.
- Purchases of property, plant and equipment totalling \$13.1 million.
- Net interest received totalling \$0.6 million.

NOTES TO THE CONCISE FINANCIAL STATEMENTS

For the year ended 31 October 2014

1. Basis of Preparation of the Concise Financial Report

The concise financial report has been prepared in accordance with the Corporations Act 2001 and Accounting Standard AASB 1039 Concise Financial Reports. The financial statements and specific disclosures required by AASB 1039 have been derived from the consolidated entity's full financial report for the financial year. Other information included in the concise financial report is consistent with the consolidated entity's full financial report. The concise financial report does not, and cannot be expected to, provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which is available upon request.

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

The accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

A full description of the accounting policies adopted by the consolidated entity may be found in the consolidated entity's full financial report.

The concise financial report is presented in Australian dollars.

2. Segment Reporting

The Company's activities are entirely the administration and promotion of Australian Rules Football and are confined to Australia except for the sale of television rights to various overseas countries and conduct of exhibition matches overseas from time to time, in support of television rights in overseas countries.

3. Revenue

	CONSOLIDATED		THE COMPANY	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Revenue from Operating Activities				
Broadcasting & AFL Media	248,396	240,674	248,396	240,674
Commercial Operations	164,818	161,985	164,818	161,985
Football Operations	454	314	454	314
Game Development	9,650	9,442	9,650	9,442
Other Revenue	75,113	64,284	19,622	21,080
Contra Advertising Revenue	26,000	26,000	26,000	26,000
	524,431	502,699	468,940	459,495

4. Contingent Liabilities

- i. The Company has entered into an agreement with the AFL Players' Association Inc. for a period of five years commencing on 1 November 2011 whereby the Company has an obligation to assume liability for all amounts due to players of a Club where the Club has lost its licence to compete in the AFL Competition and is suspended from or loses its right to representation in the League. The amounts payable in these circumstances will be offset by any amounts payable to the players in respect of future employment as a player.
- ii. The Company has entered into an agreement with Australia and New Zealand Banking Group Limited ("ANZ Bank") where the Company guarantees the obligations of Sports Facilities Management Limited ("Sports") to the ANZ Bank with respect to Sports borrowings of \$5.0 million in relation to the reconfiguration of Stadium Australia.
- iii. The Company has entered into an agreement with Westpac whereby the Company guarantees the obligations of the Carlton Football Club Limited to Westpac to a maximum of \$4.9 million. The guarantee expired on 31 October 2014. A new guarantee has commenced on 1 November 2014 for \$4.3 million. This guarantee expires on 31 October 2016.
- iv. The Company has entered into an agreement with Westpac whereby the Company guarantees the obligations of the Melbourne Football Club Limited to Westpac to a maximum of \$5.5 million. The guarantee expired on 31 October 2014. A new guarantee has commenced on 1 November 2014 for \$5.1 million. This guarantee expires on 31 October 2016.
- v. The Company has entered into an agreement with Westpac whereby the Company guarantees the obligations of the North Melbourne Football Club Limited to Westpac to a maximum of \$4.2 million. The guarantee expired on 31 October 2014. A new guarantee has commenced on 1 November 2014 for \$3.8 million. This guarantee expires on 31 October 2016.
- vi. The Company has entered into an agreement with Westpac whereby the Company guarantees the obligations of the St Kilda Football Club Limited to Westpac to a maximum of \$6.75 million. The guarantee expired on 31 October 2014. A new guarantee has commenced on 1 November 2014 for \$6.75 million. This guarantee expires on 31 October 2016.
- vii. The Company has entered into an agreement with Westpac whereby the Company guarantees the obligations of the Richmond Football Club Limited to Westpac to a maximum of \$1.5 million. The guarantee expired on 31 October 2014.
- viii. The Company has entered into an agreement with Westpac whereby the Company guarantees the obligations of the Footscray Football Club Limited to Westpac to a maximum of \$4.55 million. The guarantee expired on 31 October 2014. A new guarantee has commenced on 1 November 2014 for \$4.55 million. This guarantee expires on 31 October 2016.
- ix. The Company has entered into an agreement with Westpac whereby the Company guarantees the obligations of the Brisbane Bears-Fitzroy Football Club Limited to Westpac to a maximum of \$8.0 million. The guarantee expired on 31 October 2014. A new guarantee has commenced on 1 November 2014 for \$8.0 million. This guarantee expires on 31 October 2016.
- x. The Company has entered into an agreement with Westpac whereby the Company guarantees the obligations of the Essendon Football Club Limited to Westpac to a maximum of \$5.0 million. The guarantee expired on 31 October 2014. A new guarantee has commenced on 1 November 2014 for \$5.0 million. This guarantee expires on 31 October 2016.
- xi. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of the Australian Football League (Victoria) Limited to National Australia Bank to a maximum of \$0.35 million. This guarantee expires on 31 May 2015.
- xii. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of the Western Sydney Football Club Limited to National Australia Bank to a maximum of \$0.66 million. This guarantee expires on 31 May 2015.
- xiii. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of GCFC Limited to National Australia Bank to a maximum of \$0.98 million. This guarantee expires on 31 May 2015.
- xiv. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligation of AFL Queensland Limited to National Australia Bank to a maximum of \$0.1 million. This guarantee expires on 31 May 2015.
- xv. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of AFL (NSW/ACT) Commission Limited to National Australia Bank to a maximum of \$0.15 million. This guarantee expires on 31 May 2015.
- xvi. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of the Port Adelaide Football Club Limited to National Australia Bank to a maximum of \$2.41 million. This guarantee expires on 31 March 2015.
- xvii. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of Ladder Project Limited to National Australia Bank to a maximum of \$0.01 million. This guarantee expires on 31 March 2015.

5. Events Subsequent to Balance Date

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity in future financial years.

DIRECTOR'S DECLARATION

In the opinion of the directors of the Australian Football League, the accompanying concise financial report of the Consolidated Entity, comprising the Australian Football League and its controlled entities for the year ended 31 October 2014, set out on pages 166 to 169:

- a. Has been derived from or is consistent with the full financial report for the financial year; and
- b. Complies with Accounting Standard AASB 1039 Concise Financial Reports.

Dated at Melbourne this 15th day of December 2014.

Signed in accordance with a resolution of the Directors:

Mr M C Fitzpatrick
Chairman

Mr G A McLachlan
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN FOOTBALL LEAGUE

Report on the concise financial report

We have audited the accompanying concise financial report of the Consolidated Entity comprising the Australian Football League ("the Company") and the entities it controlled at the year's end or from time to time during the financial year which comprises the statements of financial position as at 31 October 2014, the statements of profit and loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended and related notes 1 to 5 derived from the audited financial report of the Consolidated Entity for the year ended 31 October 2014 and the discussion and analysis. The concise financial report does not contain all the disclosures required by Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

Directors' responsibility for the concise financial report

The directors of the Company are responsible for the preparation of the concise financial report in accordance with Australian Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001, and for such internal control as the directors determine are necessary to enable the preparation of the concise financial report.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standards ASA 810 Engagements to Report on Summary Financial Standards. We have conducted an independent audit, in accordance with the Australian Auditing Standards, of the financial report of the Australian Football League for the year ended 31 October 2014. We expressed an unmodified audit opinion on the financial report in our report dated 15 December 2014. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the risk of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design procedures, that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Australian Accounting Standard AASB 1039 Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in Australian Accounting Standard AASB 1039 Concise Financial Reports.

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

Independence

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

Auditor's opinion

In our opinion, the concise financial report, including the discussion and analysis, of the Australian Football League and its controlled entities for the year ended 31 October 2014 complies with Australian Accounting Standard AASB 1039 Concise Financial Reports.

KPMG

Maurice Bisetto
Partner

Melbourne

15 December 2014



BRILLIANT BOMBER

Dyson Heppell took his game to the elite level in 2014, winning his first best and fairest and earning All-Australian selection. ↗

COMMITTEES AND ADVISORS

AFL Audit Committee

Chris Langford (Chair), Mike Fitzpatrick, Richard Goyder

AFL Remuneration Committee

Mike Fitzpatrick (Chair), Sam Mostyn, Paul Bassat

AFL Nominations Committee

Mike Fitzpatrick (Chair), The Hon Linda Dessau AO, Alan Cransberg, Eddie McGuire, Steve Harris, Peter Gordon

AFL Community Committee (Management Committee)

The Hon Linda Dessau (Chair), Chris Langford, Andrew Dillon, Jason Mifsud, Tony Peek

AFL Executive Committee

Gillon McLachlan (Chair), Ian Anderson, Travis Auld, Darren Birch, Peter Campbell, Andrew Dillon, Mark Evans, Sam Graham, Dorothy Hisgrove, Simon Lethlean, Tony Peek

AFL Football Operations Sub-Committee

General Manager Football Operations Mark Evans (Chair), Tony Abate, Joel Bowden, Wayne Campbell Patrick Clifton, Simon Gorr, Patrick Keane, Jennie Loughnan, Tom McCoy, Tessie McManus, Michael Poulton, Kevin Sheehan, Emma Taylor, Scott Taylor, Ken Wood, Vicki Lloyd (secretary)

AFL Tribunal

David Jones (Chair), Ross Howie (deputy chair), Emmett Dunne, Stewart Loewe, David Neitz, David Pittman, Wayne Schimmelbusch, Richard Loveridge, Wayne Henwood, Patrick Clifton (secretary).

AFL Laws Of The Game Committee

General Manager Football Operations Mark Evans (Chair), Joel Bowden, Brett Burton, Wayne Campbell, Michael Christian, Rodney Eade, Tom Harley, Hayden Kennedy, Leigh Matthews, Michael Sexton, Michael Poulton, Jack Trengove, Beau Waters, Patrick Clifton (secretary).

Virgin Australia All-Australian & NAB AFL Rising Star Selectors

Gillon McLachlan (Chair), Kevin Bartlett, Luke Darcy, Mark Evans, Danny Frawley, Glen Jakovich, Cameron Ling, Matthew Richardson, Kevin Sheehan (NAB AFL Rising Star only), Warren Tredrea, Tom McCoy (secretary).

Australian Football Hall Of Fame Selection Committee

Mike Fitzpatrick (Chair), Dennis Cometti, Matt Finnis, Jim Main, Bruce McAvaney, David Parkin, Stephen Phillips, Michelangelo Rucci, Col Hutchinson (statistics & history consultant), Patrick Clifton (secretary)

Appeals Board

Peter O'Callaghan QC (Chair), Brian Collis QC (Deputy Chair), Brian Bourke, John Schultz, Michael Green, John Winneke, Patrick Clifton (secretary).

Match Review Panel

Mark Fraser (Chair), Rod Austin, Joel Bowden, Des Gleeson

AFL Grievance Tribunal

Murray Kellam (Chair), Professor Geoffrey Giudice AO (Deputy Chair) David Maddocks, Michael Moncrieff, Kevin Power

AFL Legal Counsel

Jeff Gleeson QC, Nick Paine, Andrew Woods

AFL Research Board

Dr Ross Smith (chairman), Dr David Buttifant, Neale Daniher, Brendon Gale, Brett Johnson, Dr Peter Harcourt, Assoc Prof Colin McLeod, David Parkin, Michael Poulton, Dr Anthony Schache, Dr Hugh Seward, Lawrie Woodman, Patrick Clifton (secretary).

AFL Concussion Working Group

Dr Peter Harcourt (chairman), Simon Clarke, Dr Andrew Daff, Assoc Prof Gavin Davis, Mark Evans, Matt Finnis, Clay Mackinnon, Dr David Maddocks, Dr Michael Makdissi, Prof Paul McCrory, Ian Prendergast, Dr Hugh Seward, Dr Anik Shawdon, Dr Ross Smith, James Tonkin, Dr Harry Unglik, Lawrie Woodman, Patrick Clifton (secretary).

Legal Advisors

Hall and Wilcox, K and L Gates

AFL Medical Directors

Dr Peter Harcourt, Dr Harry Unglik

AFL SportsReady Ltd Board

The Hon Steve Bracks AC (Chair) The Hon Linda Dessau AM, James Montgomery (Chief Executive Officer), Jenny Samms, Graeme Billings, Paul Marsh, Andrew Blair AM, Marilyn Morgan, Andrew Dillon, David Huggins



END OF AN ERA

Brisbane Lions triple premiership star Jonathan Brown was one of several big names to hang up the boots in 2014.





AUSTRALIAN
FOOTBALL LEAGUE