

FINANCIAL REPORT

RAY GUNSTON
CHIEF FINANCIAL OFFICER

The AFL's net surplus of \$2.5 million was on budget and all revenue streams have increased on last year's results.

AFL CONSOLIDATED FINANCIAL RESULTS

The AFL recorded a net surplus of \$2.5 million for the 2015 financial year. The result, while down on 2014, was on budget. Pleasingly, all revenue streams were up on last year. Increases in distributions to clubs and the AFL Players' Association were

the main factors to the overall result being down on 2014.

The consolidated result, which includes all of the AFL's controlled state subsidiaries, produced a net surplus of \$3.6 million. All state subsidiaries, except for AFL Northern Territory, recorded operating surpluses. AFLNT utilised its retained earnings to assist with the funding of the Michael Long Life Learning Centre. →

DYNAMIC DOG

After a stellar debut season in 2014, young gun Marcus Bontempelli was one of the driving forces behind the Western Bulldogs' return to finals action in 2015.





COMING TOGETHER

Representatives from community football clubs and schools mingle with the skippers of the AFL clubs at Captains' Day at Etihad Stadium in March.

AFL CLUBS' FINANCIAL RESULTS

The profitability of the 18 clubs continues to be a strong focus for the AFL with aggregated 18-club profitability increasing in 2015, albeit with eight clubs reporting operating profits and the remainder reporting operating losses. This compares unfavourably with 10 clubs reporting operating profits in 2014.

The financial impact of declining on-field performance and off-field issues were significant challenges for some clubs which, through reduced revenue generation and increased costs, reduced profitability accordingly.

However, the AFL was pleased to see clubs such as Melbourne, North Melbourne, Port Adelaide and the Western Bulldogs continue to capitalise on their improved on-field performance and financial management to report operating profits in 2015.

The profitability of clubs is impacted at the structural level by commercial arrangements at stadia and the financial impact of the fixture, in addition to investment in non-core revenue generating businesses. Other drivers, such as the size of the active fan base of the club

and on-field performance also affect revenue generation and can vary by season. Accordingly, these contributing factors necessitate the need for the AFL to intervene and introduce policy to manage these inequities.

Two equalisation measures were implemented at the start of 2015 to begin to address the financial inequality between clubs.

The first equalisation measure was a revenue-based lever to transfer revenues from the top 10 clubs to the remainder of the competition. The second equalisation measure was a cost-based lever that prescribed a "soft cap" on non-player football department expenditure with a tax paid by clubs should they exceed this amount.

These competitive balance levers were announced to clubs in 2014 and apply for the 2015 and 2016 seasons only, with a more comprehensive and dynamic competitive balance policy to be developed over this period for introduction in 2017.

The AFL is dedicated to a competition with 18 financially strong clubs, who all make comparable investments in football department expenditure to ensure an exciting and equal on-field contest.

FINANCIAL OPERATIONS

The AFL is continuously striving to add value across the AFL industry by centralising support services, investing in technology and implementing leading solutions and programs.

The AFL continued to invest in the development of its Risk Management and Insurance programs, resulting in an increase of standards for all 18 clubs. At a community level, the programs have delivered a level of cover for serious injuries such as quadriplegia and paraplegia of up to \$1 million. This is double the 2014 level of cover.

The centralised services and solutions provided by the AFL to the industry also include accounting, information technology and procurement. State football bodies and the clubs have access to these services and have benefited through the adoption of these services and technologies. These include payroll services, sponsorship and events systems and travel and accommodation arrangements.

The annual Club Financial Review was completed, providing valuable benchmarking data and trend analysis for the AFL and the clubs. In addition to the

collection of annual data, the AFL in recent years has focused on the collection of longer-term forecast information to assist with strategy and planning for the industry.

PAYMENTS TO AFL CLUBS

The AFL makes a number of distributions and payments to AFL clubs. These payments included the following in 2015:

- A base distribution to all clubs which totalled \$142.0 million, an increase of \$6.8 million.
- A bonus distribution of \$1.2 million to all clubs from the broadcast rights proceeds.
- Other payments to clubs included equal and unequal financial assistance, prize money, distribution of the AFL's signage rights at Etihad Stadium and promotional funding to help clubs develop the game around Australia.

OUTLOOK

With the media rights arrangements for 2017-22 having been finalised in August 2015, work is progressing on

the AFL industry's future funding model. A long-term investment-based funding model that looks beyond the six-year media rights payment arrangements will be worked through with industry participants throughout 2016. This

model will be designed to put in place a sustainable industry funding framework based on a rightsized cost base for the industry while providing the capacity to also have available funding for long-term investment requirements.

2015 PAYMENTS TO CLUBS

CLUB	BASE	BONUS	OTHER	TOTAL
ADELAIDE CROWS	7,890,840	1,200,000	1,542,653	10,633,493
BRISBANE LIONS	7,890,840	1,200,000	7,349,619	16,440,459
CARLTON	7,890,840	1,200,000	2,495,684	11,586,524
COLLINGWOOD	7,890,840	1,200,000	1,904,152	10,994,992
ESSENDON	7,890,840	1,200,000	2,737,272	11,828,112
FREMANTLE	7,890,840	1,200,000	2,570,346	11,661,186
GEELONG CATS	7,890,840	1,200,000	1,179,992	10,270,832
GOLD COAST	7,890,840	1,200,000	8,854,524	17,945,364
GREATER WESTERN SYDNEY GIANTS	7,890,840	1,200,000	11,490,642	20,581,482
HAWTHORN	7,890,840	1,200,000	3,267,685	12,358,525
MELBOURNE	7,890,840	1,200,000	4,909,031	13,999,871
NORTH MELBOURNE	7,890,840	1,200,000	5,492,480	14,583,320
PORT ADELAIDE	7,890,840	1,200,000	3,795,418	12,886,258
RICHMOND	7,890,840	1,200,000	3,416,500	12,507,340
ST KILDA	7,890,840	1,200,000	8,337,466	17,428,306
SYDNEY SWANS	7,890,840	1,200,000	3,144,805	12,235,645
WEST COAST EAGLES	7,890,840	1,200,000	2,386,781	11,477,621
WESTERN BULLDOGS	7,890,840	1,200,000	6,640,343	15,731,183
Total	142,035,120	21,600,000	81,515,394	245,150,514

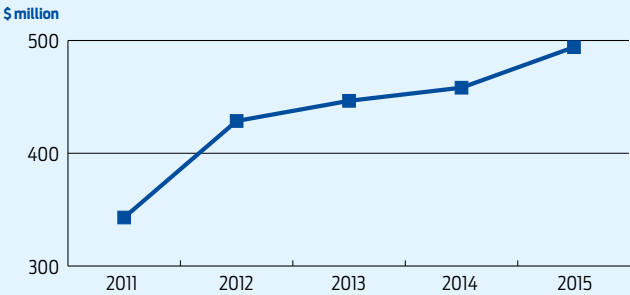
THE AFL 2006-2015

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Profit & Loss (\$ mill)										
Revenue	215.220	284.794	302.139	303.450	335.862	343.017	428.623	446.505	460.529	494.092
Operating Expenses	72.141	81.047	94.666	89.885	105.479	109.479	132.988	136.682	142.447	156.324
Interest Expense	2.982	1.272	0.028	0.022	-	-	-	-	-	-
Operating Surplus	140.097	202.475	207.445	213.543	230.383	233.538	295.635	309.823	318.082	337.769
Payments to Clubs	96.559	125.488	131.752	135.808	141.978	158.866	200.251	209.152	218.309	245.151
Payments to AFLPA	8.701	12.131	12.518	13.897	14.491	21.992	21.986	21.692	22.680	30.547
Game Development Grants	21.495	25.852	25.871	27.305	29.129	30.750	36.520	37.292	38.904	39.398
Ground Improvements	5.591	4.951	5.095	5.014	4.547	5.065	6.025	6.071	6.389	6.851
AFL Foundation	0.200	0.231	0.255	0.300	0.300	0.161	0.150	0.329	0.842	1.272
Facilities Development	1.637	4.665	8.655	13.735	9.524	6.720	7.731	5.890	7.306	5.308
Strategic Partnership	0.735	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	6.700
Net Profit/(Loss) before Transfers (to)/from Reserves	5.179	26.341	19.455	2.633	4.828	(23.614)	6.733	16.607	12.537	2.542
Facilities Development Reserve	(1.963)	(4.535)	0.314	6.333	2.123	(0.682)	1.731	0.190	0.990	-
Strategic Partnership Reserve	(1.065)	0.198	(0.123)	0.502	0.848	0.915	-	-	-	0.525
New Markets Reserve	-	(0.382)	(0.033)	0.415	-	-	-	-	-	-
Future Fund Reserve	-	(16.400)	(17.245)	(17.409)	(18.431)	(19.874)	-	-	-	-
Movement in Retained Earnings	2.151	5.222	2.368	(7.526)	(10.632)	(43.255)	8.464	16.797	13.527	3.067
Balance Sheet (\$ mill)										
Total Assets	110.094	124.581	152.073	151.640	155.967	185.294	138.331	151.003	161.654	182.628
Total Liabilities	52.179	40.325	48.361	45.295	44.798	97.741	44.044	40.109	38.223	56.655
Net Assets	57.915	84.256	103.712	106.345	111.169	87.553	94.287	110.894	123.431	125.973
TPP & Club Distribution Statistics (\$ mill)										
Total Player Payments (TPP)	103.565	111.100	118.900	123.100	127.200	139.613	158.173	164.500	173.383	181.284
TPP per Club	6.473	6.944	7.431	7.694	7.950	8.213	8.787	9.139	9.632	10.071
Base Distribution per Club	4.442	4.913	5.411	5.673	5.930	6.182	6.757	7.196	7.514	7.891
Base Distribution as a % of TPP	68.6%	70.8%	72.8%	73.7%	74.6%	75.3%	76.9%	78.7%	78.0%	78.4%
Attendance Statistics (mill)										
Home & Away Season Attendance	6.204	6.476	6.511	6.371	6.496	6.525	6.239	6.368	6.385	6.352
Finals Series Attendance	0.532	0.574	0.572	0.615	0.651	0.615	0.540	0.558	0.570	0.519
Total Premiership Season Attendance	6.736	7.050	7.083	6.986	7.147	7.140	6.779	6.926	6.955	6.871
Pre-Season Attendance	0.235	0.244	0.240	0.283	0.227	0.256	0.298	0.267	0.136	0.207
Total Attendance	6.971	7.294	7.323	7.269	7.375	7.396	7.077	7.193	7.090	7.078
Membership Statistics										
Total of Club Members	519,126	532,697	574,091	586,748	614,251	699,684	707,621	756,717	804,480	836,136
No. of Clubs in the AFL	16	16	16	16	16	17	18	18	18	18
Average No. of Members per Club	32,445	33,294	35,881	36,672	38,391	41,158	39,312	42,040	44,693	46,452
Total AFL Members	44,726	46,871	49,150	51,013	53,959	55,216	56,595	56,513	56,510	54,983

Based on AFL Management Accounts

KEY FINANCIAL INDICATORS

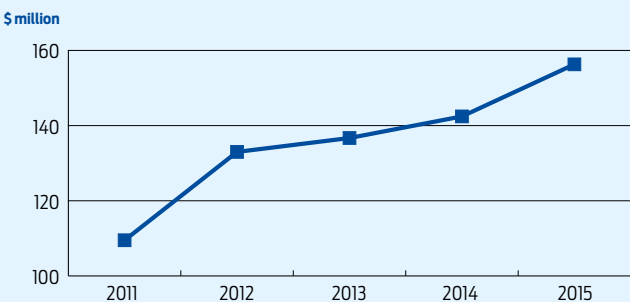
REVENUE
7%
to \$494.1 million



Revenue increased by \$33.6 million with the major movements comprising:

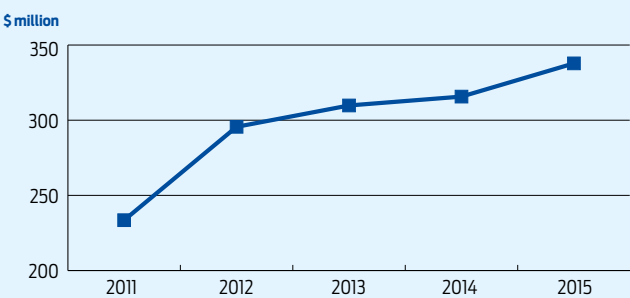
- Commercial Operations Revenues up \$20.8 million
- Broadcasting and Media Revenues up \$9.0 million

EXPENDITURE
10%
to \$156.3 million



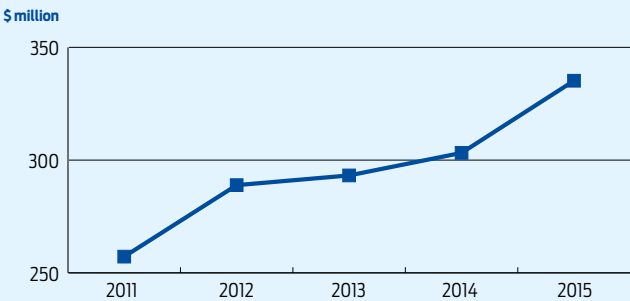
Expenditure increased by \$13.9 million with major movements predominately due to revenue-related expenditure increases

OPERATING SURPLUS
6%
to \$337.8 million



The AFL's Operating Surplus increased by \$19.7 million to \$337.8 million. This increase enabled greater distributions to all stakeholders.

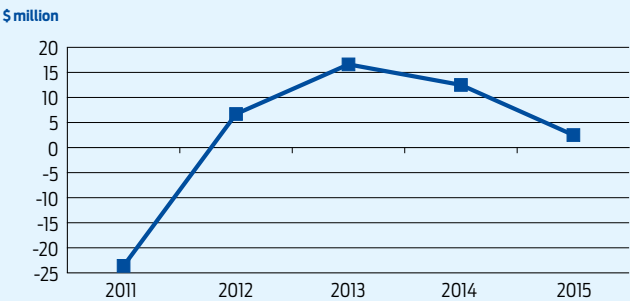
DISTRIBUTIONS
10%
to \$335.2 million



Distributions increased by \$29.7 million in the following areas:

- Payments to clubs up \$26.8 million
- AFLPA distribution up \$7.9 million
- Reduction in new markets investment of \$3.2 million
- Reduction in facility-development expenditure of \$2.0 million

NET PROFIT
\$2.5M



The AFL's Net Profit decreased by \$10.0 million in 2015 as a result of the increased distributions detailed above.

Based on AFL Management Accounts

CONCISE FINANCIAL REPORT

Australian Football League and its controlled entities.

YEAR ENDING
31 OCTOBER 2015

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 2015 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, Pacific Current Group Limited
- Former Director, Rio Tinto Limited/Plc
- Director, Infrastructure Capital Group Pty Ltd
- Director, Carnegie Ltd
- Director, Creswick Quartz Pty 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 5th 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
- Patron, Children's Cancer Foundation

Mr W J Kelty – Non-Executive Commissioner

Appointed 1998 – Resigned 25th March 2015

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
- Director, Panorama 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:

- Chair, Citigroup Pty Limited
- Chair, Carriage Works Australia
- President, Australian Council for International Development
- Non Executive Director, Virgin Australia Holdings Ltd
- Non Executive Director, Transurban Holdings Ltd
- Non Executive Director, Cover-More Insurance
- Non Executive Director, Mirvac
- Non Executive Director, GO Foundation
- Non Executive Director, ClimateWorks Australia

The Honourable L Dessau, AM – Non-Executive Commissioner

Appointed 2008 – Resigned 25th March 2015

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
- Former Director, AFL SportsReady Pty Ltd
- Chair, Melbourne Festival
- Trustee, National Gallery of Victoria
- Director, Unicorn Foundation
- Director, Bangeta Pty Ltd

Mr R Goyder, AO – 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

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
- Member, Mount Scopus College Foundation
- Director, Wesfarmers Ltd
- Director, Wego Pte Ltd
- Director, The Prince's Charities Australia
- Director, AFL SportsReady Pty Ltd
- Director, PropertyGuru Pte Ltd

Mr K Williams, AM – 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
- Chair, Copyright Agency

Major General S Wilkie AM – Non-Executive Commissioner

Appointed 25th March 2015

Qualifications:

- Bachelor of Human Resource Management (University of New England)
- Graduate Diploma of Telecommunications Systems Management (Swinburne University of Technology)
- Graduate Diploma of Strategic Studies (Deakin University)
- Master of Defence Studies (University of Canberra)
- Advanced Management Program (Harvard Business School)

Experience:

- Head of ADF Joint Enablers & Commander, Australian Defence College
- Chief of Staff to the Chief of Army
- National Commander ADF commitment in Afghanistan
- Director General Training
- Member of the Order of Australia
- Awarded a Bronze Star (United States) for service in Iraq
- Awarded a Commendation for Distinguished Service in Afghanistan
- Patron, ADF Women's Australian Rules Association
- Patron, ADF Hockey Association
- Chair, ADF Sports Council

Mr J Ball – Non-Executive Commissioner

Appointed 25th March 2015

Experience:

- Senior Relationship Manager, Macquarie Equities (Macquarie Group)
- Director, Sydney Swans Football Club 2007-2015
- Player, Sydney Swans Football Club 2000-2005
- Player, West Coast Eagles Football Club 1992-1999

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:

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	1	1	1	1
Mr G McLachlan	11	11	-	-	-	-
Mr W J Kelty	4	5	-	-	-	-
Mr C D Langford	11	11	1	1	-	-
Ms S J Mostyn	10	11	-	-	1	1
Hon L Dessau, AM	5	5	-	-	-	-
Mr P Bassat	11	11	-	-	1	1
Mr R Goyder, AO	11	11	1	1	-	-
Mr K Williams, AM	10	11	-	-	-	-
Major Gen S Wilkie, AM	7	7	-	-	-	-
Mr J Ball	7	7	-	-	-	-
* 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:
- I. To manage the AFL competition to ensure that it remains the most exciting in Australian sport.
 - II. To build a stronger relationship with the supporters at all levels of the game.
 - III. To help ensure that AFL clubs are financially secure and competitive.
 - IV. 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. Key Performance Indicators such as attendances at AFL games, television ratings, digital consumption 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 \$3.6 million, compared with an operating profit of \$13.3 million in 2014.

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. However, a new Broadcast Rights deal has been negotiated and agreed for the 2017-22 financial years. The new Broadcast Rights deal has increased by a material amount and forms a major part of the investment-based industry funding model to be implemented from 2017 onwards.

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; and
- 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 2015.

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 February 2016.

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 2015 there have been:

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

KPMG

M Bisetto
Partner
Melbourne
15th February 2016

STATEMENTS OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2015

	Note	Consolidated		The Company	
		2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue	3	558,674	528,230	506,026	472,739
Net financing income/(expense)		564	596	243	471
Expenses from operating activities		(555,590)	(515,506)	(503,727)	(460,673)
Profit from operating activities before related income tax expense		3,648	13,320	2,542	12,537
Income tax expense relating to operating activities		-	-	-	-
Profit for the year		3,648	13,320	2,542	12,537
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		3,648	13,320	2,542	12,537
Profit attributable to:					
Owners of the Company		3,003	12,831	2,542	12,537
Non-controlling interests		645	489	-	-
Profit for the year		3,648	13,320	2,542	12,537
Total comprehensive income attributable to:					
Owners of the Company		3,003	12,831	2,542	12,537
Non-controlling interests		645	489	-	-
Total comprehensive income for the year		3,648	13,320	2,542	12,537

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 146 to 147.

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

The consolidated operating profit in 2015 was \$3.6 million which compared with an operating profit of \$13.3 million in 2014.

- Consolidated revenue increased by \$30.4 million to \$558.7 million. There were five main areas of revenue which contributed to this movement:
- An increase in commercial operations revenue totalling \$17.9 million
 - An increase in media revenues totalling \$9.3 million
 - An increase in football operations revenue totalling \$2.8 million
 - An increase in game development revenue totalling \$0.3 million
 - An increase in various other sundry revenues totalling \$0.1 million

Consolidated expenditure increased by \$40.1 million to \$555.6 million. The main areas of expenditure which contributed to this movement were:

- An increase in distributions to clubs totalling \$26.8 million
- An increase in AFL company commercial operations expenditure totalling \$8.7 million
- An increase in distributions to the AFL Players Association totalling \$7.9 million
- An increase in AFL company football operations expenditure totalling \$3.3 million
- An increase in AFL company game development expenditure totalling \$2.4 million
- An increase in shared services expenditure totalling \$0.6 million
- An increase in donations expenditure totalling \$0.4 million
- A decrease in finance & administration and other sundry expenses totalling \$3.5 million
- A decrease in new markets expenditure totalling \$3.2 million
- A decrease in facility development expenditure totalling \$2.0 million
- A decrease in subsidiaries' consolidated expenditure totalling \$1.3 million

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2015

	Consolidated		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Total equity at the beginning of the year	136,558	123,238	123,431	110,894
Other member contributions	-	-	-	-
Total comprehensive income for the year	3,648	13,320	2,542	12,537
Total equity at the end of the year	140,206	136,558	125,973	123,431
Equity attributable to:				
Owners of the Company	137,437	134,434	125,973	123,431
Non-controlling interests	2,769	2,124	-	-
Total equity at the end of the year	140,206	136,558	125,973	123,431

The Statements of Changes in Equity are to be read in conjunction with the notes to the concise financial statements set out on pages 146 to 147.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 OCTOBER 2015

	Consolidated		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Assets				
Cash and cash equivalents	82,156	64,931	69,994	52,306
Trade and other receivables	44,168	46,360	39,835	41,153
Inventories	171	96	-	-
Other assets	20,449	20,499	19,597	19,672
Total current assets	146,944	131,886	129,426	113,131
Trade and other receivables	4,408	2,350	4,408	2,350
Property, plant and equipment	20,408	21,955	14,294	16,173
Other assets	34,500	30,000	34,500	30,000
Total non-current assets	59,316	54,305	53,202	48,523
Total assets	206,260	186,191	182,628	161,654
Liabilities				
Trade and other payables	44,343	34,794	44,038	32,203
Deferred income	5,110	3,838	1,859	1,216
Interest-bearing loans and borrowings	-	10	-	-
Provisions	9,896	9,592	4,591	3,981
Total current liabilities	59,349	48,234	50,488	37,400
Trade and other payables	5,074	-	5,074	-
Deferred income	150	-	150	-
Interest-bearing loans and borrowings	-	47	-	-
Provisions	1,481	1,352	943	823
Total non-current liabilities	6,705	1,399	6,167	823
Total liabilities	66,054	49,633	56,655	38,223
Net assets	140,206	136,558	125,973	123,431
Equity				
Member contributions	21	21	-	-
Reserves	89,359	89,884	89,359	89,884
Retained earnings	48,057	44,529	36,614	33,547
Total equity attributable to equity holders of the Company	137,437	134,434	125,973	123,431
Non-controlling interest	2,769	2,124	-	-
Total equity	140,206	136,558	125,973	123,431

The Statements of Financial Position are to be read in conjunction with the notes to the concise financial statements set out on pages 146 to 147.

Discussion and analysis of the Statements of Financial Position

The consolidated entity's total assets increased by \$20.1 million to \$206.3 million.

- The movement in total assets principally comprised:
- An increase in cash and cash equivalents of \$17.2 million
 - An increase in non-current deferred expenses totalling \$4.5 million
 - An increase in non-current trade and other receivables totalling \$2.1 million
 - A decrease in current trade and other receivables totalling \$2.2 million
 - A decrease in property, plant and equipment totalling \$1.5 million

The consolidated entity's total liabilities increased by \$16.4 million to \$66.1 million.

- The movement in total liabilities principally comprised:
- An increase in current trade and other payables totalling \$9.5 million
- An increase in non-current trade and other payables totalling \$5.1 million
 - An increase in deferred income totalling \$1.4 million
 - An increase in provisions totalling \$0.4 million

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2015

	Consolidated		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Cash flows from operating activities				
Cash receipts in the course of operations	585,318	538,873	526,344	480,287
Cash payments in the course of operations	(562,315)	(520,032)	(507,604)	(478,844)
Net cash from operating activities	23,003	18,841	18,740	1,443
Cash flows from investing activities				
Interest received	1,238	1,519	901	1,390
Payments for property, plant and equipment	(6,342)	(13,788)	(1,295)	(1,566)
Net cash used in investing activities	(5,104)	(12,269)	(394)	(176)
Cash flows from financing activities				
Interest paid	(674)	(923)	(658)	(919)
Payment of finance lease liabilities	-	47	-	-
Net cash from/(used in) financing activities	(674)	(876)	(658)	(919)
Net increase/(decrease) in cash and cash equivalents	17,225	5,696	17,688	348
Cash and cash equivalents at the beginning of the financial year	64,931	59,235	52,306	51,958
Cash and cash equivalents at the end of the financial year	82,156	64,931	69,994	52,306

The Statements of Cash Flows are to be read in conjunction with the notes to the concise financial statements set out on pages 146 to 147.

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 \$17.2 million.

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

- Funds provided by the operating activities for the year totalling \$23.0 million
- Purchases of property, plant and equipment totalling \$6.3 million
- Net interest received totalling \$0.6 million

NOTES TO THE CONCISE FINANCIAL STATEMENTS

For the year ended 31 October 2015

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. The impact of these reclassifications is not material, and has not resulted in any change to profit or net assets.

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

REVENUE	Consolidated		The Company	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Revenue from Operating Activities				
Broadcasting & AFL Media	256,602	247,316	256,602	247,316
Commercial Operations	182,520	164,587	182,520	164,587
Football Operations	4,974	2,155	4,974	2,155
Game Development	9,954	9,650	9,954	9,650
Other Revenue	77,624	77,522	24,976	22,031
Contra Advertising Revenue	27,000	27,000	27,000	27,000
	558,674	528,230	506,026	472,739

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 \$5.0 million. This guarantee expires on 31 October 2017.
- 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 \$5.4 million. This guarantee expires on 31 October 2017.
- 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 \$3.0 million. This guarantee expires on 31 October 2017.
- 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. This guarantee expires on 31 October 2017.
- VII. 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. This guarantee expires on 31 October 2017.
- VIII. 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. This guarantee expires on 31 October 2017.
- IX. 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. This guarantee expires on 31 October 2017.
- X. The Company has entered into an agreement with Beyond Bank whereby the Company guarantees the obligations of the Port Adelaide Football Club Limited to Beyond Bank to a maximum of \$5.0 million. This guarantee expires on 31 March 2017.

- XI. 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 \$1.41 million. This guarantee expires on 30 June 2016.
- XII. 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 \$1.59 million. This guarantee expires on 30 June 2017.
- XIII. 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 30 June 2016.
- XIV. 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 30 June 2016.
- XV. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of the AFL Queensland Limited to National Australia Bank to a maximum of \$0.10 million. This guarantee expires on 30 June 2016.
- XVI. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of the AFL (NSW/ACT) Commission Limited to National Australia Bank to a maximum of \$0.15 million. This guarantee expires on 30 June 2016.
- XVII. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of the AFL Northern Territory Limited to National Australia Bank to a maximum of \$0.15 million. This guarantee expires on 30 June 2016.
- XVIII. The Company has entered into an agreement with National Australia Bank whereby the Company guarantees the obligations of Football Tasmania Limited to National Australia Bank to a maximum of \$0.03 million. This guarantee expires on 30 June 2016.

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 2015, set out on pages 144 to 147:

- 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 February 2016.

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 2015, 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 2015 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 and presentation 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 2015. We expressed an unmodified audit opinion on the financial report in our report dated 15 February 2016. 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 2015 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

KPMG

KPMG

M. Bisetto

M Bisetto
Partner

Melbourne
15th February 2016



FLYING BOMBER

Brendon Goddard makes a spectacular attempt to mark in the traditional Anzac Day game against Collingwood. The match between the arch rivals attracted another bumper crowd of 88,395 at the MCG.

COMMITTEES AND ADVISORS

AFL Audit Committee
Chris Langford (Chair), Mike Fitzpatrick, Richard Goyder

AFL Broadcasting Committee
Gillon McLachlan (Chair), Mike Fitzpatrick, Paul Bassat, Kim Williams

AFL Remuneration Committee
Mike Fitzpatrick (Chair), Sam Mostyn, Paul Bassat

AFL Nominations Committee
Mike Fitzpatrick (Chair), Richard Goyder, Peggy O'Neal, David Koch

AFL Executive Committee
Gillon McLachlan (Chair), Travis Auld, Darren Birch, Peter Campbell, Andrew Dillon, Mark Evans, Ray Gunston, Simon Lethlean, Elizabeth Lukin, Tony Peek

AFL Football Operations Sub-Committee
General Manager Football Operations Mark Evans (chairman), Wayne Campbell, Patrick Clifton, Simon Gorr, Emily Groves, Patrick Keane, Jennie Loughnan, Ben Lowe, Tom McCoy, Tessie McManus, Michael Poulton, Scott Taylor, Vicki Lloyd (secretary)

AFL Tribunal
David Jones (Chair), Ross Howie (deputy chairman), Daniel Harford, Stewart Loewe, David Pittman, Wayne Schimmelbusch, Richard Loveridge, Wayne Henwood, Michael Sexton, Shane Wakelin, Paul Williams, Patrick Clifton (secretary)

AFL Laws Of The Game Committee
General Manager Football Operations Mark Evans (Chair), Brett Burton, Wayne Campbell, Michael Christian, Chris Fagan, Tom Harley, Hayden Kennedy, Leigh Matthews, Guy McKenna, Michael Poulton, Ian Prendergast, Jack Riewoldt, Jack Trengove, Patrick Clifton (secretary)

Appeals Board
Peter O'Callaghan QC (Chair), Brian Collis QC (deputy chairman), Brian Bourke, Michael Green, Stephen Jurica, John Schultz, Patrick Clifton (secretary)

Match Review Panel
Luke Ball, Nathan Burke, Michael Christian, Brad Sewell, Patrick Clifton (secretary)

AFL Grievance Tribunal
Professor Geoffrey Giudice AO (Chair), Murray Kellam AO (deputy chairman), David Maddocks, Michael Moncrieff, Kevin Power

AFL Legal Counsel
Jeff Gleeson QC, Nick Pane QC, Andrew Woods

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, Jim Main, Paul Marsh, Bruce McAvaney, David Parkin, Michelangelo Rucci, Col Hutchinson (statistics & history consultant), Patrick Clifton (secretary)

AFL Research Board
Michael Poulton (Chair), Dr David Buttifant, Matt Finnis, Brett Johnson, Dr Peter Harcourt, Dr Michael Makdissi, Assoc Prof Colin McLeod, David Rath, Dr Anthony Schache, Lawrie Woodman, John Worsfold, Patrick Clifton (secretary)

AFL Concussion Working Group
Dr Peter Harcourt (Chair), Simon Clarke, Dr Andrew Daff, Assoc Prof Gavin Davis, Mark Evans, Clay Mackinnon, Dr David Maddocks, Dr Michael Makdissi, Prof Paul McCrory, Ian Prendergast, Dr Hugh Seward, Dr Anik Shawdon, Dr Harry Unglik, Lawrie Woodman, Patrick Clifton (secretary)

AFL Medical Directors
Dr Peter Harcourt, Dr Harry Unglik

AFL Legal Advisors
Hall and Wilcox, K and L Gates

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

WELL DONE DADDY
Hawthorn star Sam Mitchell receives a congratulatory kiss from his daughter Scarlett after the Hawks' convincing victory over West Coast in the Grand Final.

