



**WESTERN BULLDOGS**  
2009 FINANCIAL REPORT





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## DIRECTORS' REPORT

Your Directors submit the financial report of the Footscray Football Club Ltd trading as Western Bulldogs for the year ended 31st October 2009.

### DIRECTORS

The names of the Directors in office at the date of this report are:

David Smorgon OAM  
Ian Veal  
Dr Susan Alberti AO HonLLD  
Barry Hall  
Henry Jolson QC  
Neil O'Keefe  
George Pappas  
Gaye Hamilton  
Simon Garlick

### DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year whilst the Directors were in office and the number of meetings attended by each director.

Director	Held	Attended
David Smorgon OAM	12	12
Barry Hall	12	12
George Pappas	12	10
Ian Veal	12	12
Henry Jolson QC	12	9
Gaye Hamilton	12	10
Dr Susan Alberti AO HonLLD	12	12
Neil O'Keefe	12	8
Simon Garlick	12	10

In addition to their attendance at Board meetings, Board members are actively involved in a number of committees and sub-committees that meet periodically through the year to consider matters crucial to the current and future success of the Western Bulldogs.

### PRINCIPAL ACTIVITIES

The Footscray Football Club Ltd trading as Western Bulldogs is a member of the Australian Football League. The principal activity of the Company is the encouragement of sport and the playing of Australian Rules Football by competing in the Australian Football League competition and preserving and fostering the ideals, and community spirit of the Club.

### OPERATING RESULTS

The operating result of the Company for the year ended 31st October 2009 was a profit of \$820,204 compared to \$641,242 for 2008. The net profit of the Company was \$3,215,172 (2008: net profit \$3,186,530) after non operating items, in the current financial year. The Club received grants and interest in relation to the Whitten Oval Redevelopment of \$2,853,304 (2008: \$2,618,204).

	2009	2008
	\$	\$
Operating Result	820,204	641,242
Plus: Whitten Oval Receipts	2,961,806	2,555,738
Plus: Interest on Whitten Oval Receipts	(108,502)	62,466
Less: Additional Depreciation	(458,336)	(72,916)
<b>Net Profit</b>	<b>3,215,172</b>	<b>3,186,530</b>

In the current financial year, the Club received distributions from the AFL Annual Special Distribution fund of \$1,700,000, (2008: \$1,700,000).

No provision for taxation has been made, as the Company is an exempt sporting organisation in accordance with section 50-45 of the Income Tax Assessment Act 1997 and has no associated entities.

### REVIEW OF OPERATIONS

Season 2009 has seen the Western Bulldogs produce an operating profit before Whitten Oval redevelopment grants, interest or depreciation of \$820,204 compared to a profit of \$641,242 in 2008.

The operating profit result is the Club's third successive operating profit showing the underlying strength of the business continues to build.

Some of the key highlights for the year included:

### WHITTEN OVAL REDEVELOPMENT

2009 has seen the major works of the Whitten Oval redevelopment complete with the relocation of administration into new premises, including the Club's new Board Room. The opening of the Bulldogs Central retail store and the completion of the infrastructure for the Club's new cafe / restaurant and Bulldogs Museum were major milestones.

The 105-place Bulldogs Childcare Centre will be open for business in January 2010, followed shortly by the Bulldogs licensed restaurant and the Bulldogs Museum in mid-2010.

Work has also commenced on the new four-court indoor basketball / netball / soccer Club Community Sports Hall which will commence operations in late 2010.

### MEMBERSHIP

2009 has been a successful year for the club, with 31,652 total members joining the club, including 28,590 game day access members.

An increase in Social Club membership was achieved early in the season due to price increases being implemented after 1 May 2009. The increase was also due to the Team's on field success in securing 3rd position on the ladder heading into the Finals Series.

Membership also had an increase in junior members in 2009 due to the Club's heavy focus in this area. A dedicated junior strategy is where

the long term membership / supporter base of the Bulldogs will be secured. A re-branding of junior packages to entice and excite the targeted market has assisted in the Western Bulldogs' goal to achieve 12,000 junior members by year 2012.

### CONSUMER PRODUCTS

2009 has been a challenging, but rewarding year for the Consumer Operations department. The opening of our new store at Watergardens, plus the full year's operation at Whitten Oval has seen Bulldogs Central take the next step in servicing our members with all the red, white & blue merchandise they need.

The signing of new major partner Mission gave on field sales a boost, but the late arrival of stock provided a major hurdle for both sales and stock.

2010 is shaping up as an extremely promising year, with solid foundations in place for strong sales and profit return across the department.

### EVENTS

2009 was an exciting and positive year for the Western Bulldogs. Guest numbers increased throughout many of our main events, with several special events complementing our core match day and corporate hospitality as well as re-launching Women of the West (WOW).

This year proved successful with over 8,000 people turning up for the Club's family day; over 900 attending our Grand Final Breakfast 'Big Bounce'; and over 900 attending the Clubs Best and Fairest! Not to mention a steady increase in attendees throughout other corporate, community and social events that were held throughout the year. With such a successful year in the Events department 2010 can only get bigger and better.

### SWS

SpiritWest Services continue to deliver high quality education and training programs in the community. Its education programs focus on the most disadvantaged youth in the region while its accredited training programs have been positioned for growth. The range of accredited training now includes retail, hospitality, asset maintenance, transport and logistics and training in the community sector.

SWS has also delivered a variety of community based programs including Settlement programs for the Department of Immigration and Citizenship, Work for the Dole programs and VCAL schooling programs for young (at risk) people.

SWS would like to acknowledge the corporate partners that support the programs being delivered - including Macquarie Sports and Olex, and would like to thank the wide range of community agencies whom it partners to continue delivering on the Club's commitment to the community in the west of Melbourne.

### BUSINESS DEVELOPMENT

Despite the tough economic climate, the Club has again enjoyed a strong year from a corporate perspective signing new Major Partner Mission



## DIRECTORS' REPORT *CONTINUED*

Foods until 2011 and the re-signing of our key Premier Partner Worksafe Victoria for a further three years which will also take them through to the end of 2011. The Club is also pleased to announce the signing of new Premier Partner KooGa who have signed a four year agreement (commencing in 2010) to be our official apparel partner. We are looking forward to working closely with all our corporate partners again in season 2010. In addition to our key sponsors, the Club is also looking forward to welcoming back all coterie members (Westerners, Player Sponsors and Top Dogs) in what should be another exciting year on-field.

### ENTERTAINMENT VENUES (HOSPITALITY)

The Club's existing venues at Whitten Oval, Williamstown and Footscray continued to trade well. Significant time & resources in 2009 have been expended by the Club in the establishment of a new venue at Edgewater which will result in the reduction of gaming machines in Maribyrnong. This has been a long, drawn out process, and the Club hopes to receive a positive response from VCAT before the AGM.

The management of the Bacchus Marsh Golf Club and the Spotswood RSL sub-branch continues to provide a representation for our members and supporters in those regions.

### COMMUNICATIONS

Westernbulldogs.com.au achieved record advertising sales again in 2009 along with increased page impressions/site visits. In fact, statistics show us that in 2009 there was a 31% increase on 2008 in unique visitors to the site. It was also apparent that as the team headed for finals footy, more fans logged onto the site with a club record 565,580 page impressions and 107,255 unique visitors hitting www.westernbulldogs.com.au in September 2009.

In 2009 we launched our new children's website k9club.com.au which continues to engage children in an attempt to build future Club members and has also been an additional source of revenue for the Club.

The ongoing relationship with broadcast partner Channel Seven, has seen the Bulldogs maintain five Friday night matches in the 2010 fixture at the request of Channel Seven. This partnership has become stronger in 2009 than arguably any year prior and as a key AFL broadcaster we intend to build on this relationship in 2010.

### FAN DEVELOPMENT

2009 saw the introduction of the new program Bulldogs Academy for the demographic that are more committed to the progress of their football. An extremely positive response of participants has increased enquiries looking forward to 2010.

Auskick Super clinics also expanded from one to four in 2009 located at the targeted areas in the Western Region. This concept increased junior participation by around 400 children.

Game Day has increased in entertainment with three K9 Kidz Zones throughout the

year and the growth of member 'Recognition Round', rewarding members who go above and beyond to support the club.

Bulldogs Friendly Schools, Train with the Team Day and Bulldogs Backyard continue to be the cornerstone programs of the department, creating brand exposure throughout the west and experiences to the youth of the western region.

### FINANCIAL SUMMARY

The profit in 2009 of \$3,215,172 compares to the profit of \$3,186,530 in 2008. Year on year revenues increased by \$383,399 whilst expenditure increased by \$354,754.

The year on year increase in results of \$28,642 comprised of the following:

	\$000's
Improvement in Communications Cost Centre	148
Improvement in Membership	34
Improvement in Hospitality Division	172
Increase in Fundraising	114
Improvement in Events	5
Increased AFL Distributions	308
Decrease in Administration Expenditure	272
Offset by:	
Reduction in SpiritWest Services	101
Reduction in Consumer Products	8
Reduction in Business Development	235
Increased Investment in Football Department	461
Increased Investment in Fan Development	70
<b>Improvement in Operating Results:</b>	<b>178</b>
Whitten Oval Redevelopment:	
Less: Decrease in Whitten Oval Interest Income	80
Less: Depreciation Expense	385
Less: Increase in Whitten Oval Interest Paid	90
Add: Whitten Oval Funding	406
<b>Net Change</b>	<b>29</b>

### CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the year under review other than the continuation of the agreement with the Federal and State Governments and others to fund the redevelopment of the Whitten Oval as disclosed elsewhere in this report. The increase in Members' Funds is primarily due to the profit result from the 2008 and 2009 financial years. Consistent with 2008, the Company has received notification from the AFL outlining its continued support.

### SUBSEQUENT EVENTS

Subsequent to the financial year ended 31st October 2009, the AFL has agreed to provide the Club with a further payment from the Annual Special Distribution fund of \$1,700,000 during 2009 subject to specific conditions which the board expects to meet.

### LIKELY DEVELOPMENTS

The Company will continue to pursue the objectives set out in its 2007 – 2011 business plan and will continue to develop its playing group to achieve the ultimate success in Australian Rules Football, a premiership for its members, staff and supporters.

### ENVIRONMENTAL REGULATIONS

The Directors have determined that the Company is not subject to any particular and significant environmental regulations either under the Commonwealth or State Legislation.

### DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit, other than:

- A benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the financial statements; or
- The fixed salary of a full-time employee of the Company at a relevant time by reason of a contract made by the Company or with a firm of which the Director is a member or with an entity in which the Director has a substantial financial interest.

### INDEMNIFICATION OF OFFICERS & AUDITORS

The Company has not, during or since the end of the financial year, in respect of any person who is or has been an officer or auditor of the Company or a related body corporate indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

The Company did however pay a premium in respect of a contract insuring against a liability incurred as a director, secretary or officer to the extent permitted by the Corporations Act (2001). It is the policy of the Company that the nature of any liability and the amount of any premium not be disclosed.



## DIRECTORS' REPORT *CONTINUED*

### AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act (2001) is set out below.

Signed in accordance with a resolution of Directors made pursuant to s. 298(2) of the Corporations Act (2001).

On behalf of the Directors.

David Smorgon  
President

Ian Veal  
Finance Director

Dated on this 16th day of November 2009  
Melbourne, Victoria.



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#### Auditor's Independence Declaration To The Directors Of Footscray Football Club Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Footscray Football Club Limited for the year ended 31 October 2009, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

  
GRANT THORNTON  
Chartered Accountants

M. A. Cunningham  
Partner

Melbourne, 16 November 2009

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### INFORMATION ON DIRECTORS

Information pertaining to the Directors in office at the date of this report is as follows:

Director	Experience and Qualifications	Responsibility
David Smorgon OAM Age 62	Appointed 27 November 1996 Executive Chairman, InMatrix Pty Ltd Generation Investments Pty Ltd Governor, Sony Foundation of Australia	President Chairman
Ian Veal Age 58 Bachelor of Business (RMIT) Post Graduate Business (Swinburne) Advance Management Program (Harvard University)	Appointed 21 February 2001 Fellow, Australian Society of Practising Accountants Associate Institute of Corporate Managers, Secretaries and Administrators Member, Australian Institute of Company Directors Director, Langford Property Group Pty Ltd Director, National Board of The Salvation Army Employment Plus	Vice President & Finance Director
George Pappas Age 63 Bachelor of Economics (Monash University) MBA (Harvard Business School)	Appointed 1 December 2000 Senior Advisor, The Boston Consulting Group Chairman, Committee for Melbourne Chairman, Defence Department Strategic Reform Advisory Board Chairman, Energy Matters Pty Ltd Chairman, Dean's Advisory Board, Monash University Faculty of Medicine, Nursing & Health Sciences Vice Chairman, Bio-Melbourne Network Vice Chairman, Monash University Medical Foundation	Planning & Strategy



## DIRECTORS' REPORT *CONTINUED*

Director	Experience and Qualifications	Responsibility
<b>Neil O'Keefe</b> Age 62	Appointed 18 December 2006 Former MHR for Burke (1984-2001) Director, Water for Rivers Joint Government Enterprise Director, O'Keefe Solutions Pty Ltd Chair, Victorian Motorcycle Advisory Council Trustee, Crusaders Cricket Foundation Director, Victoria University Foundation	Government Relations
<b>Henry Jolson QC</b> Age 62 Bachelor of Law (Monash University) Bachelor of Economics (Monash University)	Appointed 27 February 2002 Queens Counsel Director, Lazar Mayer Pty Ltd Director, J. Kornhauser Investments Pty Ltd Director, LM Superfund Pty Ltd Director, 271 Collins Pty Ltd Judge Arbitrator of the International Court of Arbitration for Sport (Switzerland) Conciliator, International Council for the Settlement of Investment Disputes (Washington) Nationally Accredited Mediator Institute of Arbitrators and Mediators Australia Grade 1 Arbitrator	Legal
<b>Simon Garlick</b> Age 34 Bachelor of Arts (University of Sydney) MBA (VUT)	Appointed 17 April 2007 National Sales and Customer Relations Manager, LeasePlan Australia Past Executive Member, AFLPA (2003-2005) Past Director, Western Bulldogs Forever Foundation Ltd (2005-2007)	Football Director
<b>Dr Susan Alberti AO HonLLD</b> Age 62	Appointed 16 December 2004 Managing Director, Dansu Group President, Juvenile Diabetes Research Foundation Director, Western Bulldogs Forever Foundation Ltd Director, GoldAge Pty Ltd Chairman, St Vincent's Institute Foundation Director, St Vincent's Institute Member of the Advisory Group for the Australian Community Centre for Diabetes in alliance with Victoria University, Western Health and the International Diabetes Institute International Patron of the Juvenile Diabetes Research Foundation	Forever Foundation
<b>Gaye Hamilton</b> Age 59 Bachelor of Science Education (Melbourne)	Appointed 19 December 2005 Director, Queen Victoria Women's Centre Trust Director, Seaworks Foundation Member, Zoological Parks & Gardens Board Director, State Sports Centre Trust	SpiritWest Services
<b>Barry Hall</b> Age 62	Appointed 14 February 2005 Director, W.J Drever Pty Ltd Director, Barden Nominees Pty Ltd Director, Australian Skins & Hides Pty Ltd Director, Australian Quality Pre-Packed Meats Pty Ltd Director, Australian Specialty Ingredients Pty Ltd Director, Barato Pty Ltd Director, Creswick Supermarkets Pty Ltd Director, Echuca-Moama Syndicate Pty Ltd Director, Hall Management Services Pty Ltd Director, Hanleigh Pines Pty Ltd Director, Langford Property Group Pty Ltd Director, Meanan Pty Ltd Director, Proclam Pty Ltd Director, Sundance Land Holdings Pty Ltd	Whitten Oval Redevelopment



## INCOME STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2009

	Note	2009 \$	2008 \$
Revenue from Operating Activities	3	28,890,860	28,833,013
Revenue from Non Operating Activities	3	2,978,182	2,652,630
<b>Total Revenue</b>		<b>31,869,042</b>	<b>31,485,643</b>
Business Development Expense		(2,235,724)	(2,078,699)
Membership Expense		(2,092,699)	(2,442,995)
Hospitality Expense		(2,776,571)	(3,057,736)
Event Expense		(1,080,224)	(1,226,292)
Consumer Products Expense		(1,534,489)	(1,112,632)
Football Department Expense		(13,350,362)	(12,845,394)
SpiritWest Expense		(1,216,119)	(1,380,963)
Communications Expense		(471,785)	(477,233)
Administration Expense		(3,466,724)	(3,254,540)
Borrowing Costs Expense		(429,173)	(422,632)
<b>Total Expenditure</b>		<b>(28,653,870)</b>	<b>(28,299,116)</b>
Profit before income tax		3,215,172	3,186,530
Income tax expense		-	-
<b>Profit for the year</b>		<b>3,215,172</b>	<b>3,186,530</b>

## BALANCE SHEET

AS AT 31 OCTOBER 2009

<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	2,312,060	1,338,819
Trade and other receivables	7	2,640,567	1,519,868
Inventories	8	590,152	531,772
Other current assets	9	112,182	414,999
<b>Total Current Assets</b>		<b>5,654,961</b>	<b>3,805,458</b>
<b>Non-Current Assets</b>			
Redevelopment costs	10	5,115,089	17,181,468
Property, plant and equipment	11	21,492,359	5,730,043
Intangible assets	12	171,010	182,957
<b>Total Non-Current Assets</b>		<b>26,778,458</b>	<b>23,094,468</b>
<b>Total Assets</b>		<b>32,433,419</b>	<b>26,899,926</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	6,590,408	4,337,370
Interest bearing liabilities	14	12,520,016	12,420,720
Employee benefits	15	426,928	366,934
Income received in advance	16	41,873	151,050
<b>Total Current Liabilities</b>		<b>19,579,225</b>	<b>17,276,074</b>
<b>Non-Current Liabilities</b>			
Interest bearing liabilities	14	15,324	35,340
Employee benefits	15	60,921	25,735
<b>Total Non-Current Liabilities</b>		<b>76,245</b>	<b>61,075</b>
<b>Total Liabilities</b>		<b>19,655,470</b>	<b>17,337,149</b>
<b>Net Assets</b>		<b>12,777,949</b>	<b>9,562,777</b>
<b>Members' Funds</b>			
Retained earnings		12,777,949	9,562,777
<b>Total Members' Funds</b>		<b>12,777,949</b>	<b>9,562,777</b>



## STATEMENT OF CHANGES IN MEMBERS' FUNDS

FOR THE YEAR ENDED 31 OCTOBER 2009

	Total Members' Funds \$
<b>Balance at 1 November 2007</b>	<b>6,376,247</b>
Profit for the year	3,186,530
<b>Balance at 31 October 2008</b>	<b>9,562,777</b>
Profit for the year	3,215,172
<b>Balance at 31 October 2009</b>	<b>12,777,949</b>

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2009

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Receipts from customers & the Australian Football League		29,738,250	28,860,416
Whitten Oval redevelopment grants		2,961,806	2,555,738
Payments to suppliers and employees		(26,988,414)	(28,950,284)
Interest paid		(429,173)	(422,632)
Interest received		17,849	112,361
<b>Total cash from operating activities</b>	<b>24(b)</b>	<b>5,300,318</b>	<b>2,155,599</b>
<b>Cash flows from investing activities</b>			
Payments for plant & equipment		(459,273)	(279,213)
Payment for redevelopment costs		(3,947,084)	(15,304,494)
<b>Net cash used by investing activities</b>		<b>(4,406,357)</b>	<b>(15,583,707)</b>
<b>Cash flows from financing activities</b>			
Repayment of liabilities relating to financed assets		(20,720)	(19,202)
Commercial Bill		100,000	7,750,000
Repayment of other borrowings		-	(74,487)
<b>Net cash from financing activities</b>		<b>79,280</b>	<b>7,656,311</b>
Net cash increase (decrease) in cash and cash equivalents		973,241	(5,771,797)
Cash and cash equivalents at beginning of year		1,338,819	7,110,616
<b>Cash and cash equivalents at end of year</b>	<b>24(a)</b>	<b>2,312,060</b>	<b>1,338,819</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

### 1. FOOTSCRAY FOOTBALL CLUB LTD. ("The Company")

The Footscray Football Club Ltd trading as Western Bulldogs is a Company limited by Guarantee where the statutory members guarantee the liabilities of the Company to the extent of \$2 each.

The financial report of Footscray Football Club Ltd was authorised for issue by the directors on 16th November 2009.

### 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been adopted in the preparation and presentation of the financial report are:

#### (a) Basis of preparation

The financial report is a general purpose financial report that has been prepared

in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act (2001).

The financial report has been prepared in a historical cost basis, modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### (b) Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future

events and are based on current trends and economic data, obtained both externally and within the group. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

The accounting policies detailed in this note provides details of these estimates, judgements and assumptions.

#### (c) Income tax

Income tax has not been provided for in the financial statements of the Company, as it is an exempt sporting organisation in accordance with Section 50-45 of the Income Tax Assessment Act 1997 and the company has no associated entities.





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

## (d) Going concern

The financial report has been prepared on the basis of the Company continuing as a going concern. The Company's directors consider the going concern assumption to be an appropriate basis as the Australian Football League (AFL) has committed to continued support. This support is in the form of Annual Special Distribution fund payments and the use of future AFL distributions as a guarantee for further finance from a financial institution. Refer to notes 14 and 26. The financial report does not include any of the adjustments necessary should the Company be unable to continue as a going concern.

## (e) Property, plant & equipment

Each class of property, plant and equipment is carried at cost, less any accumulated depreciation and impairment losses.

### Carrying value

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Company includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

### Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the expected useful life of the assets.

The depreciation rates used for each class of depreciable assets are:

Class of asset	Depreciation rates
Leasehold Improvements	4.00%
Plant and Equipment	5% - 40 %
Whitten Oval Redevelopment	2.50%

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

## (f) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired.

If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

## (g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values, and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities on the balance sheet.

## (h) Financial instruments

### Recognition

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Company becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transaction costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

### Classification and subsequent measurement

#### (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

#### (ii) Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

## Impairment

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired.

## (i) Employee benefits

### Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date. They are calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

### Long-term service benefits

The Company's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Company's obligations.

As a result of a Federally certified long service leave agreement between the players and the Australian Football League, the Company has no obligation for long service leave benefits to players.

### Superannuation

The amount charged to the Income Statement in respect of superannuation represents the contributions made by the Company to superannuation funds.

## (j) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

## (k) Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the profit or loss.

Capitalised lease assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

## (l) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

AFL sourced income, Gate Receipts/Match Returns and prize money are recognised on an accrual basis.

Sponsorship, membership and coteries/supporters revenue are recognised in the relevant football year.

Revenue from donations is recognised on an accruals basis.

Revenue from the sale of goods is recognised upon delivery of goods to customers.

Gaming commission and function revenue are recognised on an accruals basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Grant revenue is recognised in the income statement when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purposes it is recognised in the balance sheet as a liability until such conditions are met or services provided.

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

## (m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

## (n) Intangible assets

### Goodwill

Goodwill acquired in a business combination in respect of gaming venue operations is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquirer's identifiable assets, liabilities and contingent liabilities.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

### Lease Acquisition Costs

Lease acquisition costs are recognised at cost of acquisition. Lease acquisition costs have a finite life and are carried at cost less accumulated amortisation and any impairment losses. Lease acquisition costs are amortised over the initial term of the lease.

## (o) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

## (p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised.

## (q) Trade and other payables

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

## (r) Income received in advance

Income is brought to account in the period in which it relates. Income received prior to 31 October 2009, which relates to future periods, has been recorded as income received in advance, and will be brought to account in the forthcoming period.

## (s) Comparative figures

When required comparative figures have been adjusted to conform to changes in presentation for the current year.

## (t) Annual special distribution

The AFL has committed to supporting the company with an Annual Special Distribution payment of \$1,700,000 (2008: \$1,700,000) in the year ending 31 October 2009. (Refer to note 3).

## (u) Redevelopment of Whitten Oval

The Company has agreements with the Commonwealth of Australia, State of Victoria, and other bodies in relation to the granting of funding for the redevelopment of Whitten Oval. This funding is expected to total approximately \$30 million of which approximately 80% has been received in the current and prior financial years with the remainder received over the next 2 financial years.

The Company has been advised that these payments will be conditional.

As these funds were under the Company's control, and were fully committed by year end, they have been treated as revenue in the 2009 year (Refer to note 3).

Costs associated with the Redevelopment such as Feasibility Studies, Planning Permits, Borrowing Costs and Demolition costs have been capitalised as Redevelopment Costs (Refer to note 10). As and when buildings are ready for occupation and use, they are being transferred to property, plant and equipment.

## (v) New accounting standards and AASB interpretations

Certain new accounting standards and AASB interpretations have been published that are not mandatory for 31 October 2009 reporting periods but contain an option for early adoption.

The Company has reviewed each of these new standards and interpretations and has decided to adopt AASB123, Borrowing Costs. The company is satisfied that none of the other new standards would impact the reported financial position and performance of the Company for the year ended 31 October 2009 and therefore there has been no early adoption of these standards.

## (w) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in the income statement in the period in which they are incurred.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

	2009 \$	2008 \$
<b>3. REVENUE</b>		
<b>Revenue from operations</b>		
- AFL sourced income	6,375,176	6,110,748
- AFL - Waverley Park proceeds	-	250,000
- AFL - annual special distribution	1,700,000	1,700,000
- AFL prize money	300,000	315,000
- Gate receipts/match returns	1,622,980	1,306,667
- Communications	1,036,811	893,026
- Business development	5,169,263	5,295,262
- Membership	4,838,197	5,154,451
- Hospitality division	3,440,834	3,549,723
- Events and fundraising	1,283,938	1,263,294
- Consumer products	1,889,100	1,475,394
- SpiritWest services	1,190,403	1,482,218
- Grants and donations received	35,935	21,761
<b>Revenue from other activities</b>		
- Interest - financial institutions	1,473	15,469
- Other Income	6,750	-
<b>Total revenue from operating activities</b>	<b>28,890,860</b>	<b>28,833,013</b>
<b>Revenue from non operating activities</b>		
- Whitten Oval redevelopment grants	2,961,806	2,555,738
- Interest in relation to redevelopment monies	16,376	96,892
<b>Total revenue from non operating activities</b>	<b>2,978,182</b>	<b>2,652,630</b>
<b>Total Revenue</b>	<b>31,869,042</b>	<b>31,485,643</b>
<b>4. RESULT FOR THE YEAR</b>		
<b>Expenses</b>		
Borrowing Costs:		
- Interest Paid – Other Persons	426,684	417,624
- Finance Lease Charges	2,489	5,008
	<b>429,173</b>	<b>422,632</b>
Bad Debts Expense/(write back)	(35,339)	365,196
Rental expense on operating leases	719,320	635,491
Amortisation of:		
- Lease Acquisition Costs	11,946	14,933
Depreciation of:		
- Whitten Oval Redevelopment	458,336	72,917
- Leasehold Improvements	10,961	17,469
- Plant & Equipment	161,365	180,856
- Leased Assets	19,128	19,181
	<b>649,790</b>	<b>290,423</b>
<b>5. AUDITORS' REMUNERATION</b>		
Amounts received or due and receivable by Auditors for:		
- Auditing or reviewing the financial report	38,100	38,100
- Other audit services	23,350	23,350
<b>6. CASH &amp; CASH EQUIVALENTS</b>		
Cash on hand	377,914	338,101
Cash at bank	675,757	674,508
Cash at bank held for Whitten Oval Redevelopment	1,258,389	326,210
	<b>2,312,060</b>	<b>1,338,819</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

	2009 \$	2008 \$
<b>7. TRADE &amp; OTHER RECEIVABLES</b>		
Trade and Other Debtors	2,644,780	1,916,893
Less Provision for impairment of receivables	(4,213)	(397,025)
	<b>2,640,567</b>	<b>1,519,868</b>
<b>Age analysis of trade receivables</b>		
Receivables that are past due but not impaired fall into the following bands:		
- past due 30 to 59 days	47,469	287,540
- past due 60 to 89 days	-	36,496
- past due over 90 days	218,585	155,295
<b>Provision for impairment of receivables</b>		
A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired.		
Movement in the provision for impairment of receivables is as follows:		
<i>Current</i>		
Opening balance at 1 November	397,025	31,829
(Credit)/ Charge for the year	(392,813)	365,196
Amounts written off	-	-
<b>Closing balance at 31 October</b>	<b>4,213</b>	<b>397,025</b>
<b>8. INVENTORIES</b>		
Food & Liquor Stores – at cost	18,360	17,271
Bulldog Shop Merchandise – at lower of cost or realisable value	571,792	514,501
	<b>590,152</b>	<b>531,772</b>
<b>9. OTHER ASSETS</b>		
Prepayments	103,289	398,707
Unexpired Contra Services	8,893	16,292
	<b>112,182</b>	<b>414,999</b>
<b>10. REDEVELOPMENT COSTS</b>		
Whitten Oval Redevelopment Costs – Refer note 2(u)	5,115,089	17,181,468
<b>Reconciliation of redevelopment costs</b>		
Reconciliation of the carrying amount of redevelopment costs at the beginning and end of the current financial year are set out below:		
Carrying amount at 1 November	17,181,468	6,876,974
Additions	3,947,084	15,304,494
Transfer to Property Plant & Equipment	(16,013,463)	(5,000,000)
<b>Carrying amount at 31 October</b>	<b>5,115,089</b>	<b>17,181,468</b>
<b>11. PROPERTY, PLANT &amp; EQUIPMENT</b>		
Whitten Oval Redevelopment - at cost	20,000,000	5,000,000
Less Accumulated Depreciation	(531,253)	(72,917)
	<b>19,468,747</b>	<b>4,927,083</b>
Leasehold Improvements - at cost	1,083,960	69,947
Less Accumulated Depreciation	(28,430)	(17,470)
	<b>1,055,530</b>	<b>52,477</b>
Plant & Equipment - at cost	1,733,550	1,336,786
Less Accumulated Depreciation	(796,067)	(636,030)
	<b>937,483</b>	<b>700,756</b>
Plant & Equipment under Finance Lease – at capitalised cost	95,649	95,649
Less Accumulated Depreciation	(65,050)	(45,922)
	<b>30,599</b>	<b>49,727</b>
<b>Total Property, Plant &amp; Equipment</b>	<b>21,492,359</b>	<b>5,730,043</b>



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

## 11. PROPERTY, PLANT & EQUIPMENT *continued...*

### *Reconciliation of carrying amounts*

Reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Whitten Oval	Leasehold Imp	Plant & Equipment	Leased Assets	Total
Balance at 1 November 2007	-	-	672,346	68,907	<b>741,253</b>
Additions	5,000,000	69,947	209,266	-	<b>5,279,213</b>
Depreciation Expense	(72,917)	(17,469)	(180,856)	(19,180)	<b>(290,423)</b>
Balance at 1 November 2008	4,927,083	52,477	700,756	49,727	<b>5,730,043</b>
Additions	-	550	458,723	-	<b>459,273</b>
Disposals	-	-	(60,630)	-	<b>(60,630)</b>
Depreciation Expense	(458,336)	(10,961)	(161,365)	(19,128)	<b>(649,790)</b>
Transfers from redevelopment costs	15,000,000	1,013,463	-	-	<b>16,013,463</b>
<b>Balance at 31 October 2009</b>	<b>19,468,747</b>	<b>1,055,530</b>	<b>937,483</b>	<b>30,599</b>	<b>21,492,359</b>

	2009 \$	2008 \$
<b>12. INTANGIBLE ASSETS</b>		
Goodwill	123,223	123,223
Lease Acquisition Costs	80,000	80,000
Accumulated Amortisation – lease acquisition costs	(32,213)	(20,266)
	<b>171,010</b>	<b>182,957</b>

## 13. TRADE & OTHER PAYABLES

Trade Creditors	4,447,580	2,719,725
Other Creditors and Accruals	2,142,828	1,617,645
	<b>6,590,408</b>	<b>4,337,370</b>

## 14. INTEREST BEARING LIABILITIES

### *(a) Current*

Westpac Banking Corporation Facilities 14(c)	12,500,000	12,400,000
Finance Lease Liability * - Refer note 21(c)	20,016	20,720
	<b>12,520,016</b>	<b>12,420,720</b>

### *(b) Non-Current*

Finance Lease Liability * - Refer note 21(c)	15,324	35,340
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\* - Effectively secured by the respective assets

### *(c) Security*

Flexible Fully Drawn Advance Facilities/Commercial Bills - secured by (1) a second ranking registered company charge (with a deed of priority to rank first) over the assets of Footscray Football Club Ltd to the amount of \$5,000,000 and (2) a standard guarantee and indemnity limited to \$5,000,000 by Australian Football League ("AFL") in favour of the Westpac Banking Corporation.

### *(d) Commercial Bills*

At balance date, the Company had the following arrangement with the Westpac Banking Corporation.

Limit	13,000,000	13,000,000
Amount utilised at the end of the financial year	(12,500,000)	(12,400,000)
<b>Amount unutilised at the end of the financial year</b>	<b>500,000</b>	<b>600,000</b>



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

	2009 \$	2008 \$
<b>15. EMPLOYEE BENEFITS</b>		
<b>Current</b>		
Provision for Annual Leave	390,150	309,107
Provision for Long Service Leave	36,778	57,827
	<b>426,928</b>	<b>366,934</b>
<b>Non-Current</b>		
Provision for Long Service Leave	60,921	25,735
	<b>487,849</b>	<b>392,669</b>
<b>16. INCOME RECEIVED IN ADVANCE</b>		
Income in Advance	41,873	151,050
<b>17. RETAINED EARNINGS</b>		
Retained earnings at the beginning of the financial year	9,562,777	6,376,247
Net earnings for the year	3,215,172	3,186,530
<b>Retained earnings at the end of the financial year</b>	<b>12,777,949</b>	<b>9,562,777</b>

### 18. CONTINGENT ASSETS AND LIABILITIES

(a) The Club has contractual remuneration commitments extending beyond this financial year in respect of its players. Within the next 12 months these liabilities amount to \$6,696,900 (2008: \$6,833,700). After the next 12 months they amount to \$4,665,000 (2008: \$5,647,200).

(b) As at 31 October 2009, the company had a contingent liability to a financial institution in relation to bank guarantees held on behalf of four different parties. These guarantees total \$136,000.

(c) The Club is expecting a \$100,000 payment from the AFL in December 2009 for the MCG 2009 Base Payment. The payment is contingent on the passing of the Yarra Park Legislation through Victorian Parliament.

### 19. RELATED PARTY TRANSACTIONS

#### Identification of related parties

The company has a related party relationship with its key management personnel and their associated entities.

The company has a related party relationship with the Western Bulldogs Forever Foundation, an entity for which Dr Susan Alberti AO HonLLD is a director.

### 20. KEY MANAGEMENT PERSONNEL

#### (a) Transactions with key management personnel

The key management personnel compensation included in 'employee expenses' are as follows:

Short-term employee benefits	2,109,264	2,317,812
Other long term benefits	-	-
Post-employment benefits	133,521	151,738
	<b>2,242,785</b>	<b>2,469,550</b>

#### (b) Loans and other transactions with key management personnel

A number of key management persons of the company, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of these entities.

A number of these entities transacted with the Company in the reporting period. The terms and conditions of the transactions with directors and their related parties were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on arms length basis.



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

	2009 \$	2008 \$
<b>20. KEY MANAGEMENT PERSONNEL <i>continued...</i></b>		
The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:		
(i) Receipts from corporate sponsorship / hospitality services received from the following companies in which key management personnel have a beneficial interest on commercial terms and conditions - GoldAge Pty Ltd (Dr Susan Alberti AO HonLLD)	205,336	110,000
(ii) Receipts from donations in relation to the Whitten Oval Redevelopment received from the Western Bulldogs Forever Foundation, an entity in which Dr Susan Alberti AO Hon LLD is a director.	835,856	1,533,011
(iii) Simon Garlick receives payments for services to the Football Department.	15,000	15,000
(iv) Each Director is a fully paid up member of the Club and from time to time may purchase tickets to Club events and functions at normal member rates.		

## 21. CAPITAL AND LEASING COMMITMENTS

### (a) Non-cancellable operating leases contracted for but not capitalised in the accounts

Amount Payable:		
Not later than one year	425,841	511,384
Later than one year but not later than five years	510,950	765,823
Later than five years	1,191,606	520,228
	<b>2,128,397</b>	<b>1,797,435</b>

Operating lease commitments include the lease of the property located at Whitten Oval, 417 Barkly Street Footscray West. A new lease with the Minister for Environment and Climate Change on behalf of the Crown in the right of the State of Victoria has a 21 year term that ends on 31 May 2030. The lease is to be signed in the coming months.

The remaining operating leases relate to three other properties and computer equipment used in the operations of the Club. These leases generally have a term of 3-5 years, do not contain bargain purchase options and contain normal commercial terms and conditions.

### (b) Maintenance agreement with the City of Maribyrnong

Amount Payable:		
Not later than one year	55,414	128,058
Later than one year but not later than five years	-	579,542
Later than five years	-	1,560,685
	<b>55,414</b>	<b>2,268,285</b>

The nature and timing of the maintenance agreement with the City of Maribyrnong coincides with the lease of Whitten Oval including indexation of maintenance payments (by the greater of 5% or CPI) from the commencement of the 2001/2002 year. Neither the property leases nor the maintenance agreement contain options to extend.

### (c) Finance Lease Commitments

Amount Payable:		
Not later than one year	21,886	24,209
Later than one year but not later than five years	16,265	38,151
Minimum finance lease payments	38,151	62,360
Less future finance charges	(2,812)	(6,300)
Finance Lease Liability	<b>35,340</b>	<b>56,060</b>
Represented by:		
Current Liability - Refer note 14(a)	20,016	20,720
Non-Current Liability - Refer note 14(b)	15,324	35,340
	<b>35,340</b>	<b>56,060</b>

Finance lease commitments include the lease of computer equipment which has a 5 year term ending in July 2010 as well as the lease of a photocopier which has a 5 year term ending in June 2012.

### (d) Capital Commitments

The Company is committed to the redevelopment of the Whitten Oval and Children's Hub, at a cost of approximately \$30 million (of which \$26,055,635 (excluding GST) has been spent, to date (refer note 2 (u)), pursuant to contracts between the Company, the Federal Government and other funding bodies. The Company has entered into contracts with a number of parties to carry out the redevelopment works.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

	2009 \$	2008 \$
<b>22. CHANGE IN ACCOUNTING POLICY</b>		
During the year, the company revised its accounting policy in relation to accounting for borrowing costs incurred as part of the redevelopment of the Whitten Oval. This change would have no effect on prior year comparatives.		
<b>23. SEGMENT REPORTING</b>		
The Company operates in the Sporting Industry solely within Australia by fielding an Australian Rules Football team in the AFL.		
<b>24. NOTES TO THE CASH FLOW STATEMENT</b>		
<b>(a) Reconciliation of Cash</b>		
For the purpose of the cash flow statement, cash includes cash on hand and in at call deposits with banks or financial institutions, and investments in money market instruments on a short term basis net of bank overdrafts.		
Cash at the end of the year is shown in the Balance Sheet as:		
Cash on hand	377,914	338,101
Cash at bank	675,757	674,508
Cash held at bank for Whitten Oval Redevelopment	1,258,389	326,210
	<b>2,312,060</b>	<b>1,338,819</b>
<b>(b) Reconciliation of the profit for the year after income tax to net cash flows from operating activities</b>		
Profit for the year	3,215,172	3,186,530
Depreciation	649,790	290,423
Amortisation	11,946	14,933
Loss on Sale of non current asset	60,630	-
Provision for Doubtful Debts	(392,812)	365,196
Changes in net assets and liabilities		
(Increase)/Decrease in Trade Debtors, Accrued Revenue and Other Debtors	(727,887)	54,349
(Increase)/Decrease in Prepayments	295,419	(99,412)
(Increase)/Decrease in Inventories	(58,380)	(276,003)
Increase/(Decrease) in Trade Creditors and Accruals	2,253,038	(1,389,748)
Increase/(Decrease) in Employee Provisions	95,180	20,639
Increase/(Decrease) in Income in Advance	(109,177)	(11,308)
<b>Net Cash Flows from Operating Activities</b>	<b>5,300,318</b>	<b>2,155,599</b>

## 25. FINANCIAL INSTRUMENTS

The Company is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Company's objectives, policies and processes for managing and measuring these risks.

The Company's principal financial instruments, comprise bank loans, finance leases and hire purchase contracts, cash and short-term deposits.

The main purpose of these financial instruments is to finance the Company's operations.

The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

### Objectives, policies and processes

Risk management is carried out by the Company's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies.

The Board receives monthly reports which provide details of the effectiveness of the processes and policies in place.

The main risks arising from the company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The policies for managing each of these risks are summarised below.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosure in note 2 to the financial statements.

### Interest Rate Risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's long term debt obligations.

The company's policy is to manage its interest cost using a mix of fixed and variable rate debt.

### Credit Risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Company trades only with recognised, creditworthy third parties.

It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant.

With respect to credit risk arising from other financial assets of the company, which comprise cash and cash equivalents, the company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.





# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

## 25. FINANCIAL INSTRUMENTS *continued...*

There are no significant concentrations of credit risk within the Company at the balance sheet date.

### Liquidity Risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans and finance leases.

### Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

	Fixed Interest Rate Maturity						Total
	Average Interest Rate	Variable Interest Rate	Less than 1 year	1 to 5 years	More than 5 years	Non-Interest Bearing	
	%	\$	\$	\$	\$	\$	\$
<b>2009</b>							
<b>Financial Assets</b>							
Cash on Hand	-	-	-	-	-	377,914	377,914
Cash at Bank	3.05%	1,934,146	-	-	-	-	1,934,146
Receivables	-	-	-	-	-	2,640,567	2,640,567
		<b>1,934,146</b>	-	-	-	<b>3,018,481</b>	<b>4,952,627</b>
<b>Financial Liabilities</b>							
Commercial Bills	3.42%	12,500,000	-	-	-	-	12,500,000
Lease Liability	8.27%	-	20,016	15,324	-	-	35,340
Trade Creditors and Accruals	-	-	-	-	-	6,590,408	6,590,408
		<b>12,500,000</b>	<b>20,016</b>	<b>15,324</b>	-	<b>6,590,408</b>	<b>19,125,748</b>
<b>2008</b>							
<b>Financial Assets</b>							
Cash on Hand	-	-	-	-	-	338,101	338,101
Cash at Bank	3.55%	1,000,718	-	-	-	-	1,000,718
Receivables	-	-	-	-	-	1,519,868	1,519,868
		<b>1,000,718</b>	-	-	-	<b>1,857,969</b>	<b>2,858,687</b>
<b>Financial Liabilities</b>							
Commercial Bills	6.38%	12,400,000	-	-	-	-	12,400,000
Lease Liability	7.98%	-	20,720	35,340	-	-	56,060
Trade Creditors and Accruals	-	-	-	-	-	4,337,370	4,337,370
		<b>12,400,000</b>	<b>20,720</b>	<b>35,340</b>	-	<b>4,337,370</b>	<b>16,793,370</b>

### Sensitivity Analysis

#### Interest Rate Risk

The economic entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

#### Interest Rate Sensitivity Analysis:

At 31 October 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2009	2008
	\$	\$
<b>Increase / (decrease) in profit</b>		
- Increase in interest rate by 1% (2% - 2008)	126,227	132,487
- Decrease in interest rate by 1% (2% - 2008)	(126,227)	(132,487)
<b>Increase / (decrease) in equity</b>		
- Increase in interest rate by 1% (2% - 2008)	126,227	132,487
- Decrease in interest rate by 1% (2% - 2008)	(126,227)	(132,487)



## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2009

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### 25. FINANCIAL INSTRUMENTS *continued...*

#### Net Fair Values

The directors consider that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values. The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

Transaction costs are included in the determination of net fair value.

### 26. SUBSEQUENT EVENTS

Since the end of the 2009 financial year, the Western Bulldogs have received confirmation that the 2010 payment for the Annual Special Distribution from the AFL, of \$1,700,000, is to be paid in the 2010 financial year, subject to certain conditions which the board expects will be met.

### 27. COMPANY DETAILS

The registered office of the company is:

Whitten Oval  
417 Barkly Street  
West Footscray Vic 3012

The principal place of business is:

Whitten Oval  
417 Barkly Street  
West Footscray Vic 3012

## DIRECTORS' DECLARATION

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The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 8 to 18, are in accordance with the Corporations Act (2001):
  - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
  - (b) give a true and fair view of the financial position as at 31 October 2009 and of the performance for the year ended on that date of the company; and
  - (c) complies with International Financial Reporting Standards as disclosed in Note 2.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable. This declaration is made in accordance with a resolution of the Board of Directors.

David Smorgon  
President

Ian Veal  
Finance Director  
Dated on this 16th day of November 2009  
Melbourne, Victoria.



# INDEPENDENT AUDITOR'S REPORT



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**Independent Auditor's Report  
 To the Members of Footscray Football Club Limited**

We have audited the accompanying financial report of Footscray Football Club Limited, which comprises the balance sheet as at 31 October 2009, and the income statement, statement of changes in member's funds and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

**Directors' responsibility for the financial report**

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used

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and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

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

**Electronic presentation of audited financial report**

This auditor's report relates to the financial report of Footscray Football Club Limited for the year ended 31 October 2009 included on Footscray Football Club Limited's web site. The Company's directors are responsible for the integrity of the Footscray Football Club Limited's web site. We have not been engaged to report on the integrity of the Footscray Football Club Limited's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

**Auditor's opinion**

In our opinion:

- a the financial report of Footscray Football Club Limited is in accordance with the Corporations Act 2001, including:
  - i giving a true and fair view of the company's financial position as at 31 October 2009 and of its performance for the year ended on that date; and
  - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

*Grant Thornton*  
 GRANT THORNTON  
 Chartered Accountants

*M.A. Cunningham*  
 M. A. Cunningham  
 Partner

Melbourne, 16 November 2009



**WESTERN BULLDOGS**  
2009 FINANCIAL REPORT