



**RICHMOND**  
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# **Richmond Football Club Concise Financial Report**

**31 October 2012**



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### **Relationship of the concise financial report to the full financial report**

The concise financial report is an extract from the full financial report for the year ended 31 October 2012. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Richmond Football Club and its subsidiaries as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. Please email [finance@richmondfc.com.au](mailto:finance@richmondfc.com.au) and a copy will be forwarded to you.



## Directors' Report

The Directors present their report on the consolidated entity consisting of Richmond Football Club ("the Company") and the entity it controlled during the year ended 31 October 2012.

### Directors

The names and details of the Company's Directors in office during the financial year of this report are as follows.

#### **Gary March** (President)

Gary March was appointed President in November 2005. Mr March was appointed to the board on 1 October 2002. He is a Director of Hopgreen Pty Ltd, Hopgreen UK Ltd, MAK Retail Ltd and GMPC Pty Ltd.

#### **Rex Chadwick**

Rex Chadwick was appointed to the board in December 2009. Mr Chadwick worked in advertising agencies for many years and was Managing Director of a leading agency in Asia. He is now Managing Director of Chadwick Merchandising Services Pty Ltd. He is also a Director of the Tigers in Community Foundation Limited.

#### **Robert Dalton** BA, FCPA, CA

Robert Dalton was appointed to the board in November 2004. Mr Dalton is a Senior Audit Partner at Ernst & Young Chartered Accountants, a position he has held for 17 years. He also holds a number of other Board positions in not for profit organisations including Monash University and Hockey Victoria.

#### **Tony Free**

Tony Free was appointed to the board in June 2008. Mr Free is a Life Member and former captain of the Richmond Football Club.

#### **Peggy Haines** BA, JD, FAICD

Peggy Haines joined the board in November 2005. Ms Haines is a lawyer and acts as a consultant to Lander & Rogers law firm, having stepped down as a partner of Freehills in 2009. She is also on the board of a number of entities in the financial services sector and was a consultant to the federal government during its review of the superannuation system. She became a fellow of the Australian Institute of Company Directors in 2008, and is also Chair of the Tigers in Community Foundation Limited.

#### **John Matthies**

John Matthies joined the board in January 2004. Mr Matthies is a Lawyer as well as Chairman & Managing Director of Australian Aged Care Group Pty Ltd, who are aged care developers & operators. Since merging the legal firm of John Matthies & Co in 2011 he is now a consultant to the legal firm of Aitken Partners.

#### **Maurice O'Shannassy** B.Sc

Maurice O'Shannassy has been a Director of the Company since December 2004. Mr O'Shannassy has previously worked in the Australian Commonwealth Treasury and for BlackRock Investment Management (and its antecedents) where he held a number of positions in Europe and Asia and finally as Managing Director of BlackRock Investment Management (Australia) Ltd. He is currently the Chairman of a financial services company and sits on a number of company boards. He is also writing a book on the global monetary system.

#### **Malcolm Speed**

Malcolm Speed was appointed to the board in October 2011. Mr Speed is a former barrister and sports administrator. He was CEO of Cricket Australia (1997-2001) and the International Cricket Council (2001-2008) as well as holding senior positions in basketball during the 80's and 90's. He is now occupied in a range of sport-related activities as a university lecturer, consultant, and company director where his appointments include Golf Australia, Victorian Major Events Company and the Coalition of Major Professional and Participation Sports.

#### **Carl Walsh** BCL, PDA, FCA

Carl Walsh was appointed to the board in October 2011. Mr Walsh is a lawyer by education and a chartered accountant by profession, with over 20 years experience as a business and finance leader both domestically and internationally. He is currently Head of Finance at ANZ and previously held leadership roles at Deloitte, Microsoft, General Electric and WHK. He is the Chairman of Special Olympics Victoria which provides sporting opportunities for intellectually disabled people across the state.



## **Principal activities**

The principal continuing activity during the year of the consolidated entity constituted by the Company and the entity it controlled was the playing and promotion of Australian Rules Football. There has been no significant change in the nature of these activities during the financial year.

## **Consolidated results**

The net profit of the consolidated entity for the year ended 31 October 2012 was \$3,017,742 (2011: \$2,752,801).

Each year the Company undertakes fundraising initiatives. In 2012 these activities were undertaken as part of the Fighting Tiger Fund. The operation of the Fighting Tiger Fund will continue in 2013.

No provision for Income Tax was necessary, as the Company is an exempt sporting organisation in accordance with section 50-45 of the Income Tax Assessment Act 1997.

## **Dividends**

The Constitution of the Company specifically prohibits the payment of any dividends to members.

## **Review of operations**

An outline of the key events and their impact on the Company's operations during 2012 is set out in the President and Treasurer's reports.

## **Matters subsequent to the end of the financial year**

Throughout the financial year ended 31 October 2012, the AFL provided a guarantee of up to \$5.00 million to the Westpac Banking Corporation as security for borrowing facilities. From 1 November 2012 this guarantee has been reduced to \$3.00 million. The reduction in the guarantee is as a result of the decrease in the Company's debt throughout the year ended 31 October 2012.

No other matter or circumstance has arisen since 31 October 2012 that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the consolidated entity's state of affairs in future financial years.

## **Likely developments and expected results**

Further information on likely developments in the operations of the group and the expected results of operations have not been included in this annual financial report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

## **Environmental regulation**

The Company has assessed whether there are any particular or significant environmental regulations which apply to it and has determined that there are none.

## **Indemnification and insurance of Directors**

The Company entered into insurance arrangements concerning all the Directors, but not the auditor, of the Company. The Company paid insurance premiums of \$8,991 in respect of a contract insuring each of the Directors against liabilities and expenses arising as a result of work performed by them to the extent permitted by law.



### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

### Directors' meetings

The number of Directors' meetings convened and the number attended by each Director during the financial year are:

<b>Number of meetings held:</b>	11
<b>Number of meetings attended:</b>	
R Chadwick	10
R Dalton	11
T Free	11
P Haines	11
J Matthies	10
G March	9
M O'Shannassy	11
M Speed	11
C Walsh	11

### Committee membership

At the date of this report, the Company has a Risk & Compliance, Finance, Audit, Oval Redevelopment, History & Tradition, and a Nomination Sub-committee of the Board of Directors.

### Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

Signed at Melbourne in accordance with a resolution of the Board of Directors.

**Gary March (Director)**

**Robert Dalton (Director)**

Dated this 19<sup>th</sup> day of November 2012



## Statement of comprehensive income for the year ended 31 October 2012

	Notes	2012 \$	2011 \$
Revenue from continuing activities	5	37,640,767	33,403,202
Revenue from redevelopment grants	5	-	900,000
Employee benefits expense		(18,966,031)	(16,961,757)
Depreciation and amortisation expense		(918,249)	(636,311)
Marketing and promotional expense		(2,209,337)	(2,229,273)
Materials, purchases and match day hospitality		(3,143,631)	(2,812,563)
Administration expense		(724,229)	(761,503)
Finance costs		(189,929)	(299,445)
Property maintenance expense		(987,888)	(694,454)
Football support expense		(3,915,909)	(3,466,748)
Membership expense		(1,803,847)	(1,743,815)
Property lease expense		(1,131,818)	(956,758)
Other expenses		(1,332,108)	(1,507,774)
Release for Wantirna Club onerous lease		700,000	520,000
<b>Profit for the year</b>		<b>3,017,791</b>	<b>2,846,065</b>
Other comprehensive income		(49)	-
<b>Total comprehensive income for the year</b>		<b>3,017,742</b>	<b>2,752,801</b>

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Statement of financial position as at 31 October 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Current assets</b>		
Cash and cash equivalents	2,679,498	2,629,827
Trade and other receivables	668,017	661,451
Prepayments	212,366	482,651
Inventories	450,519	244,880
<b>Total current assets</b>	<b>4,010,400</b>	<b>4,018,809</b>
<b>Non-current assets</b>		
Trade and other receivables	243,966	339,509
Property, plant & equipment	21,070,460	20,241,712
Intangible assets	1,703,503	-
<b>Total non-current assets</b>	<b>23,017,929</b>	<b>20,581,221</b>
<b>Total assets</b>	<b>27,028,329</b>	<b>24,600,030</b>
<b>Current liabilities</b>		
Trade and other payables	3,372,515	3,330,036
Provisions	803,763	1,132,976
Interest bearing liabilities	1,970,000	3,500,000
Income received in advance	525,270	358,517
<b>Total current liabilities</b>	<b>6,671,548</b>	<b>8,321,529</b>
<b>Non-current liabilities</b>		
Trade and other payables	1,227,767	-
Provisions	63,207	230,436
<b>Total non-current liabilities</b>	<b>1,290,974</b>	<b>230,436</b>
<b>Total liabilities</b>	<b>7,962,522</b>	<b>8,551,965</b>
<b>Net assets</b>	<b>19,065,807</b>	<b>16,048,065</b>
<b>Equity</b>		
Retained profits	19,065,807	16,048,016
Non-controlling interest	-	49
<b>Total equity</b>	<b>19,065,807</b>	<b>16,048,065</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*



**Statement of changes in equity for the year ended 31 October 2012**

	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
Total equity at the beginning of the year	16,048,065	13,295,264
Profit for the year	3,017,791	2,752,801
Other comprehensive income	(49)	-
Total comprehensive income for the year	<u>3,017,742</u>	<u>2,752,801</u>
Total equity at the end of the year	<u><u>19,065,807</u></u>	<u><u>16,048,065</u></u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*



**Statement of cash flow for the year ended 31 October 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from football operations	14,296,030	12,477,714
Receipts from marketing operations	19,404,901	17,067,886
Receipts from gaming and social operations	3,774,743	3,410,144
Payments to suppliers and employees	(34,316,827)	(30,712,176)
Interest received	82,839	211,017
Interest paid	(211,568)	(299,445)
Jack Dyer Foundation contributions	421,255	587,302
Net cash inflow / (outflow) from operating activities	<u>3,451,373</u>	<u>2,742,442</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,710,772)	(7,747,689)
Payments for gaming licences	(160,930)	-
Receipts from redevelopment grants	-	900,000
Net cash inflow / (outflow) from investing activities	<u>(1,871,702)</u>	<u>(6,847,689)</u>
<b>Cash flows from financing activities</b>		
Proceeds from commercial bills	3,500,000	3,500,000
Repayment of commercial bills	(5,030,000)	(4,500,000)
Net cash inflow / (outflow) from financing activities	<u>(1,530,000)</u>	<u>(1,000,000)</u>
Net increase / (decrease) in cash held	<u>49,671</u>	<u>(5,105,247)</u>
Cash at the beginning of the year	2,629,827	7,735,074
<b>Cash and cash equivalents at the end of the year</b>	<u><b>2,679,498</b></u>	<u><b>2,629,827</b></u>

*The above statement of cash flow should be read in conjunction with the accompanying notes.*



## Notes to the Consolidated Financial Statements for the Year Ended 31 October 2012

The concise financial report relates to the consolidated entity consisting of Richmond Football Club and the entity it controlled at the end of, and during, the year ended 31 October 2012. The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

Richmond Football Club is a Company limited by guarantee that is incorporated and domiciled in Australia. Members of the Club guarantee its liabilities to the extent of \$50 each. Richmond Football Club holds a licence to play in the Australian Football League.

### 1. Presentation currency

The presentation currency used in this concise financial report is Australian dollars.

### 2. Segment information

The Company operates in the sporting and leisure industry in Australia and its predominant activity is to field a football team in the Australian Football League.

### 3. Dividends

The Articles of Association specifically prohibits the payment of any dividends to any members.

### 4. Income tax

Income tax has not been provided for in the accounts as the Company is an exempt sporting organisation in accordance with Section 50-45 of the *Income Tax Assessment Act 1997*.

### 5. Revenue

	2012 \$	2011 \$
<b>Revenue from continuing activities</b>		
Football	14,046,030	11,992,714
Sponsorship and marketing	19,323,900	17,252,886
Gaming and social	3,774,743	3,410,144
Interest received	82,839	149,956
Jack Dyer Foundation contributions	413,255	597,502
<b>Total revenue from operating activities</b>	<b>37,640,767</b>	<b>33,403,202</b>
<b>Revenue from redevelopment grants</b>		
Punt Road Oval redevelopment	-	900,000
<b>Total Revenue</b>	<b>37,640,767</b>	<b>34,303,202</b>

### 6. Events occurring after the balance sheet date

No matter or circumstance has arisen since 31 October 2012 that has significantly affected, or may significantly affect:

- (a) the consolidated entity's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the consolidated entity's state of affairs in future financial years.




## Directors' Declaration

The Directors declare that in their opinion, the concise financial report of the consolidated entity for the year ended 31 October 2012 as set out on pages 6 to 10 complies with Accounting Standard AASB 1039: Concise Financial Reports.

The concise financial report is an extract from the full financial report for the year ended 31 October 2012. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report 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 on request.

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



**Gary March**  
President



**Robert Dalton**  
Director

Melbourne  
19<sup>th</sup> November 2012



## **Independent auditor's report to the members of Richmond Football Club**

### ***Report on the concise financial report***

We have audited the accompanying concise financial report of Richmond Football Club (the company) which comprises the balance sheet as at 31 October 2012, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of the Richmond Football Club for the year ended 31 October 2012. The concise financial report does not contain all the disclosures required by the 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 are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001, and for such internal control as the directors determine is 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 Standard ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the company for the year ended 31 October 2012. We expressed an unmodified audit opinion on that financial report in our report dated 19 November 2012. 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 from 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 assessment of the risks 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 audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our procedures include 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 audit evidence supporting the amounts 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 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 opinions.

### ***Independence***

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Richmond Football Club would be in the same terms if given to the directors as at the date of this auditor's report.

### ***Auditor's opinion***

In our opinion, the concise financial report of Richmond Football Club for the year ended 31 October 2012 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

A stylized, handwritten signature of the PricewaterhouseCoopers firm, written in black ink.

PricewaterhouseCoopers

A stylized, handwritten signature of Chris Dodd, written in black ink.

Chris Dodd  
Partner

19 November 2012