



**RICHMOND**  
EST 1885

# **Richmond Football Club Concise Financial Report**

**31 October 2013**



## CONTENTS

Director's report	3
Concise financial report	
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Statement of cash flow	9
Notes to the financial statements	10
Directors' declaration	11
Independent auditor's report	12

### **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 2013. 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 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@richmondffc.com.au](mailto:finance@richmondffc.com.au) and a copy will be forwarded to you.



## DIRECTORS' REPORT

The Directors present their report on the Richmond Football Club ("the Company") for the year ended 31 October 2013.

### Directors

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

#### **Peggy O'Neal BA, JD, FAICD (President)**

Peggy O'Neal joined the board in November 2005 and became president of the Club on 3 October 2013. Ms O'Neal is a lawyer and acts as a consultant to Lander & Rogers law firm, having stepped down as a partner of Herbert Smith 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. Ms O'Neal became a fellow of the Australian Institute of Company Directors in 2008. Ms O'Neal is Chair of the Risk & Compliance committee, sits on the Governance committee, and is also Chair of the Tigers in Community Foundation Limited.

#### **Rex Chadwick DipAdv**

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. Mr Chadwick sits on the Finance, Redevelopment and History & Tradition committees, and 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. Mr Dalton also holds a number of other board positions in not for profit organisations including Monash University, Hockey Victoria, and the Audit, Finance and Risk committees of the Australian Sports Commission. Mr Dalton has been the Company Treasurer for the last 4 years, and sits on the Audit, Risk & Compliance, Gaming and Nominations committees, and is also Chair of the Finance committee.

#### **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. He is also a dual Jack Dyer medalist and State Representative. Post AFL career, Mr Free provided commercial representation to some of Australia's leading sporting talent in his role as General Manager, Athlete Representation for Octagon Worldwide. Currently Mr Free consults to MCC Kew to oversee the new club's commercial operations including membership, corporate partnerships, program of activities, and marketing.

#### **Gary March**

Gary March was appointed to the board in October 2002, appointed President in November 2005 and resigned from the board on 1 October 2013. He is a Director of Hopgreen Pty Ltd, Hopgreen UK Ltd, MAK Retail Ltd and GMPC Pty Ltd.

#### **John Matthies**

John Matthies was elected to 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. Mr Matthies sits on the Redevelopment and Governance committees, and is also Chair of the History & Tradition committee.

#### **Maurice O'Shannassy BSc**

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 two financial service companies and sits on a number of company boards, is also writing a book on the global monetary system. Mr O'Shannassy sits on the Risk & Compliance committee, and is Chair of the Gaming committee.



**Kerry Ryan LLB, BA, FAICD**

Kerry Ryan joined the board on 3 October 2013. She is an experienced director and has held roles with a number of private, government and not-for-profit entities. She currently sits on the board of CPA Australia and is a Fellow of the Australian Institute of Company Directors. Kerry has over 20 years experience as a commercial lawyer and is a former partner at international law firm, Norton Rose Fulbright. Her professional experience includes five years working in Indonesia and an in-house counsel role with Publishing and Broadcasting Limited in India.

**Malcolm Speed LLB**

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. Mr Speed sits on the Finance Committee, and is Chair of the Governance committee.

**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 24 years experience as a business and finance leader both domestically and internationally. He is currently Head of Group FP&A 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. From a sporting perspective, Carl was a senior Gaelic footballer for 17 years, playing over 300 games for club, county, university and province. Mr Walsh sits on the Audit and Gaming committees.

## **Principal activities**

The principal continuing activity during the year of the Company 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.

## **Financial results**

The net profit of the Company for the year ended 31 October 2013 was \$3,317,405 (2012: \$3,017,742).

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 2013 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 2013, the AFL provided a guarantee of up to \$3.0 million to the Westpac Banking Corporation as security for borrowing facilities. From 1 November 2013 this guarantee has been reduced to \$1.5 million. The reduction in the guarantee is as a result of the elimination of the Company's debt in the year ended 31 October 2013. Consequently, the facility limit has also been reduced from \$3.0 million to \$1.5 million.

No other matter or circumstance has arisen since 31 October 2013 that has significantly affected, or may significantly affect:

- (a) the Company's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the Company'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 \$9,937 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 attended by each Director during the financial year are:

<b>Number of meetings held:</b>	11
<b>Number of meetings attended:</b>	
R Chadwick	11
R Dalton	11
T Free	11
G March (resigned from the board 1 October 2013)	10
J Matthies	9
P O'Neal	10
M O'Shannassy	11
K Ryan (appointed to the board 3 October 2013)	1
M Speed	11
C Walsh	10

## **Committee membership**

At the date of this report, the Company has a Risk & Compliance, Finance, Audit, History & Tradition, Governance, Gaming 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.

**Peggy O'Neal (President)**

**Robert Dalton (Director)**

Dated this 18th day of November 2013



**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Revenue from continuing activities	44,848,083	37,640,767
Employee benefits expense	(21,119,028)	(18,966,031)
Depreciation and amortisation expense	(1,169,398)	(918,249)
Marketing and promotional expense	(2,867,546)	(2,209,337)
Materials, purchases and match day hospitality	(3,866,376)	(3,143,631)
Administration expense	(1,194,733)	(724,229)
Finance costs	(64,664)	(189,929)
Property maintenance expense	(1,164,269)	(987,888)
Football support expense	(4,248,038)	(3,915,909)
Membership expense	(2,219,296)	(1,803,847)
Property lease expense	(1,033,028)	(1,131,818)
Impairment loss on property, plant and equipment	(200,000)	-
Other expenses	(2,384,302)	(1,332,108)
Release for Wantirna Club onerous lease	-	700,000
<b>Profit for the year</b>	<b>3,317,405</b>	<b>3,017,791</b>
Other comprehensive income	-	(49)
<b>Total comprehensive income for the year</b>	<b>3,317,405</b>	<b>3,017,742</b>

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

**STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2013**

	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>
<b>Current assets</b>		
Cash and cash equivalents	3,690,642	2,679,498
Trade and other receivables	465,303	668,017
Prepayments	258,656	212,366
Inventories	221,527	450,519
<b>Total current assets</b>	<b>4,636,128</b>	<b>4,010,400</b>
<b>Non-current assets</b>		
Trade and other receivables	-	243,966
Property, plant & equipment	22,625,692	21,070,460
Intangible assets	1,529,530	1,703,503
<b>Total non-current assets</b>	<b>24,155,222</b>	<b>23,017,929</b>
<b>Total assets</b>	<b>28,791,350</b>	<b>27,028,329</b>
<b>Current liabilities</b>		
Trade and other payables	3,389,831	3,372,515
Provisions	1,076,117	803,763
Interest bearing liabilities	-	1,970,000
Income received in advance	975,391	525,270
<b>Total current liabilities</b>	<b>5,441,339</b>	<b>6,671,548</b>
<b>Non-current liabilities</b>		
Trade and other payables	925,454	1,227,767
Provisions	41,345	63,207
<b>Total non-current liabilities</b>	<b>966,799</b>	<b>1,290,974</b>
<b>Total liabilities</b>	<b>6,408,138</b>	<b>7,962,522</b>
<b>Net assets</b>	<b>22,383,212</b>	<b>19,065,807</b>
<b>Equity</b>		
Retained profits	22,383,212	19,065,807
<b>Total equity</b>	<b>22,383,212</b>	<b>19,065,807</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 2013**

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Total equity at the beginning of the year	19,065,807	16,048,065
Profit for the year	3,317,405	3,017,791
Other comprehensive income	-	(49)
Total comprehensive income for the year	3,317,405	3,017,742
<b>Total equity at the end of the year</b>	<b>22,383,212</b>	<b>19,065,807</b>

*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 2013**

	<b>2013</b> <b>\$</b>	<b>2012</b> <b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from football operations	15,565,970	14,296,030
Receipts from marketing operations	24,121,554	19,404,901
Receipts from gaming and social operations	5,549,920	3,774,743
Payments to suppliers and employees	(39,939,465)	(34,316,827)
Interest received	74,540	82,839
Interest paid	(43,025)	(211,568)
Jack Dyer Foundation contributions	743,101	421,255
Net cash inflow / (outflow) from operating activities	6,072,595	3,451,373
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(2,740,500)	(1,710,772)
Payments for gaming licences	(350,951)	(160,930)
Net cash inflow / (outflow) from investing activities	(3,091,451)	(1,871,702)
<b>Cash flows from financing activities</b>		
Proceeds from commercial bills	4,210,000	3,500,000
Repayment of commercial bills	(6,180,000)	(5,030,000)
Net cash inflow / (outflow) from financing activities	(1,970,000)	(1,530,000)
Net increase / (decrease) in cash held	1,011,144	49,671
Cash at the beginning of the year	2,679,498	2,629,827
<b>Cash and cash equivalents at the end of the year</b>	<b>3,690,642</b>	<b>2,679,498</b>

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2013**

The concise financial report relates to the Richmond Football Club at the end of, and during, the year ended 31 October 2013. 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**

	2013 \$	2012 \$
<b>Revenue from continuing activities</b>		
Football	15,565,970	14,046,030
Sponsorship and marketing	22,932,553	19,323,900
Gaming and social	5,549,920	3,774,743
Interest received	74,540	82,839
Jack Dyer Foundation contributions	725,100	413,255
<b>Total revenue from operating activities</b>	44,848,083	37,640,767

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

Throughout the financial year ended 31 October 2013, the AFL provided a guarantee of up to \$3.0 million to the Westpac Banking Corporation as security for borrowing facilities. From 1 November 2013 this guarantee has been reduced to \$1.5 million. The reduction in the guarantee is as a result of the elimination of the Company's debt in the year ended 31 October 2013. Consequently, the facility limit has also been reduced from \$3.0 million to \$1.5 million.

No other matter or circumstance has arisen since 31 October 2013 that has significantly affected, or may significantly affect:

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



## **DIRECTORS' DECLARATION**

The Directors declare that in their opinion, the concise financial report of the Company for the year ended 31 October 2013 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 2013. 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 Company as the full financial report, which is available on request.

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

**Peggy O'Neal (President)**

**Robert Dalton (Director)**

Dated this 18th day of November 2013



## **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 statement of financial position as at 31 October 2013, the 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 2013. 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 2013. We expressed an unmodified audit opinion on that financial report in our report dated 18 November 2013. 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 2013 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports*.

A large, stylized, handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that appears to read 'Chris Dodd'.

Chris Dodd  
Partner

18 November 2013