



# **WESTERN BULLDOGS**

## **2010 FINANCIAL REPORT**



MAJOR PARTNER





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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 31 October 2010.

### 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  
Geoffrey Walsh AO (appointed 17 December 2009)  
George Pappas  
Gaye Hamilton  
Simon Garlick  
Neil O'Keefe (resigned 17 December 2009)

### 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	No. Held	No. Attended
David Smorgon OAM	11	10
Barry Hall	11	9
George Pappas	11	10
Ian Veal	11	10
Henry Jolson QC	11	6
Gaye Hamilton	11	9
Dr Susan Alberti AO HonLLD	11	7
Geoffrey Walsh AO	11	5
Simon Garlick	11	11
Neil O'Keefe	11	0

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.



# Directors' Report

## Operating Results

The operating result of the Company for the year ended 31<sup>st</sup> October 2010 was a profit of \$1,019,642 compared to \$820,204 for 2009.

The net profit of the Company was \$9,709,069 (2009: net profit \$3,215,172) after non operating items, in the current financial year. The Club received grants and interest in relation to the Whitten Oval Redevelopment of \$9,420,885 (2009: \$2,978,182).

	2010	2009
	\$	\$
Operating Result	1,019,642	820,204
Plus: Whitten Oval Receipts	9,402,880	2,961,806
Plus: Interest on Whitten Oval Receipts	18,005	16,376
Less: Additional Depreciation of Redevelopment	(731,458)	(583,214)
<b>Net Profit</b>	<b>9,709,069</b>	<b>3,215,172</b>

In the current financial year, the Club received distributions from the AFL Annual Special Distribution fund of \$1,700,000 (2009: \$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.

## Information on Directors

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

Director	Experience & Qualifications	Responsibility
<b>David Smorgon OAM</b> Age 63	Appointed 27 November 1996 Generation Investments Pty Ltd Governor, Sony Foundation of Australia	President Chairman
Director	Experience & Qualifications	Responsibility
<b>Ian Veal</b> Age 59 Bachelor of Business (RMIT) Post Graduate Business (Swinburne) Advance Management Program (Harvard University)	Appointed 21 February 2001 Fellow, Australian Society of Practicing Accountants Associate Institute of Corporate Managers, Secretaries and Administrators Member, Australian Institute of Company Directors Director, National Board of The Salvation Army Employment Plus	Vice President & Finance Director
Director	Experience & Qualifications	Responsibility
<b>George Pappas</b> Age 64 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 Strategic Reform Advisory Board Chairman, Energy Matters Pty Ltd Chancellor, Victoria University	Planning & Strategy



## Directors' Report

Director	Experience & Qualifications	Responsibility
<b>Geoffrey Walsh AO</b> Age 57 Bachelor of Arts (La Trobe)	Appointed 17 December 2009 Special Advisor to CEO, BHP Billiton Former National Secretary, Australia Labour Party Former Chief of Staff to Premier Steve Bracks & Prime Minister Paul Keating Australian Consul-General, Hong Kong 1995-1998 Board Member, Andrology Australia Chair, La Trobe University Football Club Alumni Foundation Officer of the Order of Australia (2005)	Government Relations

Director	Experience & Qualifications	Responsibility
<b>Henry Jolson QC</b> Age 63 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 International Court of Arbitration for Sport (Switzerland) Conciliator, International Council for the Settlement of Investment Disputes (Washington) Nationally Accredited Mediator & Grade 1 Arbitrator Institute of Arbitrators and Mediators Australia	Legal

Director	Experience & Qualifications	Responsibility
<b>Simon Garlick</b> Age 35 Bachelor of Arts (University of Sydney) MBA (VUT)	Appointed 17 April 2007 Chief Commercial Officer, Western Bulldogs 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



## Directors' Report

### Director

**Dr Susan Alberti AO HonLLD**  
Age 63

### Experience & Qualifications

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  
Director, Click Foundation (Epilepsy)  
Director, Victoria University Foundation

### Responsibility

Forever Foundation

### Director

**Gaye Hamilton**  
Age 60  
Bachelor of Science Education (Melbourne)

### Experience & Qualifications

Appointed 19 December 2005  
Director, Queen Victoria Women's Centre Trust  
Director, Seaworks Foundation  
Director, Zoological Parks & Gardens Board  
Director, State Sports Centre Trust  
Director, People & Parks Foundation

### Responsibility

SpiritWest Services

### Director

**Barry Hall**  
Age 62

### Experience & Qualifications

Appointed 14 February 2005  
  
Director, W.J Drever Pty Ltd  
Director, Barden Nominees Pty Ltd  
Director, Australian Quality Pre-Packed Meats 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  
  
Director, River Gum on the Murray Pty Ltd  
  
Director, BRH Nominees Pty Ltd

### Responsibility

Whitten Oval  
Redevelopment



## Directors' Report

### Review of Operations

Season 2010 has seen the Western Bulldogs produce an operating profit before Whitten Oval redevelopment grants, interest or depreciation of \$1,019,642 compared to a profit of \$820,204 in 2009.

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

2010 has seen the completion of much of the Whitten Oval redevelopment and the majority of our tenants are well established within the precinct.

The Susan Alberti Community Childcare Centre commenced operations in February 2010 and the Pound Cafe opened for business at the start of July 2010.

Work has also commenced on the new Club's Community Sports Hall, which will include four-court indoor basketball / netball / soccer facilities. This should commence operations mid 2011.

### Membership

2010 was a record breaking year for Western Bulldogs membership.

34,995 members was the highest membership number achieved by the Club in history and is a sign of the commitment our members and supporters have to our great Club.

Key growth in the EJ Whitten Social Club and Premiership Gold saw both of these categories reach capacity in 2010 and necessitated the introduction of the 'On the Leash' waiting list for both of these areas. Reserved Seating also saw strong growth and reach new heights in 2010.

The Bulldog for Life program continues to grow with now 11,455 members who auto renew their membership each year. The growing subscription to Bulldog for Life is a positive sign and ensures that members maintain their status with no fuss each year, while having the convenience to spread their payments over 12 months or make one payment at the start of each season.

Junior membership grew to 9,018 and continues to be the key driver in the long term growth of the Western Bulldogs membership and supporter base.

### Consumer Products

2010 has seen another busy year of operation for the Consumer Products team.

Bulldogs Central @ Whitten Oval continues to provide everything Red, White & Blue that members & supporters need to show they are a Bulldog through & through.

Bulldogs Direct has also seen a big year with the ease of 24/7 purchasing making it a one stop shop for Bulldogs fans all around the world.

The 2010 merchandise range continued to evolve with growth in our Lifestyle & Heritage ranges. The year also saw new opportunities with the highly successful Hall of Fame range of product and of course the range of commemorative merchandise to celebrate the Bulldogs 2010 NAB Cup success.





## Directors' Report

### Events

2010 saw the Club's events go to a new level. Our annual Community Festival and Family Day attracted over 8,000 people and is now truly an event that brings together the passion of the AFL with the diversity of the Western Suburbs and embraces the entire community.

Our Season Launch function continued to grow and now forms an important "front end" to our footy year which "back ends" our Best & Fairest function in October. Both these events were SOLD OUT in 2010.

Over 1200 of the Bulldogs faithful attended the Club's inaugural Hall of Fame during May which was undoubtedly the most outstanding event in this Club's history. The event achieved a fantastic balance of emotion, entertainment and historical recognition. Many of the Club's greatest champions were acknowledged in the most appropriate manner and there were three seminal moments in the Club's history that were also relived in the moving "Bulldog Memories" segment.

In August, our Captain, Brad Johnson, was honoured at a testimonial lunch. Johnno has been a true champion of our club and this event allowed us to congratulate the "Smiling Assassin" on his fantastic contribution to our Club.

Our remaining corporate, community and social events held throughout the year also saw a steady increase in attendees.

Away from the Club's own events, the redevelopment of Whitten Oval has created a number of state-of-the-art conference facilities making Whitten Oval the ideal venue for your next event. The events team has worked hard this year to re-establish these facilities for the entire community to enjoy.

### SpiritWest Services

SpiritWest Services has continued to position the Western Bulldogs as leaders in community development practice in the AFL. The delivery of high quality, relevant and sustainable programs in the west of Melbourne has seen the Club work with a host of Government, Corporate and Community agencies to build capacity and engagement in it's own backyard. This includes our traditional programs such as Fresh, Newly-Arrived and Refugee Settlement Services and Bulldog Friendly Schools.

2010 saw the introduction of SportWest VCAL, a partnership education service of the Western Bulldogs and Victoria University which aims to provide senior secondary students with pathways into the Sport & Recreation industry. 15 students commenced the inaugural pilot program in July this year. Numbers are set to grow to 35 in 2011.

2010 also saw the opening of the Susan Alberti Bulldogs Community Children's Centre at the Whitten Oval. This is a 107 place childcare centre for children aged 0 to 5 years old. With demand for the centre exceeding places, the Club is working in conjunction with ECMS to establish a second facility in Spotswood.

SWS would like to acknowledge its partners whose continued support makes the programs being delivered possible - ACFE, DIAC, Victoria University, ECMS, Olex, Macquarie Sports and Mission Foods. SWS would also like to thank the wide range of community agencies without whose collaboration it would not be possible to be the Community Club of the AFL.



## Directors' Report

### **Business Development**

The Club has again enjoyed a strong year from a corporate perspective. Most of our key areas including sponsorship, signage, grand final ticketing and coterie members are at record levels. We are looking forward to working closely with all our sponsors, corporate partners & coterie members (Westerners, Player Sponsors and Top Dogs) in what should be another exciting year on-field in season 2011.

### **Entertainment Venues (Hospitality)**

The Club's existing venues at Williamstown and Footscray continued to trade well during the year with an over-budget performance. As a result of the Whitten Oval redevelopment, the Club closed the Whitten Oval social venue as part of the process of relocating gaming machines to the proposed Edgewater development. Following approval by VCAT in early 2010, we are currently scoping out the proposed facility.

In addition, late this year, as part of our collaborative partnership with RSL Victoria, the Club entered into arrangements to purchase the Dromana-Red Hill RSL and refurbish and re-brand the venue to The Peninsula Club. This new venue will provide a home on the Mornington Peninsula for all the Club's members and supporters, and provide a 'home away from home' for all the Melbourne based members that venture down to the Peninsula for weekends and holidays.

The Club is committed to continuing to develop a portfolio of venues for its members across Victoria which in turn provides an additional revenue stream for the Club.

### **Communications**

For the second consecutive year, [westernbulldogs.com.au](http://westernbulldogs.com.au) achieved record advertising sales along with increased page impressions/site visits. In August 2010 alone, we saw 112,715 unique visitors to our page, (compared to less than 50,000 four years ago), resulting in over half a million page views. A number of new initiatives were introduced to the website this year, with further improvements and enhancements planned for 2011.

The Club ventured into the world of social media this year with the launch of official fan pages on Facebook and Twitter. These mediums allow the club to converse with almost 20,000 social media users.

The Club's relationship with all media outlets also continued strongly in 2010.

### **Fan Development**

We continue to see positive growth in the investment made into Fan Development.

2010 has seen expansion in our Bulldogs Friendly Schools program with our partner Victoria University. The message of healthy eating and active lifestyle is a positive message for our community and one the Bulldogs are committed to expanding in the western region.

Bulldogs Backyard continues to provide a memorable game day experience for the youth of the West. Through the generous donation of members and corporate partners over 3,800 tickets were distributed in 2010 to those who may not normally be able to attend live football at Etihad Stadium.

Game Day experience and fan engagement are key focal points for the Club moving into the future. The introduction of the 'Footscray End' concept area in 2011 will build on the success of the current Game Day program including our K9 Kidz Zone, Dog Gone Legend and the JDRF Junior Captain of the Day program.



# Directors' Report

## Financial Summary

The profit in 2010 of \$9,709,069 compares to the profit of \$3,215,172 in 2009. Year on year revenues increased by \$9,604,988 whilst expenditure increased by \$3,111,091.

The year on year increase in results of \$6,493,897 comprised of the following:

	\$000's
Improvement in Membership	640
Improvement in Events and Fundraising	72
Increased AFL Distributions	1,111
Improvement in SpiritWest Services	225
Improvement in Business Development	756
<i>Offset by:</i>	
Increased Investment in Football Department	(1,199)
Increase in Administration Expenses	(1,049)
Reduction in Communications	(6)
Reduction in Hospitality Division	(55)
Reduction in Consumer Products	(296)
<b>Improvement in Operating Results:</b>	
<i>Whitten Oval Redevelopment:</i>	
Add: Increase in Whitten Oval Interest Income	2
Less: Depreciation Expense	(148)
Add: Whitten Oval Funding	6,441
<b>Net Change</b>	<b>6,494</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 2010 and 2008 financial years. Consistent with 2009, the Company has received notification from the AFL outlining its continued support.

## Subsequent Events

Refer note 21 of the Financial Statements.



## Directors' Report

### 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

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.

### 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 22nd day of November 2010  
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 2010, 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, 22 November 2010

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## Statement of comprehensive income

For the year ended 31 October 2010

	Notes	2010 \$	2009 \$
Revenue from Operating Activities	3 (a)	32,053,145	28,890,860
Revenue from Non Operating Activities	3 (b)	9,420,885	2,978,182
<b>Total Revenue</b>		<b>41,474,030</b>	<b>31,869,042</b>
Business Development Expense		(2,795,013)	(2,235,724)
Membership Expense		(2,513,933)	(2,092,699)
Hospitality Expense		(2,365,483)	(2,776,571)
Event Expenses		(1,014,819)	(1,080,224)
Consumer Products Expense		(1,570,106)	(1,534,489)
Football Department Expense		(14,549,773)	(13,350,362)
SpiritWest Expense		(1,254,319)	(1,216,119)
Communications Expense		(489,706)	(471,785)
Administration Expense		(4,781,378)	(3,466,724)
Borrowing Costs Expense		(430,431)	(429,173)
<b>Total Expenditure</b>		<b>(31,764,961)</b>	<b>(28,653,870)</b>
<b>Profit for the year</b>	4	<b>9,709,069</b>	<b>3,215,172</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>9,709,069</b>	<b>3,215,172</b>

The accompanying notes form part of these financial statements.





# Statement of financial position

As at 31 October 2010

	Notes	2010 \$	2009 \$
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	5	3,368,170	2,312,060
Trade and other receivables	6	1,576,796	2,640,567
Inventories	7	598,741	590,152
Other current assets	8	216,784	112,182
<b>Total Current Assets</b>		<b>5,760,491</b>	<b>5,654,961</b>
<b>Non-Current</b>			
Redevelopment costs	9	109,298	5,115,089
Property, plant and equipment	10	29,800,669	21,492,359
Intangible assets	11	369,598	171,010
<b>Total Non-Current Assets</b>		<b>30,279,565</b>	<b>26,778,458</b>
<b>Total Assets</b>		<b>36,040,056</b>	<b>32,433,419</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade and other payables	12	7,486,424	6,590,408
Interest bearing liabilities	13	5,000,000	12,520,016
Employee benefits	14	457,062	426,928
Income received in advance	15	104,713	41,873
<b>Total Current Liabilities</b>		<b>13,048,199</b>	<b>19,579,225</b>
<b>Non-Current</b>			
Other payables	12	416,290	-
Interest bearing liabilities	13	-	15,324
Employee benefits	14	88,549	60,921
<b>Total Non-Current Liabilities</b>		<b>504,839</b>	<b>76,245</b>
<b>Total Liabilities</b>		<b>13,553,038</b>	<b>19,655,470</b>
<b>Net Assets</b>		<b>22,487,018</b>	<b>12,777,949</b>
<b>Members' Funds</b>			
Retained earnings	16	22,487,018	12,777,949
<b>Total Members' Funds</b>		<b>22,487,018</b>	<b>12,777,949</b>

The accompanying notes form part of these financial statements.



## Statement of Changes in Members' Funds

For the year ended 31 October 2010

	<b>Total Members Funds \$</b>
<b>Balance at 1 November 2008</b>	9,562,777
Total comprehensive income attributable to members of the Company	3,215,172
<b>Balance at 31 October 2009</b>	<b>12,777,949</b>
Total comprehensive income attributable to members of the Company	9,709,069
<b>Balance at 31 October 2010</b>	<b>22,487,018</b>

The accompanying notes form part of these financial statements.





# Statement of cash flows

For the year ended 31 October 2010

	Notes	2010 \$	2009 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and the Australian Football League		34,888,243	29,707,313
Whitten Oval redevelopment grants		9,402,880	2,961,806
Payments to suppliers and employees		(31,314,067)	(26,988,414)
Interest paid		(430,431)	(429,173)
Interest received		66,791	48,786
<b>Total cash from operating activities</b>		<b>12,613,416</b>	<b>5,300,318</b>
<b>Cash flows from investing activities</b>			
Payment for gaming entitlements deposit	11	(208,146)	-
Payments for plant and equipment		(1,701,348)	(459,273)
Payment for redevelopment costs		(2,528,762)	(3,947,084)
<b>Net cash used by investing activities</b>		<b>(4,438,256)</b>	<b>(4,406,357)</b>
<b>Cash flows from financing activities</b>			
Repayment of liabilities relating to financed assets		(35,340)	(20,720)
Commercial Bill		(7,500,000)	100,000
Other payables	12b	416,290	-
<b>Net cash used by financing activities</b>		<b>(7,119,050)</b>	<b>79,280</b>
Net cash increase (decreases) in cash and cash equivalents		1,056,110	973,241
Cash and cash equivalents at beginning of year		2,312,060	1,338,819
<b>Cash and cash equivalents at end of year</b>		<b>3,368,170</b>	<b>2,312,060</b>

The accompanying notes form part of these financial statements.



# Notes to the financial statements

For the year ended 31 October 2010

## 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 22nd November 2010.

## 2. Statement of significant accounting policies

### (a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements, 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.

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgments 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 following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### (b) Adoption of new and revised accounting standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

Significant effects on current, prior or future periods arising from the first-time application of the standards discussed above in respect of presentation, recognition and measurement of accounts are described in the following note.

#### **Adoption of AASB 101 Presentation of Financial Statements (revisions), AASB 2007-8 and 2007-10 Amendments arising from the revisions to AASB 101**

The Company has adopted the revisions to AASB 101 *Presentation of Financial Statements* in these financial statements which has resulted in the introduction of the statement of comprehensive income, changes to the statement of changes in equity, and other terminology changes.



# Notes to the financial statements

For the year ended 31 October 2010

## 2. Statement of significant accounting policies (continued)

### (b) Adoption of new and revised accounting standards (continued)

#### **Adoption of AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendment to Australian Accounting Standards arising from Reduced Disclosure Requirements**

The Company has adopted the new Australian Accounting Standard - Reduced Disclosure Requirements in these financial statements which has resulted in a significant reduction in disclosures compared to those required under full AASB disclosure requirements applicable in prior years.

### (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.

### (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. Refer to notes 13 and 21.

### (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 statement of comprehensive income during the financial period in which they are incurred.



# Notes to the financial statements

For the year ended 31 October 2010

## 2. Statement of significant accounting policies (continued)

### (e) Property, plant & equipment (continued)

#### **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 asset Appointed 17 December 2009

<b>Class of asset</b>	<b>Depreciation rates</b>
Leasehold Improvements	4%
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 statement of comprehensive income.

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



# Notes to the financial statements

For the year ended 31 October 2010

## 2. Statement of significant accounting policies (continued)

### (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 transactions 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.





# Notes to the financial statements

For the year ended 31 October 2010

## 2. Statement of significant accounting policies (continued)

### (i) Employee benefits (continued)

#### **Superannuation**

The amount charged to the Statement of comprehensive income 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 fulfillment 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 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 statement of comprehensive income on a straight-line basis over the lease term. Lease incentives are recognised in the statement of comprehensive income as an integral part of the total lease expense.

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 coterie/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.



# Notes to the financial statements

For the year ended 31 October 2010

## 2. Statement of significant accounting policies (continued)

### (l) Revenue (continued)

Grant revenue is recognised in the statement of comprehensive income 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 statement of financial position 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 statement of financial position 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.

#### **Gaming Entitlements**

Gaming Entitlements acquired are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful economic lives. The useful lives of intangible assets can be either finite or indefinite. The gaming entitlements will be amortised over 10 years from 14 August 2012.

Gaming Entitlements are currently representative of a deposit for an intangible asset with a finite useful life of 10 years commencing 14 August 2012.

#### **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.



# Notes to the financial statements

For the year ended 31 October 2010

## 2. Statement of significant accounting policies (continued)

### (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 2010, 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 (2009: \$1,700,000) in the year ending 31 October 2010.

### (u) Redevelopment of Whitten Oval

Costs associated with the Redevelopment such as Feasibility Studies, Planning Permits, Borrowing Costs and Demolition costs have been capitalised as Redevelopment Costs. 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 2010 reporting periods but contain an option for early adoption.





# Notes to the financial statements

For the year ended 31 October 2010

## 2. Statement of significant accounting policies (continued)

### (v) New accounting standards and AASB interpretations (continued)

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 2010 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 statement of comprehensive income in the period in which they are incurred.

## 3. Revenue

	2010 \$	2009 \$
<b>(a) Revenue from operating activities</b>		
- AFL sourced income	6,629,496	6,375,176
- AFL - annual special distribution	1,698,000	1,700,000
- AFL prize money	480,000	300,000
- Gate receipts/match returns	2,301,859	1,622,980
- Communications	1,048,417	1,036,811
- Business development	6,484,735	5,169,263
- Membership	5,899,076	4,838,197
- Hospitality division	2,975,110	3,440,834
- Events and fundraising	1,290,617	1,283,938
- Consumer products	1,628,919	1,889,100
- SpiritWest services	1,463,305	1,190,403
- Other income (includes interest)	163,611	44,158
<b>Total revenue from operating activities</b>	<b>32,053,145</b>	<b>28,890,860</b>
<b>(b) Revenue from non operating activities</b>		
- Whitten Oval redevelopment grants	9,402,880	2,961,806
- Interest in relation to redevelopment monies	18,005	16,376
<b>Total revenue from non operating activities</b>	<b>9,420,885</b>	<b>2,978,182</b>
<b>Total Revenue</b>	<b>41,474,030</b>	<b>31,869,042</b>



## Notes to the financial statements

For the year ended 31 October 2010

### 4. Profit for the year

	2010	2009
Expenses	\$	\$
Borrowing Costs:		
- Interest Paid – Other Persons	430,431	429,173
	<b>430,431</b>	<b>429,173</b>
Bad Debts Expense/(write back)	46,040	(35,339)
Rental expense on operating leases	688,316	719,320

### 5. Cash and cash equivalents

Cash on hand	383,821	377,914
Cash at bank	1,500,979	675,757
Cash at bank held for Whitten Oval Redevelopment	1,483,370	1,258,389
	<b>3,368,170</b>	<b>2,312,060</b>

### 6. Trade and other receivables

Trade and Other Debtors	1,622,836	2,644,780
Less Provision for impairment of receivables	(46,040)	(4,213)
	<b>1,576,796</b>	<b>2,640,567</b>

The carrying value of trade receivables is considered a reasonable approximation of fair values due to the short term nature of the balances.

### 7. Inventories

Food and Liquor Stores – at cost	17,494	18,360
Bulldog Shop Merchandise – at lower of cost or realisable value	581,247	571,792
	<b>598,741</b>	<b>590,152</b>

### 8. Other current assets

Prepayments	159,990	103,289
Unexpired Contra Services	56,794	8,893
	<b>216,784</b>	<b>112,182</b>



# Notes to the financial statements

For the year ended 31 October 2010

## 9. Redevelopment costs

	2010 \$	2009 \$
Whitten Oval Redevelopment Costs – Refer note 2(u)	109,298	5,115,089

### Reconciliation of redevelopment costs

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	5,115,089	17,181,468
Additions	2,638,060	3,947,084
Transfer to Property Plant and Equipment	(7,643,852)	(16,013,463)
<b>Carrying amount at 31 October</b>	<b>109,298</b>	<b>5,115,089</b>

## 10. Property, plant and equipment

Whitten Oval Redevelopment - at cost	28,882,728	20,000,000
Less Accumulated Depreciation	(1,262,711)	(531,253)
	27,620,017	19,468,747
Leasehold Improvements - at cost	1,104,510	1,083,960
Less Accumulated Depreciation	(72,792)	(28,430)
	1,031,718	1,055,530
Plant and Equipment - at cost	2,086,723	1,733,550
Less Accumulated Depreciation	(951,242)	(796,067)
	1,135,481	937,483
Plant and Equipment under Finance Lease - at capitalised cost	95,649	95,649
Less Accumulated Depreciation	(82,197)	(65,050)
	13,452	30,599
<b>Total Property, Plant and Equipment</b>	<b>29,800,669</b>	<b>21,492,359</b>

### 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 overleaf.



# Notes to the financial statements

For the year ended 31 October 2010

## 10. Property, plant and equipment (continued)

	Whitten Oval	Leasehold Improvements	Plant & Equipment	Leased Assets	Total
	\$	\$	\$	\$	\$
Balance at 1 November 2008	4,927,083	52,477	700,756	49,727	5,730,043
Additions	-	550	458,723	-	459,273
Disposals	-	-	(60,630)	-	(60,630)
Depreciation Expense	(458,336)	(10,961)	(161,365)	(19,128)	(649,790)
Transfers from redevelopment costs	15,000,000	1,013,463	-	-	16,013,463
Balance at 31 October 2009	19,468,747	1,055,530	937,483	30,599	21,492,359
Additions	1,238,876	20,550	353,173	-	1,612,599
Disposals	-	(38,635)	(10,260)	-	(48,895)
Depreciation Expense	(731,458)	(5,728)	(144,915)	(17,147)	(899,248)
Transfers from redevelopment costs	7,643,852	-	-	-	7,643,852
<b>Balance at 31 October 2010</b>	<b>27,620,017</b>	<b>1,031,718</b>	<b>1,135,481</b>	<b>13,452</b>	<b>29,800,669</b>

## 11. Intangible assets

	2010	2009
	\$	\$
Goodwill	123,223	123,223
Gaming Entitlements Deposit	208,146	-
Lease Acquisition Costs	80,000	80,000
Accumulated Amortisation – lease acquisition costs	(41,771)	(32,213)
	<b>369,598</b>	<b>171,010</b>

Future commitments as a result of the acquisition of these gaming licences are disclosed in Note 20.

## 12. Trade and other payables

### (a) Current

Trade Creditors	6,551,860	4,447,580
Other Creditors and Accruals	934,564	2,142,828
	<b>7,486,424</b>	<b>6,590,408</b>

Due to the short term nature of these payables, their carrying amount is assumed to approximate their fair value.

### (b) Non-Current

Other Payables	416,290	-
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Other payables are repayable over a period not exceeding 10 years from the date at which the Company commences gaming operations, being no earlier than 14 August, 2012.



# Notes to the financial statements

For the year ended 31 October 2010

## 13. Interest bearing liabilities

	2010 \$	2009 \$
<b>(a) Current</b>		
Westpac Banking Corporation Facilities 13(c)	5,000,000	12,500,000
Finance Lease Liability	-	20,016
	<b>5,000,000</b>	<b>12,520,016</b>

## (b) Non-Current

Finance Lease Liability	-	15,324
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## (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	5,000,000	13,000,000
Amount utilised at the end of the financial year	(5,000,000)	(12,500,000)
Amount unutilised at the end of the financial year	-	500,000

## 14. Employee benefits

### Current

Provision for Annual Leave	388,071	390,150
Provision for Long Service Leave	68,991	36,778
	<b>457,062</b>	<b>426,928</b>

### Non-Current

Provision for Long Service Leave	88,549	60,921
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<b>Aggregate Employee Benefits</b>	<b>545,611</b>	<b>487,849</b>
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## Notes to the financial statements

For the year ended 31 October 2010

### 15. Income received in advance

	2010	2009
	\$	\$
Income in Advance	104,713	41,873

### 16. Retained earnings

Retained earnings at the beginning of the financial year	12,777,949	9,562,777
Net earnings for the year	9,709,069	3,215,172
<b>Retained earnings at the end of the financial year</b>	<b>22,487,018</b>	<b>12,777,949</b>

### 17. 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 \$7,211,400 (2009: \$6,696,900). After the next 12 months they amount to \$5,990,200 (2009: \$4,665,000).

(b) As at 31 October 2010, 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) During the year the Company entered into an agreement with the Victorian University to occupy and use certain space at the redeveloped Whitten Oval on a long term arrangement. In the event of termination, this agreement provides for a contribution refund starting at \$7,671,450, which includes the upfront premises contribution (\$5,921,450) and an amount representing Victoria Universities fit out costs (\$1,750,000).

The fit-out contribution of \$1,750,000 reduces by \$175,000 per annum over a 10 year period, whilst the premises contribution reduces over a period of 18 years, in accordance with the schedule in the relevant agreement.

(d) A claim for workers compensation was brought against the Western Bulldogs on the 29th of October 2010. The Western Bulldogs carries workers compensation insurance and the action is in the process of being defended. It is not practical to estimate the potential liability at this stage.

### 18. 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.



# Notes to the financial statements

For the year ended 31 October 2010

## 19. Key management personnel

	2010	2009
	\$	\$
<b>(a) Transactions with key management personnel</b>	<b>3,102,569</b>	2,623,223

The 2009 comparative amount has been adjusted to include superannuation and other entitlements.

## (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.

The aggregate amounts recognised during the year relating to key management personnel and their related parties were as follows:

		2010	2009
		\$	\$
Dr Susan Alberti AO HonLLD as Director of	(i)	<b>138,600</b>	205,336
GoldAge Pty Ltd	(ii)	<b>923,791</b>	835,856
Simon Garlick	(iii)	-	15,000

(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.

(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.

(iii) Simon Garlick receives payments for services to the Football Department. It should be noted that during 2010 Simon was paid remuneration by the Company in the capacity of an employee. Simon's remuneration has been included in the key management personnel total at (a).

(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.





## Notes to the financial statements

For the year ended 31 October 2010

### 20. Capital and leasing commitments

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

Amount Payable:

Not later than one year	578,967	481,255
Later than one year but not later than five years	790,447	510,950
Later than five years	1,115,119	1,191,606
	<b>2,484,533</b>	<b>2,183,811</b>

Operating lease commitments include the lease of the property located at Whitten Oval, 417 Barkly Street Footscray West. A 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 remaining operating leases relate to three other properties, telephone system 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) Finance Lease Commitments

Amount Payable:

Not later than one year	-	21,886
Later than one year but not later than five years	-	16,265
Minimum finance lease payments	-	38,151
Less future finance charges	-	(2,812)
Finance Lease Liability	-	35,340

Represented by:

Current Liability - Refer note 14(a)	-	20,016
Non-Current Liability - Refer note 14(b)	-	15,324
	-	35,340

Finance lease commitments include the lease of computer equipment which has a 5 year term ended July 2010 as well as the lease of a photocopier which has a 5 year term ending in June 2012. During the year the Company terminated the photocopier lease as this was superseded with a new operating lease.

#### (c) Capital Commitments

The Company is committed to the redevelopment of the Whitten Oval Community Sports Hall, for which approximately \$2.6 million will be spent within the next twelve months, 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 2010

## 20. Capital and leasing commitments (continued)

### (d) Gaming Entitlement Commitments

Amount Payable:

Not later than one year	-	-
Later than one year but not later than five years	3,125,000	-
Later than five years	825,000	-
	<b>3,950,000</b>	-

The Company has a total commitment of \$4.16M in respect of gaming entitlements purchased. As at 31 October, 2010 \$3.95M remains outstanding.

### (e) Gaming Machine Commitments

Amount Payable:

Not later than one year	-	-
Later than one year but not later than five years	4,038,090	-
Later than five years	9,774,957	-
	<b>13,813,047</b>	-

## 21. Subsequent events

(a) Since the end of the 2010 financial year, the Western Bulldogs have received confirmation that the 2011 payment for the Annual Special Distribution from the AFL, of \$1,700,000, is to be paid in the 2011 financial year, subject to certain conditions which the board expects will be met.

(b) The Company has agreed to purchase the freehold land and buildings of the Dromana Sub-Branch of the RSL; the purchase of 20 Gaming Machine Entitlements from the Dromana Sub-Branch of the RSL and 8 Gaming machine entitlements from the Frankston RSL Sub-Branch.

A formal agreement is expected to be signed by November 30, 2010.

(c) The CEO ceased his arrangement with the Western Bulldogs subsequent to year-end. The Western Bulldogs have no further commitments in relation to the aforementioned.



## Directors' declaration

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 17 to 32, 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 2010 and of the performance for the year ended on that date of the company.
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 22nd day of November 2010  
Melbourne, Victoria.



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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 (the "Company"), which comprises the statement of financial position as at 31 October 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes to the financial report 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 are 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 whether the financial report is free from 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 those 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 circumstances, 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 and the reasonableness of

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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.

**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 2010 included on Footscray Football Club Limited's web site. The Company's directors are responsible for the integrity of Footscray Football Club Limited's web site. We have not been engaged to report on the integrity of 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.

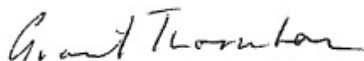
**Independence**


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

**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 2010 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

  
GRANT THORNTON  
Chartered Accountants

  
M.A. Cunningham  
Partner

Melbourne, 22 November 2010



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**WESTERN BULLDOGS**  
2010 FINANCIAL REPORT



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