Financial Report 2002

Essendon Football Club

Contents

Chairman's Report	4
Chief Executive Officer's Report	6
Finance Director's Report	8
Directors' Report	9
Statement of Financial Performance Statement of Financial Position Statement of Cash Flows	11
Notes to and forming Part of the Accounts	12

DEAR FELLOW MEMBERS

It is with pleasure, on behalf of the Board of the Essendon Football Club, that I present my Chairman's report for season 2002.

FOOTBALL

Our playing season ended as it began, plagued by injury to key team members. The serious injury suffered by Dean Solomon before the season even began seemed to set the tone for year 2002. One after another senior player, integral to our team, were lost to us through serious injury. At the end of the season we ranked third worst for games lost through injury in the AFL.

Nevertheless our year was disappointing. The board and management truly believed at the beginning of the year that our list of players was strong enough to play in, and hopefully win, another Grand Final. It just was not to be and I am sure all Essendon people ended the year disappointed.

The commitment of our coaches, staff and players was not at fault and we can continue to be very proud of the effort of all concerned during the year. There is no doubt our younger players tired as the year progressed, particularly in view of the added burden they were required to carry arising from the injuries to senior players. However, all clubs suffer injuries and we should not use injuries as an excuse. Rather we must ensure our full list of players is strong enough to cover injury as it arises, as difficult as that might be.

On behalf of the board and members of the club I thank all of the players, who, as always, were fully committed to achieving success in 2002. We should recognise that Essendon has participated in the AFL final series for the fifth successive year and that our team has provided to us a great deal of pleasure and excitement.

On the VFL front we failed to reach the final series. Terry Daniher and his players tried very hard but just missed out. The injury problems of our senior team had a direct bearing on our VFL season and on more than one occasion we were only able to field less than ten Essendon listed players in our VFL team, having to rely on "top up" players from outside the club to make up the numbers.

However the VFL team exists to develop young players at Essendon and in that regard it achieved its aim. We congratulate Terry and all of the players for their efforts during the season.

At season end the board and management reviewed the earlier decision to play as a stand alone club in the VFL competition. During 2002, Carlton and Geelong were the only other Victorian AFL clubs to do so, all others having entered into some form of cooperative agreement with previously existing VFL clubs. For a range of reasons, the least of which was not cost, the board has recently announced it will next season not compete in the VFL as Essendon. Our club will enter into an arrangement with the Bendigo Diggers VFL team and play in next year's competition as the Bendigo Bombers, wearing the traditional Essendon playing uniform.

Whilst there will no doubt be some members and supporters who will be disappointed with this decision, the board and management including our coaching staff believe it to be in the best interest of Essendon Football Club. There will continue to be approximately 11 games played in Melbourne and two of these will be at Windy Hill. There will continue to be plenty of opportunity for us all to watch our players in the VFL.

As a result of the decision to join with Bendigo, Terry Daniher has taken the decision to accept an offer to join Collingwood as an Assistant Coach, and whilst disappointed at his departure we wish him well with his future career. He will always be welcome at Essendon.

To all the coaches and players who have worked so hard again this year I offer our great thanks. No doubt they will all be anxious to improve on their 2002 performance in the year ahead. I particularly would like to congratulate those who achieved personal milestones during the year and say collectively well done.

The club in October completed its list review and participated in the infamous trade week. As all members will know a number of senior players have left our club as a result.

I would like to emphasise that our management has operated under an instruction from the board that under no circumstances was the Essendon Football Club to exceed its allowed Total Player Payments. We must never allow the club to be penalised as it was in 1996 and 1997 for breaking the AFL salary cap.

We all regret very much the need to shed quality people from Essendon. However we will not sanction any breach of the AFL rules in this regard. All clubs are affected by the rules as they should be. The sour note for us at Essendon is that several AFL clubs are being given unfair concessions. (see article in the 2002 Yearbook). To the players who have left Essendon, I thank them for their individual contributions to our on-field success in recent years and wish them good luck in their future careers whether on the ground or off. You are all welcome at Essendon any time.

As you read this we will have added a new group of youngsters to our playing list and we will welcome them all in an official way at the Annual General Meeting. If they did not have ability we would not have drafted them. It is now in their hands to grasp the opportunity presented to them and carve out a career in the elite AFL competition. We obviously hope they are successful.

OFF FIELD

The 2002 season has proven to be a difficult one financially for the Essendon Football Club, as it has for the great majority of clubs in the AFL with many declaring significant losses for the year. We believe in our case the draw, which included many night games, played a part in causing our difficulties. In our case it is both pleasing and gratifying to be able to announce a profit of $1,007 million for the year ended 31st October 2002, including the special receipt of $300,000 as a part of Essendon's share of the Waverley Park sale proceeds. Furthermore our cash reserves at year end stand at a healthy $4.15 million after completing the major redevelopment of our club headquarters.

I believe members can be well satisfied that our club has a secure future. However it is necessary to advise members that the great majority of our profit this year has been generated from what can be described as non football business activities. The board and management are very conscious of this position and are working hard to ensure our football

operations do not operate at a loss. Our budgets for 2003 have been established accordingly. As mentioned previously the football financial outcome played a part in the decision to alter the club's VFL playing arrangements.

Both of our associated businesses, being Essendon Football and Community Sporting Club and the Melton Country Club, continue to trade strongly and have made significant financial contributions to our football club revenues once again.

The Hall of Fame continues to provide a showpiece for club memorabilia and as a result of fundraising during the year is financially stable. We can be justifiably proud of this facility.

During the past year discussion has taken place between representatives of our board, the board of the Essendon Cricket Club and the City Of Moonee Valley concerning the relocation of cricket to a new permanent home at the Cross Keys Reserve. Whilst in-principle agreement has been reached there is still some way to go in finalising such a move. During the coming year further discussions will take place which we believe will lead to an agreement acceptable to all parties.

With the redevelopment of our facilities at Windy Hill now completed, the resurfacing of the oval is the critical task yet to be completed. We expect to commence such work at the end of the 2003 football season.

THE COMPETITION

Sadly I must report to members that the financial state of a number of clubs in the elite AFL competition has not improved since my last report to you. Up to ten clubs are expected to announce serious financial losses for the 2002 season. Two clubs have sought special financial relief from the AFL.

It is most disturbing that this state of affairs can exist at a time when the AFL as a body has never had more funds available to it, through its new media contract which began this year and the funds now flowing from the sale of Waverley Park.

As reported earlier our club is in a good financial position. However our board supports the retention of the current sixteen team competition, including ten teams here in Victoria.

Accordingly the Essendon Football Club is urging the AFL commission and management to undertake a wide ranging review of all costs that impact on both the controlling body and the clubs.

The opportunity to raise more revenue is becoming more difficult each year and cost control has to be the method through which we can restore long term financial viability to our competition. However in the long term, none of our clubs can expect to be directly subsidised by the members and supporters of another. Each must be financially viable in its own right.

APPRECIATION

Once again, I would like to formally thank all of those organisations and individuals which have provided support to the club during 2002. It is their contribution to our club which has made Essendon financially secure.

Firstly, I must thank our sponsors and in particular our Platinum sponsors in Hutchison Telecoms, Fila, Musashi, i7, Coca Cola, Carlton and United Breweries and Ray Brown. There is no doubt our club has benefited from our association and I trust that all sponsors have similarly derived benefit from it. On behalf of the entire club I thank them sincerely and look forward to a continuing relationship.

The club coteries and supporter groups have once again been to the fore this year providing assistance in many ways, financial and other. I would like to acknowledge and thank each of these groups and the individuals who comprise them. They are The Coleman Club, The Essendonians, The Diamond Dons, The Coaches Club along with the support groups, the Womens Network, the Dick Reynolds Club, the Lawdons, the Uptown Dons and the committees of our regional and interstate supporter groups.

The Essendon Cheer Squad is another which provides great support.

On behalf of the members of our great club I thank all of the people who are part of these groups. In particular I thank those hard working leaders of each group, without whose efforts the groups simply would cease to exist.

To all the other organisations and individuals who have provided all manner of support during the year I also thank you. Our club is strong because of your involvement.

Once again the staff of our club deserve high praise for delivering another good year to members. All of the staff led by C.E.O. Peter Jackson have worked tirelessly in their endeavours to achieve success both on and off the field. They make up a formidable group and we are the envy of many other sporting organisations. On behalf of the members I thank Peter and his colleagues on another fine year.

As always I also wish to thank the partners and families of our staff. The job interferes with normal family life as others would know it and I would like to record our acknowledgment of their understanding.

You, the members, also deserve to be recognised and thanked for the loyal support you all continue to provide. In a year when the AFL fixture forced upon us a large number of night games, to say nothing of the Friday night matches, you continued to attend games in large numbers. It is the number of members we have at Essendon which is what is keeping us strong. Keep up the good work.

The final thank you must go to my fellow board members. As I have recorded before they give of their time freely and generously and I thank them for it. I also thank them for their ongoing support of myself as Chairman.

In conclusion, it has indeed been a difficult year, finishing with us being obliged to cut a number of premiership players from our list. But as a result we will welcome to our club new young talent to supplement our playing list. We believe the 2003 squad will allow us to field an Essendon team that will be highly competitive once again. With any luck on the injury front we can all look forward to another successful year.

This report is the sixth I have submitted to members since joining the board. I consider myself extremely fortunate to be Chairman of the great Essendon Football Club. I look forward to completing my elected term in 2003 and hopefully to report to you on another successful year on and off the field upon its conclusion.

Graeme McMahon
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

SEASON 2002 proved to be the very challenging year I expected it to be – both on and off the field. On the field, we remained a hunted side and this combined with injuries conspired to see us miss a top-four finish – a goal we had set ourselves at the start of the season. Off the field we had many challenges – none greater than the post-season management of our salary cap. I had warned members that this challenging time would come and it was not easy for any of the involved parties.

In presenting this report I would like to reflect on some things I said in my 2001 C.E.O. report. Firstly, in the matter of salary cap and player contract management, which has occupied much of our thoughts in recent times, I stated in 2001 the following:

> *"I have been at pains to point out to our supporters over the past two seasons that it was going to be difficult to maintain our high quality playing list. Salary cap pressures and significant offers put to our players by other clubs, make it difficult to keep this group together. There is only so much we can do under the rules of the competition to keep our playing list together.*
>
> *Based on advice provided by the AFL, we expected that the Total Player Payments cap would increase 10-12% p.a. in 2002/2003 – we were disappointed this did not eventuate. The fact it will only increase by 6-7% p.a. over those years means a difference of $200,000 each year – the equivalent of one senior Premiership player for those two years.*
>
> *It is frustrating that we commenced salary negotiations in good faith expecting a 10-12% p.a. increase and were then notified of a much smaller increase was agreed. Hence there need to be changes in the player list over and above what we may have hoped for earlier in the year."*

At the time of writing this, we do not know what the salary cap will be in 2004. This, together with my comments above, shows members just how difficult it has been to plan player contracts. No matter what that result, the 2003 season was always going to be the crunch year for EFC with its salary cap challenges. Despite suggestions to the contrary in the media, we do not blame the AFL and its failure to change the Veterans Rule for our need to trade players. What we said firstly was that we thought it was going to change, as did many clubs, and secondly, that if it had changed, it would have made our challenge in 2003 a lot easier. The AFL is an independent body charged with the responsibility to govern the game. As such, they decide the rules.

The fact that 2003 was to be the crunch year arose because, through effective management and support from the players, we have managed to stall the inevitable for some 2-3 years. The fact that we did stall it, I suspect, lulled people into a false sense of security that this recent difficult period was not coming.

The challenge for us is not with players like our captain, James Hird. James Hird has made a substantial contribution to keeping the team together in recent years, and has done so again in 2003. I can tell you James Hird was the 15th best paid player in the competition in 2001 and that includes his marketing contract - a player who many consider to be the best going around. Put simply, he isn't paid the amount that some in the media have suggested.

The challenge in 2003 lies in the fact that in 2001, the year after the record 2000 season, Essendon did not have one player paid in the top 10 of the AFL. Our 10th best-paid player, an All Australian in 2000, was the 147th best paid player in the AFL. The 2001 Crichton Medallist and All Australian Jason Johnson, was the 208th best paid player in the competition.

In 2002, players were still paid well below their market value. Once again, Jason Johnson, who could have exercised a right to re-negotiate his contract based on his Crichton Medal in 2001, remained only the 227th best paid player in the AFL. He finished second in the Crichton Medal in 2002.

This trend could not continue beyond the end of 2002 without the club facing the risk of losing its very best players to other clubs with greater salary cap freedom. The need to pay players their market rate is what made 2003 a crunch year, and senior players needed to be traded. We did get something in exchange for them – two exciting young players in Adam McPhee and Damian Cupido and we went into the National Draft with four selections in the top 30.

The reality of AFL football these days is that players must perform to earn the large money they are paid. In the year 2002, when the club faced major on-field challenges through serious long term injuries to key players, some other players did not perform as well as the club had hoped, and their value to the team was re-assessed accordingly.

To appreciate a measure of the challenge that has faced EFC, look to Brisbane, a club with about an extra $600,000 in the salary cap, and a similar on-field performance to Essendon, that is struggling to fit players in their salary cap.

It is disappointing to lose people of the calibre of Justin Blumfield, Blake Caracella, Chris Heffernan and Steve Alessio. They have been valuable contributors to the club on and off the field, they are excellent people and I want to assure you that this club has taken absolutely no joy out of having to part company with these players. I wish them and Daniel McAlister all the best in the future. I would also like to thank Paul Salmon for his efforts this season. It was fantastic to have him back and he now retires as he should - a champion of this football club.

I said also in my 2001 report that economic conditions for 2002 were expected to be more difficult than in 2001. Economic circumstances and the expected re-development of the MCG Northern Stand would put pressure on revenue on 2002.

Although the MCG re-development was delayed, we nonetheless experienced substantial pressure on revenues. MCG crowds were well down due to the night games and the poor performance of Carlton and Richmond that affected us greatly. Overall, MCG gate receipts were over $260,000 down on the 2001 figure.

Further, the high number of night home games (9) adversely affected membership revenues, particularly in family and junior categories. I stated early in the year the loss of revenue was about $400,000. We are very pleased the AFL has taken on board our comments and reduced the number of home night games in 2003 to only five.

The corporate hospitality market also continued to be very soft with our number of corporate patrons well down on target levels and 2001 levels. This will continue to be a concern in 2003 with competition from the Rugby World Cup. The volume of competition in the market for hospitality products is having a profound impact on all AFL clubs.

Despite these severe pressures on revenue it was most pleasing to be able to report a profit of $1,007,000. This result was achieved despite a reduction in revenue and through a strong cost control policy. We also recovered doubtful debts and have included the initial distribution by the AFL of funds from the sale of Waverley.

Total revenue, excluding the distribution by the AFL for the sale of Waverley, declined about $360,000 from 2001. The revenue figure was actually boosted by the recovery of a doubtful debt from 2001 and the settlement of contract obligations with FILA for the final years of their contract. The impact of night games and gate receipts would have been much greater but for these.

Merchandise once again was a star performer in 2002. The Champions of Essendon project was a major highlight of the year and a significant fundraiser for the club. My thanks to marketing manager Mike McKenna, retail and client services manager Prue Gray and marketing services manager Sam Culbert, especially for the work to develop the project, and to communications manager Simon Matthews for the excellent job he did in writing the book *Champions of Essendon*.

Despite the number of night home games we still attracted 35,219 members in 2002. You all understand how important you are to the club and I thank you for your support.

The forecast decline in revenue was apparent early in the year. As a result, cost control became a major objective during the year. Total expenses, including players payments, increased only about $190,000 or 0.8%. Excluding player payments, total expenses declined by $300,000 or 1.7%.

The outlook for 2003 is for more difficult trading conditions, with revenue growth difficult to achieve. Cost control will continue to be an objective of the club, and total costs, excluding player payments, are budgeted to decline in 2003.

Colonial Stadium continues to be very important to the club financially. It is also noteworthy that the crowds for Essendon games at each of two night games at Colonial Stadium against Port Adelaide and Adelaide were higher than crowds at the night games at MCG against Hawthorn, Richmond and Kangaroos. This indicates that Essendon members and supporters are pleased with the facilities and comfort afforded at Colonial Stadium.

The issue of the firmness of the playing surface at Colonial Stadium arose during the year, and club management and players have met with stadium management. We are encouraged by the plans of the Stadium for 2003, in particular not to run any other events during the football season that will impact on the quality of the playing surface, and look forward to an improved playing surface.

Members will be aware that the club has decided to align with the Bendigo Diggers F.C. to play as the Bendigo Bombers in the VFL competition next season. As I reported last year, it cost the club upwards of $600,000 per year to operate a stand alone VFL team. At times during the 2002 season, we had as few as 5-6 of our listed players making up the VFL side. On average, only eight listed players played in the team each week.

The cost of operating a stand alone team and the distraction caused through recruiting and developing top-up players to make up the side was considered excessive at a time when economic trading conditions are getting harder, and the AFL on-field competition stronger.

The alignment with Bendigo Diggers offers the club opportunities to reduce football costs, plus develop our brand throughout the Bendigo region, which is the fastest growing regional centre in Victoria. This continues our recent initiatives of establishing "Bomber" clubs with the Essendon logo at North Shore F.C. in Sydney and Redland F.C. in Brisbane.

The BomberLand website continued to operate as the number one club site in the AFL. We generated a direct profit contribution of about $130,000 from the website. Traffic increased by 67% from average 30,000 page impressions per day in 2001 to 50,000 in 2002. We remain committed to our plan to operate and develop our own site.

As always we are extremely grateful for the support given to this club by our sponsors. Hutchison Telecoms have provided excellent support as our major sponsor. Next year they will change their brand from Orange to "3" – we are most pleased to be Hutchison's first sponsorship property world wide to expose the new brand.

We ended our association with apparel sponsor Fila at the completion of 2002. The settlement was amicable and we thank them for their support over the past three seasons. I would also like to take this opportunity to welcome Puma on board for 2003 as our new apparel sponsor.

I would also like to offer my sincere thanks to our other platinum sponsors Musashi, i7, Coca Cola, Carlton and United Breweries and Ray Brown. All of our sponsors make a significant contribution to the well-being of this club.

The support of our coterie groups is extremely important and we at Essendon are very appreciative of the support given by our coteries. I want to thank them all most sincerely. The Coleman Club, the Essendonians (president Noel Freeman), the Diamond Dons (chairperson Tony Clencie), the Coach's Club (chairperson Allan Comrie), the Dick Reynolds Club (chairperson Greg Brown) and the Essendon Football Club's Women's Network (chairperson Linda Dessau) have all made invaluable contributions to this club as have the chairpeople of our regional and interstate supporter groups.

I want to thank the staff of the Essendon Football Club for their efforts during the season. So much work goes into running a football club that goes unnoticed. They work tirelessly to make this club the success it is.

I also express my gratitude to the Essendon Football Club Board for its support during the past year. In particular I would like to thank chairman Graeme McMahon for the leadership he has provided.

I hope everyone is looking forward to 2003 as much as I am. We still have an excellent list of players and the injection of youth will make it a very exciting place to be around. The challenge has been thrown fairly and squarely at our feet by many who want to doubt the resilience of this club. I look forward to proving them wrong.

Peter Jackson
Chief Executive Officer

FINANCE DIRECTOR'S REPORT

On behalf of the Board I am pleased to present the Financial Report of the Club for the year ended 31 October 2002.

TRADING RESULT

Members will have noted from their financial reports that the Club earned a profit this year of $1,007,857 compared to last year $1,249,081. We are delighted to report a profit of this magnitude, particularly as it is approximately double our budgeted profit. However, several significant unbudgeted income items mask the true position.

Firstly, we received late in the financial year, an unexpected $300,000 distribution from the AFL on account of proceeds from the sale of Waverley Park.

Secondly, last year we raised a provision for doubtful debts for $130,000 for the non-recoverability of amounts owing by a sponsor. As it turned out, we were able to recover this debt, plus some additional amounts, totalling $225,513.

Thirdly, one of our sponsors decided not to continue their sponsorship with us and settled their future obligations for an amount of $275,000.

These three unbudgeted income items totalling approximately $800,000 mask what has in fact been a tough trading year. In particular, match receipts were $240,000 less than last year, mainly we believe as a result of the high number of night games. Also, general sponsorship, particularly corporate hospitality, was well down and contributed $281,000 less than last year. Added to these declines in revenues were increases in football costs of $612,000, arising from increases in the total player payment contracts, plus general increases associated with the costs of coaching and supporting an elite football team.

During the year a rigorous program of cost review and reduction was implemented, which has greatly assisted in keeping us profitable.

FINANCIAL POSITION

At balance date, cash balances amounted to $3,686,903 plus the Club had investments in managed funds with a market value at balance date of $459,360.

These cash balances are after spending $2,013,088 on capital expenditure, mainly the new building works at Napier St and the upgrading of the players' gymnasium and changing rooms, together with other equipment particularly computers.

LOOKING AHEAD

It is becoming increasingly difficult for Victorian based AFL clubs to be profitable. Whilst we are budgeting for a profit for the year ahead, any reductions in income streams such as from match takings, sponsorship, corporate hospitality, membership, and merchandise, would put our profitability at risk. In this environment, the substantial costs of fielding a stand-alone side in the VFL could not be justified.

Nevertheless, we believe that we have sufficient financial resources to ensure that our on-field performance is in no way compromised by financial constraints.

Tim Jonas
Finance Director

DIRECTORS' REPORT

Your directors submit their report on the company for the financial year ended 31 October 2002.

1. DIRECTORS

The names of the directors in office at any time during or since the end of the year are:

K. Egan	B.Dunn
N. Gay	A.Epis
B. Knight	T. Jonas
N. McKissock	P. Leggett
B. Teal	G. McMahon

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. PRINCIPAL ACTIVITY

The principal activity of the company during the course of the financial year was to conduct the Essendon Football Club and manage its affairs and to promote the Australian game of football, and there was no significant change in the nature of that activity during the financial year.

3. OPERATING RESULT

For the year ended 31 October 2002 the company had an overall profit of $1,007,857 (2001: $1,249,081).

4. REVIEW OF OPERATIONS

A detailed review of various aspects of operations is contained elsewhere in this Annual Report.

5. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There were no significant changes in the state of affairs of the company during the financial year.

6. MATTERS SUBSEQUENT TO YEAR END

No matters or circumstances have arisen between the end of the financial year and the date of this report which have, or may significantly affect the operations of the company or the state of affairs of the company in subsequent financial years.

7. LIKELY DEVELOPMENTS

Future developments in operations have been referred to in the Chairman's and Chief Executive Officer's Reports.

8. DIRECTORS AND AUDITORS INDEMNIFICATION

The company has not, during or since the financial year, in respect of any person who is or has been an officer or auditor of the company or a related body corporate:

- indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings other than as referred to in Note 23(b) to the accounts; or
- paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings with the exception of the following matters. During the financial year the company paid a premium to insure each of the company's directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company.

9. DIRECTORS BENEFITS

Other than as outlined in the notes to and forming part of the financial statements, no director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or a related body corporate with a director, a firm of which a director is a member or an entity in which a director has a substantial financial interest.

10. MEETINGS OF DIRECTORS

The number of director's meetings (including meetings of committees of directors) and number of meetings attended by each of the directors during the financial year are:

	DIRECTOR'S MEETINGS		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
B. Dunn	13	13	1	1
K. Egan	13	13	-	-
A. Epis	13	12	-	-
N. Gay	13	11	-	-
T. Jonas	13	13	1	1
B. Knight	13	11	-	-
P. Leggett	13	13	1	1
N. McKissock	13	13	-	-
G. McMahon	13	13	-	-
B. Teal	13	12	-	-

Information on Current Directors

G. McMahon	Chairman 1997-02	Chairman Board of Directors Chairman EFCSC President Melton Country Club Inc. Chairman Hall of Fame Trustees
B. Dunn	Board 1999-02	Member Audit Committee
K. Egan	Life Member Senior Player 1963-69 Board 1996-02	Chairman of Selectors
A. Epis	Life Member Senior Player 1958-68 Board 1998-02	
N. Gay	Life Member Committee 1971-75 Treasurer 1976-77 Vice President 1978-97 Board 1998-02	
T. Jonas	Board 1997-02	Finance Director Finance Director EFCSC Treasurer Melton Country Club Inc. Chairman Audit Committee
B. Knight	Board 1994-02	Committee EFCSC Vice President Melton Country Club Inc. Trustee Hall of Fame
P. Leggett	Board 1999-02	Committee EFCSC Member Audit Committee
N. McKissock	Board 1997-02	Deputy Chairman Deputy Chairman EFCSC Committee Melton Country Club Inc.
B. Teal	Board 1999-02	Committee Melton Country Club Inc.

DIRECTORS' REPORT

12. AUDIT COMMITTEE

At the date of this report the Essendon Football Club had an audit committee consisting of the following directors:
T. Jonas (Chairman) P. Leggett B. Dunn

The external auditors, the Chief Executive Officer and the Finance Manager are invited to Audit Committee meetings at the discretion of the Committee. The Chairman attends Audit Committee meetings ex officio at his discretion.

The responsibilities of the Audit Committee include:

- reviewing financial statements and other information distributed externally;
- reviewing external audit reports to ensure that any issues relative to controls or procedures are properly considered and when appropriate prompt remedial action is taken by management;
- liaising with the external auditors and ensuring that the annual statutory audit is conducted in an effective manner;
- monitoring the establishment of an appropriate internal control framework and considering enhancements;
- monitoring the procedures in place to ensure compliance with the Corporations Act 2001 and any matters outstanding with auditors, Australian Taxation Office, Australian Securities Commission and financial institutions; and
- maintaining a quality accounting and audit function.

The Audit Committee reviews the performance of the external auditors on an annual basis and meets with them during the year to co-ordinate the audit process.

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

G. McMahon
Director

T. Jonas
Director

Signed this 13th day of November, 2002.

DIRECTORS DECLARATION

The directors of the company declare that :

(1) the financial statements and notes, as set out on pages 11 to 15, are in accordance with the Corporations Act 2001:
   (i) comply with Accounting Standards and the Corporations Regulations 2001; and
   (ii) give a true and fair view of the financial position as at 31 October 2002 and of the performance for the year ended on that date of the company.

(2) in the director's 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.

G. McMahon
Director

T. Jonas
Director

Signed this 13th day of November, 2002.

INDEPENDENT AUDIT REPORT

To the Members of
ESSENDON FOOTBALL CLUB LIMITED
A.B.N. 22 004 286 373

Scope

We have audited the financial report of the Essendon Football Club for the financial year ended 31 October 2002, being the Director's Declaration, Profit and Loss Account, Balance Sheet, Statement of Cash Flows and notes to and forming part of the financial report. The company's directors are responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Corporations Act 2001 so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Essendon Football Club is in accordance with:

(a) the Corporations Act 2001, including:
   (i) giving a true and fair view of the company's financial position as at 31 October 2002 and of its performance for the year ended on that date; and
   (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

William Buck
Chartered Accountants

D.A. Ashmore
Partner

Dated this 13th day of November, 2002
Melbourne

William Buck
Chartered Accountants

Statement of Financial Performance

FOR THE YEAR ENDED 31 OCTOBER 2002

	NOTE	2002 $	2001 $
Revenues from ordinary activities	3(a)	22,608,514	22,660,527
Expenses from ordinary activities	3(b)	21,600,657	21,411,446
Net profit from ordinary activities	3(c),(d)	1,007,857	1,249,081
Net increase in asset revaluation reserve	16	75,000	-
Total changes in equity		1,082,857	1,249,081

Statement of Financial Position

AS AT 31 OCTOBER 2002

CURRENT ASSETS			
Cash assets	18(a)	3,686,903	1,933,166
Receivables	5	1,368,049	3,413,027
Inventories	6	117,436	282,459
Other	7	420,300	782,167
TOTAL CURRENT ASSETS		5,592,688	6,410,819
NON-CURRENT ASSETS			
Receivables	8	450,885	630,885
Investments	9	459,510	955,330
Property, Plant and Equipment	10	4,686,307	2,970,545
TOTAL NON-CURRENT ASSETS		5,596,702	4,556,760
TOTAL ASSETS		11,189,390	10,967,579
CURRENT LIABILITIES			
Payables	11	1,750,648	2,592,624
Provisions	12	341,286	580,415
Other	13	111,974	94,606
TOTAL CURRENT LIABILITIES		2,203,908	3,267,645
NON-CURRENT LIABILITIES			
Provisions	14	298,531	58,340
Other	15	-	37,500
TOTAL NON-CURRENT LIABILITIES		298,531	95,840
TOTAL LIABILITIES		2,502,439	3,363,485
NET ASSETS		8,686,951	7,604,094
MEMBERS FUNDS			
Accumulated Funds	17	8,371,951	7,364,094
Asset Revaluation Reserve	16	315,000	240,000
TOTAL MEMBERS FUNDS		8,686,951	7,604,094

Statement of Cash Flows

FOR THE YEAR ENDED 31 OCTOBER 2002

	NOTE	2002 $	2001 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members, Sponsors, Supporters and Other Operations		26,317,016	22,517,672
Payments to Suppliers, Employees and Players		(23,367,815)	(23,509,880)
Interest Received		205,199	226,546
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	18 (b)	3,154,400	(765,662)
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of Investments		429,706	-
Payment for Investments		-	(1,000,000)
Proceeds from sale of property, plant and equipment		2,719	-
Purchase of property, plant and equipment		(2,013,088)	(940,461)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		(1,580,663)	(1,940,461)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from related party borrowings: Essendon Football and Community Sporting Club		180,000	165,000
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES		180,000	165,000
NET INCREASE (DECREASE) IN CASH HELD		1,753,737	(2,541,123)
CASH AT BEGINNING OF THE FINANCIAL YEAR		1,933,166	4,474,289
CASH AT END OF THE FINANCIAL YEAR	18 (a)	3,686,903	1,933,166

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2002

1. ESSENDON FOOTBALL CLUB LIMITED

Essendon Football Club Limited ("Club") is a public company limited by guarantee. The liability of each member of the company is limited to $6.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair value of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

(a) Inventories

Inventories are measured at the lower of cost and net realisable value.

(b) Investments

Non-current investments are measured at the lower of cost and recoverable amount. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments.

(c) Property, Plant and Equipment

Property, plant and equipment are brought to account at cost or at independent or director's valuation, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amounts from these assets.

The depreciable amount of all fixed assets including leasehold improvements, 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.

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

Class of Fixed Assets	Depreciation Rate
Leasehold Improvements	2.5% - 10%
Plant & Equipment	15% - 33.3%
Motor Vehicles	22.5%

(d) Employee Entitlements

Provision is made for the company's liability for employee entitlements to annual leave and long service leave from services rendered by employees to balance date. Long service leave is provided for employees with five or more years' service for amounts which approximate the present value of future payments to be made to employees.

Contributions are made by the company to employee superannuation funds and are charged as expenses when incurred.

(e) Income Received in Advance

Income is brought to account in the period in which it relates. Income received prior to 31 October 2002, which relates to future periods, has been recorded as income received in advance.

(f) Income Tax

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

(g) Player Acquisition Costs

Player acquisition costs are written off in the year they are incurred as uncertainty exists as to the term over which the benefit will be received.

(h) Revenue

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

(i) 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 included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cashflows.

(j) Comparatives

Where necessary, comparative figures have been reclassified to match current year presentation and to comply with current best accounting practices.

3. OPERATING PROFIT FROM ORDINARY ACTIVITIES

	2002 $	2001 $
(a) Revenue from Ordinary Activities		
(i) Operating revenue		
AFL annual distribution	3,832,000	3,157,000
Marketing revenues	14,304,685	14,769,411
Sale of goods	1,953,137	1,798,108
Other	1,691,194	2,110,037
Total operating revenue	21,781,016	21,834,556
(ii) Non-operating revenue		
Interest received	236,266	226,546
Other	591,232	599,425
Total non-operating revenue	827,498	825,971
TOTAL REVENUE FROM ORDINARY ACTIVITIES	22,608,514	22,660,527
(b) Expenses from Ordinary Activities		
Marketing expenses	7,605,929	7,822,173
Cost of sales	1,047,596	1,053,993
Football expenses	10,709,084	10,096,869
Administration and site expenses	2,022,617	2,100,531
Write-off of leasehold improvements (Refer Note 3d)	-	164,268
Other expenses	215,431	173,612
	21,600,657	21,411,446
(c) Profit from ordinary activities has been determined after:		
(i) Charging as Expenses (Revenue):		
Depreciation of:		
- Plant and Equipment	218,192	247,773
- Motor Vehicles	7,157	7,158
Amortisation of:		
- Leasehold Improvements	138,268	118,249
Provision for Employee Entitlements	1,062	191,952
Provision for Doubtful Debts	(130,000)	130,000
Loss on disposal of property, plant & equipment	5,990	292
Loss on disposal and write-down of non-current investments to recoverable amount	66,114	44,820
Write-down of inventories to net realisable value	34,443	26,989

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2002

3. OPERATING PROFIT FROM ORDINARY ACTIVITIES *(Cont)*

(d) Significant Items

The following significant revenue and expense items are relevant in explaining the financial performance:

	2002 $	2001 $
Revenue		
Sponsor contract settlement	275,000	-
AFL distribution from sale of Waverly Park	300,000	-
	575,000	-
Expense		
Write-off of leasehold improvements resulting from redevelopment project.	-	164,268

4. AUDITORS' REMUNERATION

	2002 $	2001 $
Remuneration of the auditor for:		
- auditing the annual financial report	17,500	15,500
- other	8,000	8,000
	25,500	23,500

The auditors received no other benefits.

5. RECEIVABLES (CURRENT)

	2002 $	2001 $
Trade and Sundry Debtors	1,023,898	3,216,662
Less Provision for Doubtful Debts	(15,000)	(145,000)
	1,008,898	3,071,662
Trading amounts receivable from associated entities (Refer Note 21a)	179,151	161,365
Loans receivable from associated entities (Refer Note 21b)	180,000	180,000
	1,368,049	3,413,027

6. INVENTORIES

	2002 $	2001 $
Merchandise - at cost	129,436	294,459
Less Provision for obsolete stock	(12,000)	(12,000)
	117,436	282,459

7. OTHER ASSETS

	2002 $	2001 $
Prepaid expenses	420,300	782,167

8. RECEIVABLES (NON-CURRENT)

	2002 $	2001 $
Loans receivable from associated entities (Refer Note 21b)	450,885	630,885

9. INVESTMENTS (NON-CURRENT)

	2002 $	2001 $
Shares – at cost	150	150
Units in managed funds – at market value	459,360	955,180
	459,510	955,330

10. PROPERTY, PLANT AND EQUIPMENT

	2002 $	2001 $
Land – at fair value	35,000	-
Land – at fair value	400,000	325,000
	435,000	325,000
Plant and Equipment – at cost	1,391,681	1,085,085
Provision for Depreciation	(1,001,946)	(791,359)
	389,735	293,726
Motor Vehicles – at cost	31,814	31,814
Provision for Depreciation	(23,860)	(16,703)
	7,954	15,111
Leasehold Improvements – at cost	4,508,754	2,853,065
Provision for Amortisation	(655,136)	(516,357)
	3,853,618	2,336,708
TOTAL PROPERTY, PLANT AND EQUIPMENT	4,686,307	2,970,545

An independent valuation of freehold land in Napier Street, Essendon, was undertaken on 7 November 2002 by P.W. Stokes FAPI FREI. The valuation was based on the current market value of the land and improvements. The valuation revealed a current market value of $400,000.

During the financial year, Essendon Football Club paid $35,000 for freehold land at Napier Street, Essendon. The Directors consider that the amount paid for the land represents its fair value at 31 October 2002.

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

See table at bottom of page.

11. PAYABLES (CURRENT)

	2002 $	2001 $
Trade Creditors	117,443	657,998
Accruals	1,633,205	1,934,626
	1,750,648	2,592,624

12. PROVISIONS (CURRENT)

	2002 $	2001 $
Annual Leave	274,634	320,239
Long Service Leave	66,652	260,176
	341,286	580,415

13. OTHER LIABILITIES (CURRENT)

	2002 $	2001 $
Income Received in Advance	111,974	94,606

14. PROVISIONS (NON-CURRENT)

	2002 $	2001 $
Long Service Leave	298,531	58,340

15. OTHER LIABILITIES (NON-CURRENT)

	2002 $	2001 $
Income Received in Advance	-	37,500

16. ASSET REVALUATION RESERVE

	2002 $	2001 $
Balance at the beginning of the financial year	240,000	240,000
Revaluation increment on freehold land (Refer Note 10)	75,000	-
Balance at the end of the financial year	315,000	240,000

Note 10 continued

2002	Land $	Plant & Equipment $	Motor Vehicles $	Leasehold Improvements $	Total $
Beginning of financial year	325,000	293,726	15,111	2,336,708	2,970,545
Additions	35,000	320,243	-	1,657,845	2,013,088
Disposals	-	(6,042)	-	(2,667)	(8,709)
Revaluations	75,000	-	-	-	75,000
Depreciation expense	-	(218,192)	(7,157)	(138,268)	(363,617)
End of financial year	435,000	389,735	7,954	3,853,618	4,686,307

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2002

17. ACCUMULATED FUNDS

	2002 $	2001 $
Balance at the beginning of the financial year	7,364,094	6,115,013
Net profit for the year	1,007,857	1,249,081
Balance at the end of the financial year	8,371,951	7,364,094

18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the statement of cash flows, the entity considers cash to include cash on hand, cash in banks and short term investments, net of outstanding bank overdrafts. Cash at the end of the reporting period as shown in the statement of cashflows is reconciled to the Statement of Financial Position as follows:

Cash on Hand	3,300	3,050
Cash at Bank	221,363	371,578
Short Term Deposits	3,462,240	1,558,538
	3,686,903	1,933,166

(b) Reconciliation of net cash from operating activities to net profit from ordinary activities:

Operating profit/(loss) from ordinary activities	1,007,857	1,249,081
(Profit)/Loss from Sale of Fixed Assets	5,990	292
Increase/(Decrease) in Provision for Doubtful Debts	(130,000)	130,000
Depreciation and Amortisation	363,617	373,180
(Increase)/Decrease in Receivables and Other Assets	2,536,845	(2,398,854)
(Increase)/Decrease in Inventory	165,023	(38,115)
Increase/(Decrease) in Payables and Income in Advance	(862,108)	(482,286)
Increase/(Decrease) in Provision for Employee Entitlements	1,062	191,952
Change in value of Investments	66,114	44,820
Write off of Leasehold Improvements	-	164,268
Net Cash Provided by (used in) Operating Activities	3,154,400	(765,662)

19. CAPITAL AND LEASING COMMITMENTS

(a) Operating Lease Commitments

Non-cancellable Operating Leases contracted for but not capitalised in the accounts.

Payable:		
- not later than one year	-	25,470
- later than one year but not later than 2 years	-	-
	-	25,470

(b) Capital Expenditure Commitments

Payable:		
- not later than one year	103,400	560,201

20. REMUNERATION OF DIRECTORS

No remuneration, bonuses, commissions or salaries were received or are due and receivable by any director from the company or a related party nor has any payment been made in respect of superannuation payments or provisions for the retirement of any director.

	2002 $	2001 $

The names of directors who have held office during the financial year are:

B.Dunn	B. Knight	K. Egan	P. Leggett
A. Epis	N. McKissock	N. Gay	G. McMahon
T. Jonas	B. Teal		

21. RELATED PARTIES

(a) Related Party Trading Balances

Trading amounts receivable from associated entities:

Current		
EFC Hall of Fame Trust	8,410	5,923
Essendon Football and Community Sporting Club	92,104	68,723
Melton Country Club Inc.	78,637	86,719
	179,151	161,365

(b) Related Party Loans

Loans receivable from associated entities:

Current		
Essendon Football and Community Sporting Club (refer (i) below)	180,000	180,000
Non-current		
Essendon Football and Community Sporting Club (refer (i) below)	450,885	630,885

(i) The balance receivable from Essendon Football and Community Sporting Club is subject to a formal loan agreement and is secured by a first ranking fixed and floating charge over their assets. Interest is currently charged at a commercial rate.

(c) Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(i) *Associated Entities*

Rental income received or receivable from:		
Essendon Football and Community Sporting Club	40,000	40,000
Melton Country Club Inc.	379,149	343,281
	419,149	383,281
Sponsorship income received or receivable from:		
Essendon Football and Community Sporting Club	245,264	255,686
Interest received or receivable from:		
Football and Community Sporting Club	45,374	56,621
Melton Country Club Inc.	2,489	-
	47,863	56,621
Management fees received or receivable from:		
Essendon Football and Community Sporting Club	64,423	60,970
Melton Country Club Inc.	44,578	41,570
	109,001	102,540
Loan guarantee fee received or receivable from the Melton Country Club Inc.	-	817

(ii) *Directors and Director Related Entities*

Courier fees paid or payable to Couriers Express Services of which Mr Patrick Leggett is a director.	19,028	20,259
Consulting fees paid or payable to Pitcher Partners of which Mr Tim Jonas is a partner.	9,500	-

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 OCTOBER 2002

22. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in marketing interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows :

		2002 Fixed interest maturing in:					
	Note	Floating Interest rate	1 year or less	1 to 5 years	Non interest bearing	Total	Weighted average Interest rate
		$	$	$	$	$	%
Financial Assets							
Cash	18(a)	221,363	3,462,240			3,683,603	3.44
Receivables -							
Trade debtors	5				1,188,049	1,188,049	Nil
Loans	21(b)	630,885				630,885	6.5
Investments	9	459,360				459,360	5.4
		1,311,608	-	-	1,188,049	5,961,897	
Financial Liabilities							
Payables	11				1,750,648	1,750,648	Nil
		-	-	-	1,750,648	1,750,648	
Net financial Assets/(liabilities)		1,311,608	3,462,240	-	(562,599)	4,211,249	

		2001 Fixed interest maturing in:					
	Note	Floating Interest rate	1 year or less	1 to 5 years	Non interest bearing	Total	Weighted average Interest rate
	$	$	$	$	$	%	
Financial Assets							
Cash	18(a)	371,578	1,558,538			1,930,116	4.4
Investments	9	955,180				955,180	4.2
Receivables -							
Trade debtors	5				3,233,027	3,233,027	Nil
Loans	21(b)	810,885				810,885	6.5
		2,137,643	1,558,538	-	3,233,027	6,929,208	
Financial Liabilities							
Payables	11				2,592,624	2,592,624	Nil
		-	-	-	2,592,624	2,592,624	
Net financial Assets/(liabilities)		2,137,643	1,558,538	-	640,403	4,336,584	

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements. No unrecognised financial assets exist at balance date.

The company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

(c) Terms, Conditions and Accounting Policies

The company's accounting policies, including terms and conditions of each class of financial assets and financial liability, recognised at balance date, are set out below. There are no unrecognised financial assets or liabilities.

(i) Financial Assets

Trade Debtors

Trade debtors are carried at amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full amount is no longer probable. Trade receivables are generally settled within 30 days from the date of invoice/statement.

(ii) Financial Liabilities

Trade creditors and other accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company. Trade accounts payable are normally settled within 30 days. Liabilities for player payments are settled on various terms as negotiated with individual players.

(d) Net Fair Values of Financial Assets and Liabilities

The company's financial assets and liabilities are carried in the Statement of Financial Position at amounts that approximate their net fair value.

23. CONTINGENT LIABILITY

(a) Long Service Leave

At balance date, an issue remains in relation to the long service leave entitlements for players which is not clearly covered by the Standard Contract and the AFL & AFLPA Collective Bargaining Agreement. Substantial progress has been made in relation to this matter since last balance date with an agreement being executed by the Essendon Football Club and its players. However similar agreements need to be executed by all sixteen clubs and then certified by the Australian Industrial Relations Commission before the Essendon Football Club agreement can be put into operation. Should this not happen, a liability for long service leave may arise in the future which is unable to be quantified at the present time.

(b) Legal Matter

A claim for defamation has been bought against the club and an employee of the club. Any liability is unable to be quantified at the present time. The action is being vigorously defended.

ESSENDON