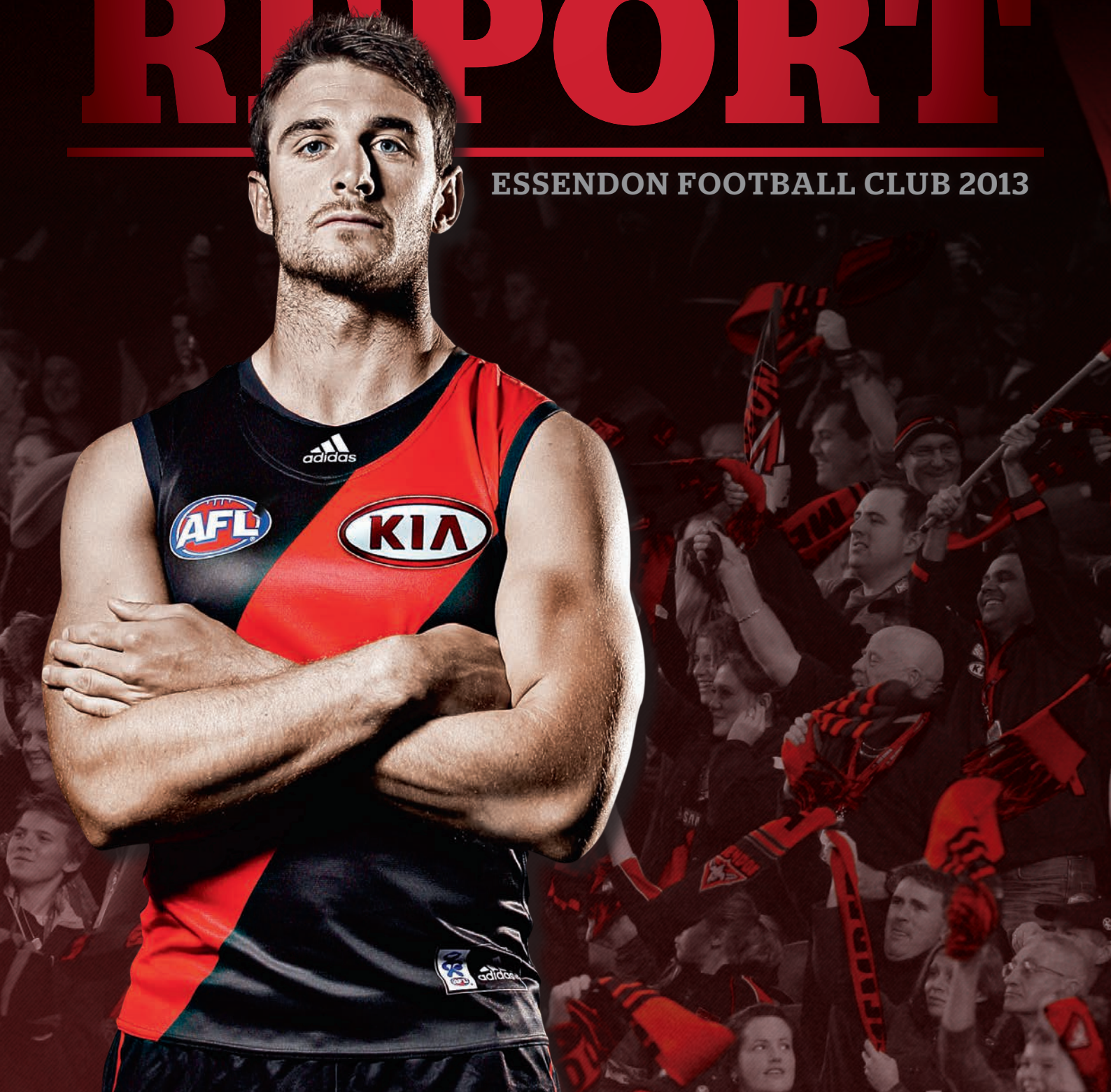
ANNUAL REPORT

ESSENDON FOOTBALL CLUB 2013



CONTENTS

CHAIRMAN'S REPORT	3
CEO'S REPORT	4-5
FINANCE DIRECTOR'S REPORT	6
DIRECTORS' REPORT	7-8
INDEPENDENT AUDITOR'S REPORT	9
FINANCIAL REPORT	10-15

CHAIRMAN'S REPORT

There is no doubt it has been one of the most challenging and extraordinary years for the Essendon Football Club.

History might remember the 2013 season for all the wrong reasons but we cannot and will not let the events of this year define our club.

In my short time as Chairman, I have been overwhelmed by the strength and loyalty of the Essendon family through the adversity of this year.

It is important to acknowledge that we have accepted responsibility for what happened last year and I sincerely hope our members and supporters know that we are sorry.

We have established that in 2012 the club employed the wrong people in the high performance area in our search for success, and allowed them to operate in a poorly supervised manner. Protocols and procedures were vague and resulted in blurred accountability throughout most operational areas of the football department.

As a result the AFL heavily sanctioned the club and individuals following the ASADA/AFL investigation. These sanctions were extremely difficult to accept.

But many things have already changed within the club to ensure the events of 2012 will never happen again.

We have implemented substantial reforms to medical protocols, corporate governance structures and people management procedures across the club, including a new football executive made up of key members of the football department.

Now the worst is behind us, we must move on, we must focus on the future and we must look forward to returning Essendon to its former glory.

An important body of work is now underway to rebuild the Essendon brand. As part of this process, we have been 'listening' to our members and supporters to help shape the future direction of our club.

On the field, there were a number of positives from the 2013 season and I genuinely believe that we have the talent and resolve in our playing and coaching group to evolve as a serious contender over the next few years.

At this point, I'd like to congratulate Mark Thompson on his appointment as senior coach for the 2014 season. I can guarantee you that Bomber, the coaches and players will not be treating 2014 as a gap year.

I'd also like to acknowledge and thank our former Chairman David Evans for his great fortitude and leadership of the Board and the entire club during his time as Chairman.

I'd like to pay tribute to our loyal sponsors and commercial partners who have been unwavering in their support of the club this year.

In particular, to our joint major partners, Kia Motors Australia and True Value Solar, but also to adidas, Antler, Yakult, Toll, HOST**PLUS**, Red Energy, Bosch, Jonsson Workwear, Wolf Blass, LEDified, Coca-Cola Amatil, Betezy and Caltex – thank you for your support in a difficult year for the club.

We understand the impact our failures have had on the club, its players, staff, sponsors, and on our supporters and members.

To our members, thank you for your loyalty and passion – you are the heart and soul of Essendon and it is a credit to you all for helping the club break our all time membership record with over 56,000 members – our next challenge is to hit 60,000 members in season 2014.

I would like to thank and acknowledge the hard toil of the administration staff at the club, including former CEO Ian Robson and interim CEO Ray Gunston. Not forgetting the countless volunteers and support staff who give up their time week in, week out for the betterment of our club.

Thank you to our wonderful coterie groups including the Essendonians, Coaches Club, Coleman Club, Diamond Dons, Dick Reynolds Club, Red & Blacks, Lawdons, Collins St Dons, Essendon Women's Network and Emerging Leaders.

And to our First XVIII, you are a special group – your great support and shared vision for the next generation of Essendon supporters is a critical investment in the future of our club.

I have every confidence that the High Performance Centre that you've helped create, will lead to the next golden era for our club.

To James Hird, we know this year has been very challenging in many ways, but I also know you will come back stronger and better equipped to achieve success for the Essendon Football Club.

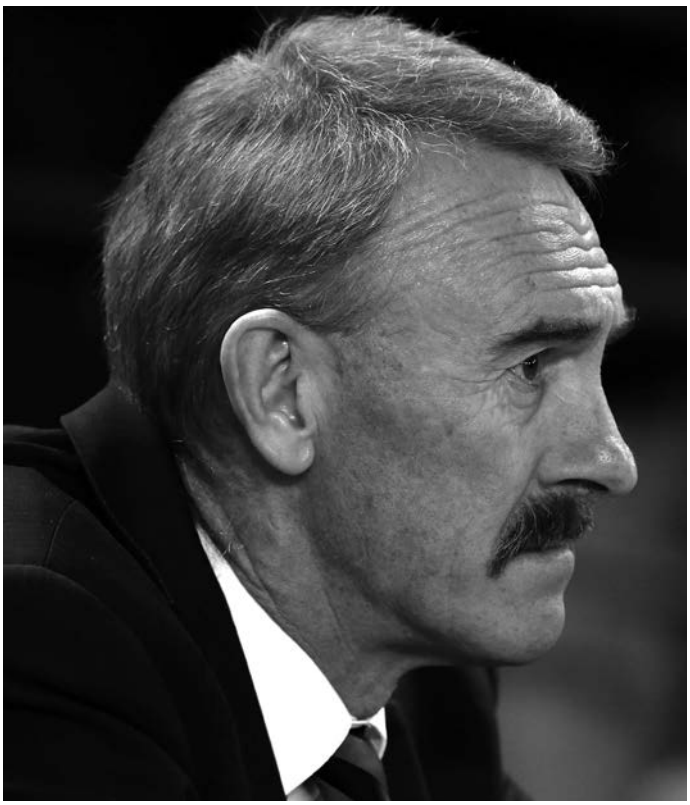
To Danny, Bomber and Bruce, you also have had to endure a tough and stressful year. Thank you for fighting hard and staying true to the club.

Essendon Football Club has 140 years of proud history, built on strong values and guiding pillars that have stood the test of time and will continue to remind us all that we are proudly Essendon.

Thank you for staying strong and uniting behind our club. Now, more than ever before, we need your continued loyalty and support.

Paul Little
Chairman
Essendon Football Club

CEO'S REPORT



"...TO THE MEMBERS OF ESSENDON, YOUR ENERGY AND PASSION FOR OUR CLUB HAS BEEN OVERWHELMING AND I'D LIKE TO TAKE THIS OPPORTUNITY ON BEHALF OF EVERY PLAYER, COACH, VOLUNTEER AND ADMINISTRATOR TO EXPRESS OUR SINCERE GRATITUDE FOR THE WAY THE ESSENDON FAMILY HAS RALLIED BEHIND THE CLUB."

Both on and off the field, it has been a difficult year for the Essendon Football Club.

The club has incurred a trading loss of $3.2m, which includes the costs associated with the ASADA investigation.

As a result of funds received this year for the development of the new High Performance Centre at Melbourne Airport of $5.3m, the club reports an overall profit of $2.1m. The trading cash surplus from normal operations exceeded $2.6m.

A number of positive factors have contributed to this result including the strengthening of commercial partnerships, membership growth and improved return on investments from the Windy Hill Venue and Melton Country Club, along with good cost control outcomes across the club, especially within the football department.

With the investment of $20.5m into the new training and administration facility this year, the club has exhausted its cash reserves and has drawn down $5m of its $7m debt facilities. It is important that the club works hard to reduce this debt over the coming years.

Importantly, the club remains in a strong position from a financial perspective to pay down this debt as quickly as possible, aiming to be debt free by 2015.

Excitingly, the club's administration moved from Windy Hill to Melbourne Airport with The Honourable Hugh Delehunty MP, Minister for Sport and Recreation and Minister for Veteran Affairs, officially opening the new High Performance Centre on Monday November 18.

The new training and administration base will provide our players and staff with a state of the art, exciting and elite working environment with a new standard of professionalism across everything we do as an organisation.

Building a facility of this size and scale comes at a cost and the club has put in place debt, long-term in nature, for the first time in its history. It's important for our members and supporters to know the club planned for debt in its projected financial forecasting. We have achieved over 70% of our total fundraising target for the new facility thanks in part to many generous contributions to the Flight Plan campaign.

However, the reality is we now need more help from our members and supporters to reduce this debt as quickly as possible.

Of course, moving our training base also means bidding farewell to our grand old lady, Windy Hill. The facilities and grounds will be further opened up for community use and the Essendon VFL team will continue to play home games at the ground.

The fitness centre, social club and the Bomber Shop will all remain and continue to operate as normal, while the administration building is expected to have a new tenant.

Importantly, Windy Hill will always remain our spiritual home.

It was fantastic to see our stand-alone VFL team playing in Essendon colours at Windy Hill this year. With good crowds and a great atmosphere at every home game, it is clear the return of suburban football to the local community in Essendon has been a huge success.

Despite the disappointments of 2013 there were a number of positives to take out of the year.

The club recorded its most wins in a season since 2001, with 14 victories including a number of memorable come from behind wins on the road against quality opposition.

The evergreen Dustin Fletcher continues to defy his age, equalling Simon Madden's club games record of 378 games this year. Fletch is now set to become the most capped Bomber of all time in season 2014.

Other highlights included new recruit Brendon Goddard winning the first best and fairest of his career, the long awaited debut of father-son recruit Joe Daniher against Carlton, the continued rise of Dyson Heppell in the Bombers midfield and the improvement of young stars Jake Melksham, Jake Carlisle and Michael Hibberd.

Based on the development of the team this year, there is a genuine sense of excitement about the 2014 season. The new football department and coaching panel under Mark Thompson is now firmly focused on the upcoming pre-season and preparing the players to be competitive in every game and consistent in every quarter we play.

The club also remains committed to delivering our fans with unforgettable experiences every time they engage with the club. We are determined to ensure our members and supporters enjoy first class experiences - from match day with our Culinary Chairman's functions featuring master chef Shannon Bennett, to our great range of membership options or visiting our website and mobile app, every time you connect with us, we are committed to providing the highest quality experience possible.

As a club, we are proud to be a recognised leader in the AFL for our commitment to helping strengthen communities through sport. Essendon understands its role and influence within the broader community, and takes this responsibility very seriously. It's our community pledge.

There have been many highlights in a big and successful year for our community team. The club's multicultural 'GLoBALL' program reached a new level of engagement and was endorsed by a funding partnership with the Victorian Coalition Government.

The GLoBALL program, in partnership with Cricket Victoria and Netball Victoria, offers football, netball and cricket match-day experiences to international students in an inclusive and supportive manner. Essendon has delivered the program since 2009 and has directly impacted the lives of more than 15,000 participants representing 104 countries.

The club also launched its third Reconciliation Action Plan, having been the first sporting club in the country to create and implement such a club-wide doctrine. We are passionate about supporting Indigenous Australians and improving health and education. This is evident by our multiple Indigenous targeted programs and partnerships.

I thank all of our club community partners including the Victorian Coalition Government, Melbourne Airport, Bendigo Bank Strathmore, AFL, Australian Federal Police, Rio Tinto, Cricket Victoria and Reconciliation Australia. Their valued support allows Essendon to deliver meaningful and enduring community engagement activities.

I would like to acknowledge our loyal commercial partners; Kia Motors Australia and True Value Solar, but also adidas, Antler, Yakult, Toll, HOST**PLUS**, Red Energy, Bosch, Jonsson Workwear, Wolf Blass, LEDified, Coca-Cola Amatil, Betezy and Caltex.

I would like to acknowledge Blue Star Logistics and their Managing Director Muzi Eideh for coming on board as our major sponsor of the VFL team. I would also like to thank Visa who joined us as a new match day fan engagement partner in 2013.

I would also like to pay tribute to the passionate and hard working staff at the Essendon Football Club, it has been an extraordinary year and your dedication and commitment has not gone unnoticed.

Finally, to the members of Essendon, your energy and passion for our club has been overwhelming and I'd like to take this opportunity on behalf of every player, coach, volunteer and administrator to express our sincere gratitude for the way the Essendon family has rallied behind the club.

Go Bombers.

Ray Gunston
CEO
Essendon Football Club

FINANCE DIRECTOR'S REPORT

On behalf of the Board I have the pleasure of presenting the Financial Report of the club for the year ended 31 October 2013.

TRADING RESULTS

The club has reported a net profit of $2,148,492 for the year ended 31 October 2013, compared to a profit of $12,345,536 in the previous year. However, this does not give a true picture of the results from our normal operations, as revenue includes donations received in relation to the High Performance Centre recently completed at Melbourne Airport. A better picture of our underlying activity can be gained from the following table:

	2013	2012
	$	$
Net Profit for the year per Statement of Comprehensive Income	2,148,492	12,345,536
Less High Performance Centre grants & donations included in profit	5,343,247	11,944,107
Net Profit/(loss) excluding grants and donations from Operations	(3,194,755)	401,429

The above result is after charging an amount of $3,939,710 consisting of legal and consulting expenses and the fine imposed by the AFL in relation to the ASADA/AFL investigation conducted during the year.

Excluding this expense and the High Performance Centre donations, the underlying profit for 2013 was $744,955, compared to an underlying profit in 2012 of $401,429. Given the circumstances facing the club in 2013, this increase in underlying profit is an excellent result and a credit to all of our people and supporters.

After adjusting for non-cash depreciation, amortisation and finance charges of $2,927,998 and excluding the net revenue received in relation to the High Performance Centre, the club's cash earnings were negative to the extent of $266,757 (2012: $2,535,667 positive).

Some of the key factors which affected our result for the year were:

- Our membership numbers increased from 47,708 to 56,407 paid up members, while the yield on memberships was slightly reduced as a result of our investment in attracting new and, in particular, junior members. The overall contribution from memberships increased by $400,000 year on year.
- Our major sponsors remained hugely supportive, despite the issues facing the club and the adverse publicity they generated, increasing their overall net investment by over $500,000.
- We continued to invest in the football department, with an increased spend of $1.2 million, after netting off the player payment contribution from the AFL.
- The Windy Hill Venue and Melton Country Club had a combined growth in net contribution of $1.5 million.

FINANCIAL POSITION

At 31 October 2013, the net assets of the club were $37,693,811.

During the year a further $20.5 million was invested in completion of the High Performance Centre. At 31 October 2013, borrowings to finance the High Performance Centre amounted to $5 million. While these debt facilities are reviewed annually, we expect they will continue to be rolled over until repaid. In addition we have further undrawn facilities of $2 million.

LOOKING AHEAD

As we move on from events of 2013, we need to rebuild the strength of our club, both in terms of our credibility and reputation and also our financial position. Our objective had always been to extinguish the debt relating to the High Performance Centre as quickly as possible, while at the same time continuing to invest enough to give us the best possible opportunity to win a premiership. This task has been made more difficult as a result of the direct and indirect costs arising from the ASADA/AFL investigation. However, we have a business which continues to generate strong cash flows, primarily as a result of the incredible support of our members, sponsors and other stakeholders in 2014.

Two of our greatest imperatives in 2014 are to continue to enlist that support and at the same time to ensure we adhere to the strictest possible governance disciplines. I am confident that, by doing this, we will begin to reduce our debt in 2014, with a view to being debt free as soon as possible to again establish and maintain a strong balance sheet to underpin on-field success.

Paul Brasher
Finance Director

ESSENDON FOOTBALL CLUB ABN 22 004 286 373

DIRECTORS' REPORT

Your directors submit their report on the Essendon Football Club (the 'Company') for the financial year ended 31 October 2013.

1. DIRECTORS

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

J. Albert	K. Egan	C. Heffernan	G. Brown	P. Pryor
P. Brasher	D. Evans *(resigned 27 July 2013)*	D. Jackson	P. Little	I. Robson *(resigned 23 May 2013)*

All of these 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. OBJECTIVES AND STRATEGIES OF THE COMPANY

The Company's short term (2014) objectives are to:

- continue to invest in a high quality, success focussed football program;
- focus on the recruitment, improvement and development of our playing list driven through knowledge, learning and innovation and developing them for life beyond football;
- rebuild our brand through valuing the input of and engaging with our members, supporters, coterie groups, sponsors and all other key stakeholders;
- continue to implement structure, process and procedural improvements to ensure responsibility and accountability in all club activities.
- deliver a healthy surplus and cashflow from operations to assist in the reduction of debt and ensure the continuing financial strength of the Company;
- take our membership base to 60,000 and beyond;
- drive sustainable outcomes to maintain the Company's position as a leader in the community; and
- grow the level of football driven commercial returns with our sponsors and corporate/venue partners.

The Company's medium to long term (2015-2018) objectives are to:

- maintain and enhance levels of investment in the football program to deliver Premiership success including a best practice administration and training facility that is adaptable to change for future generations;
- deliver ongoing and enhanced profitability and cashflow to further strengthen the Company's financial position and to repay any debt required to finance the new administration and training facility as quickly as possible;
- grow our membership base;
- maximise the returns from investments whilst seeking other new complementary profit opportunities;
- increase the number of collaborative partnerships delivering sustainable outcomes in the Community; and
- strive to attain and retain an industry leadership.

In pursuing the achievement of these objectives the Company will always apply these underlying principles:

- innovate and invest in talented people and high quality operational facilities;
- preserve and grow the Essendon culture;
- employ and retain the best people;
- apply appropriate process and governance to all facets of our operations; and
- focus on never putting the club at risk.

4. OPERATING RESULT

For the year ended 31 October 2013 the Company had an operating profit of $2,148,492 (2012: $12,345,536), which includes project funding income of $5,343,247 (2012: $11,944,107). Excluding these donations and grants, the underlying loss for the year ended 31 October 2013 was $3,194,755 (2012: $401,429 profit).

5. MEETINGS OF DIRECTORS

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

NAME OF DIRECTOR	DIRECTORS' MEETINGS		AUDIT COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
J. Albert	16	16	3	3
P. Brasher	16	14	3	3
G. Brown	16	13	-	-
K. Egan	16	16	-	-
D. Evans	12	12	2	2
C.Heffernan	16	16	-	-
D. Jackson	16	12	-	-
P. Little	16	15	-	-
P. Pryor	16	13	3	3
I. Robson	9	9	-	-

6. INFORMATION ON CURRENT DIRECTORS

PAUL LITTLE AO - CHAIRMAN

FAICD, FCIT

Paul joined the Board in 2011 and is also Chairman of the fundraising working group for the new elite training and administration facility at Melbourne Airport. Paul was managing director of Toll Holdings from 1986 to 2011. He is Chairman and founder of Little Property and a director of Little Projects. Paul won the inaugural Trans-Tasman Business Leader Award in 2005, the CA/Zurich Business Leader Award in 2002 and in 2008 he was awarded the Doctor of Business Honoris Causa by RMIT University. In 2010 Paul received an Officer of the Order of Australia for service to the transport and logistics industries and to the community.

PAUL BRASHER – FINANCE DIRECTOR & DEPUTY CHAIRMAN

Bachelor of Economics (Hons), FCA

Paul was appointed to the Board in October 2011 and is finance director and chairman of the Audit Committee. Paul was a partner in the accounting and professional services firm PricewaterhouseCoopers from 1982 to 2009. He chaired the Australian firm and was chairman of the global Board of PwC from 2005 to 2009. Paul is Chairman of Incitec Pivot Limited and a director of Perpetual Limited. He was previously chairman of the Reach Foundation and a number of other philanthropic organisations and a board member of the Victorian Arts Centre Trust.

JO-ANNE ALBERT

Bachelor of Business; MAICD

Jo-Anne has spent her working life in the financial services sector and has been a Director of the Essendon Football Club since 2008. She is Managing Director of an independent financial and business advisory practice that she founded in 1989, and is a Director of MicroHeat Technologies, an Australian start-up technology company. Her current EFC board responsibilities include membership of the Audit Committee. A member since the age of 3, she is active in club affairs as a founding member of the Essendon Women's Network, Jo-Anne is also a member of the Dick Reynolds Club.

GREG BROWN OAM

Greg was elected to the Board in December 2006. A life member of the club, Greg played 83 games and was a premiership player in 1965, the club's first marketing manager in 1978 and chairman of the Dick Reynolds Club until 2005. Greg was recently awarded an OAM in the Queen's Birthday Honours list for services to the community. He is past president of Rotary Club of Frankston and Wranglers Charity Club Frankston and is current chairman of the Lord's Taverners Australia. Greg is the owner of a Financial Planning business, life member of the AMP Advisers Association, Trustee of the EFC Past Players Foundation and Chairman of Pretlock Ltd.

KEVIN EGAN

Kevin was elected to the Board in December 1995. He was a 1965 premiership player and is a life member of the club. Kevin played 65 games before transferring to play with Port Adelaide in the S.A.N.F.L. He coached successfully in the Diamond Valley Football League before returning to the Essendon Football Club in 1976 as a full time administrator, spending the next 16 years as football manager. Kevin is a former chairman of selectors.

CHRIS HEFFERNAN

Bachelor of Business (Admin), Master of Applied Finance.
Chris joined the Board in October 2011. He played 170 AFL games and was a member of the club's 2000 premiership team. After retiring from football in 2007, Chris worked with Deutsche Bank Asset Management in New York for three years, before returning to Melbourne in 2011 to join Ernst and Young. As a Manager in the Mergers and Acquisitions team at Ernst and Young, Chris provides advice to large private and ASX listed companies on acquisitions, mergers, and business divestments.

DARYL JACKSON AO

Degrees in Architecture: Dip.Arch., B.Arch.
Hon. Doctorate Ballarat University.

Daryl joined the Board in 2004 and was elected Deputy Chairman in 2006. He is a distinguished architect and a Gold Medallist of RAIA, best known in sporting areas for his work at the MCG, Etihad Stadium, Subiaco and the Gabba. Daryl was captain of the Essendon Under 19s, an Essendon reserves player and a Coleman Club member for some 15 years. His former public roles include vice-president of Melbourne Cricket Club, National Gallery of Victoria and chairman of Wesley College Council, the Australian Film Institute and Melbourne Major Events Corporation. His current public role is Chairman of the Heritage Council of Victoria.

PHIL PRYOR

Bachelor of Economics; FAICD

Phil was elected to the Board in 2008 and is a member of the audit committee. He played in the under 19s and Reserves. He has been a senior company manager and director for over 30 years. He has worked for prominent Australian and international companies with extensive experience in Asia. Phil is currently managing director of IMP Aust Pty Ltd and a director of the listed UK company Ezybonds UK PLC.

7. AUDITOR INDEPENDENCE

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- The nature of all non-audit services is reviewed and approved by the Audit Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided does not compromise the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 31 October 2013:

	$
Taxation services	3,000
Other assurance services	19,000
	22,000

AUDITOR'S INDEPENDENCE DECLARATION

An independence declaration has been provided by the Company's auditor, Grant Thornton Audit Pty Ltd. This is set out on page 9 of this financial report.

8. MEMBERS' GUARANTEE

The Company is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the Company. At 31 October 2013 the number of members was 56,402 (2012: 47,708).

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

P. Little
Director

P. Brasher
Director

Signed this 12th day of November, 2013.

DIRECTORS' DECLARATION

The directors of the company declare that:

(1) the financial statements and notes, as set out on pages 10 to 15, are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the financial position of the Company as at 31 October 2013 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards reduced disclosure regime in Australia (including the Australian Accounting Interpretations) and Corporations Regulations 2001.

(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.

P. Little
Director

P. Brasher
Director

Signed this 12th day of November, 2013.

Grant Thornton Audit Pty Ltd
ABN 91 130 913 594
ACN 130 913 594
The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF ESSENDON FOOTBALL CLUB

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Essendon Football Club for the year ended 31 October 2013, 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 AUDIT PTY LTD
Chartered Accountants

A. J. PITITTO
Partner - Audit & Assurance

Melbourne, 12 November 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Essendon Football Club,

We have audited the accompanying financial report of Essendon Football Club (the "Company"), which comprises the statement of financial position as at 31 October 2013, the statement of profit or loss and other comprehensive income, statement of changes in member funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' declaration of the Company.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL REPORT

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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. Those standards 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 Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

INDEPENDENCE

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

AUDITOR'S OPINION

In our opinion the financial report of Essendon Football Club is in accordance with the Corporations Act 2001, including:

a) giving a true and fair view of the Company's financial position as at 31 October 2013 and of its performance for the year ended on that date; and

b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A. J. PITITTO
Partner - Audit & Assurance

Melbourne, 12 November 2013

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation. Liability is limited in those States where a current scheme applies.

ESSENDON FOOTBALL CLUB ABN 22 004 286 373

STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013	2012
		$	$
Revenues from operations	3(a)	63,690,189	65,012,247
Expenses from operations	3(b)	(61,541,697)	(52,666,711)
NET PROFIT FROM OPERATIONS		2,148,492	12,345,536
OTHER COMPREHENSIVE INCOME			
Item that may be reclassified to profit or loss: Gains on property revaluation	7	485,562	-
OTHER COMPREHENSIVE INCOME FOR YEAR		485,562	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,634,054	12,345,536

STATEMENT OF FINANCIAL POSITION AS AT 31 OCTOBER 2013

	Note	2013	2012
		$	$
CURRENT ASSETS			
Cash and cash equivalents	14(a)	2,118,526	12,156,216
Trade and other receivables	4	3,501,292	1,255,553
Inventories	5	891,504	626,056
Other	6	354,369	378,258
TOTAL CURRENT ASSETS		6,865,691	14,416,083
NON-CURRENT ASSETS			
Property, plant and equipment	7	44,663,139	24,353,823
Intangibles	8	3,229,706	3,597,010
TOTAL NON-CURRENT ASSETS		47,892,845	27,950,833
TOTAL ASSETS		54,758,536	42,366,916
CURRENT LIABILITIES			
Trade and other payables	9	5,487,933	2,343,884
Employee benefits	10	1,124,521	1,008,175
Income in advance	11	1,057,258	515,707
Financial liabilities	12	5,706,150	658,809
TOTAL CURRENT LIABILITIES		13,375,862	4,526,575
NON-CURRENT LIABILITIES			
Trade and other payables	9	1,600,000	-
Employee benefits	10	93,437	79,008
Financial liabilities	12	1,995,426	2,701,576
TOTAL NON-CURRENT LIABILITIES		3,688,863	2,780,584
TOTAL LIABILITIES		17,064,725	7,307,159
NET ASSETS		37,693,811	35,059,757
MEMBERS' FUNDS			
Accumulated funds		34,260,749	32,112,257
Asset revaluation reserve		3,433,062	2,947,500
TOTAL MEMBERS' FUNDS		37,693,811	35,059,757

STATEMENT OF CHANGES IN MEMBERS' FUNDS FOR THE YEAR ENDED 31 OCTOBER 2013

	Asset Revaluation Reserve	Accumulated Funds	Members' Funds
	$	$	$
BALANCE AT 31 OCTOBER 2011	2,947,500	19,766,721	22,714,221
Profit for the year	-	12,345,536	12,345,536
Total comprehensive income	-	12,345,536	12,345,536
BALANCE AT 31 OCTOBER 2012	2,947,500	32,112,257	35,059,757
Profit for the year	-	2,148,492	2,148,492
Other comprehensive income	485,562	-	485,562
Total comprehensive income	485,562	2,148,492	2,634,054
BALANCE AT 31 OCTOBER 2013	3,433,062	34,260,749	37,693,811

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013	2012
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members, sponsors, supporters and other operations		56,511,386	53,315,543
Receipts from grants and donations		5,343,247	11,994,107
Payments to suppliers, employees and players		(54,167,707)	(52,460,970)
Finance costs		(48,106)	-
Interest received		366,753	398,077
NET CASH FLOWS FROM OPERATING ACTIVITIES	14(b)	8,005,573	13,246,757
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of investments		-	2,276
Payment for purchase of property, plant and equipment		(22,166,266)	(7,002,434)
Payment intangibles		(876,997)	(208,775)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(23,043,263)	(7,208,933)
NET CASH FLOWS USED IN FINANCING ACTIVITIES			
Gross proceeds from financial liabilities		5,000,000	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		5,000,000	-
Net increase/(decrease) in cash and cash equivalents		(10,037,690)	6,037,824
Cash and cash equivalents at beginning of the financial year		12,156,216	6,118,392
CASH AT END OF THE FINANCIAL YEAR	14 (a)	2,118,526	12,156,216

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Essendon Football Club (the "Company") is an unlisted public company limited by guarantee and incorporated and domiciled in Australia. The Financial Report of the Company was authorised for issue by the directors on 12th November 2013. The Company is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared on an accruals basis and is based on historical costs 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, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data. Actual results may differ from these estimates.

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.

Going concern basis of accounting

The financial report has been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

At 31 October 2013 the Company had net current liabilities, being current assets less current liabilities, of $6,510,171.

The Directors have considered the position of the Company and consider that the going concern basis is appropriate for the preparation of the financial report due to the following factors:

i) 2014 forecast which shows positive contributions;

ii) support of the Company's bankers which the Company expects to continue to receive; and

iii) unused finance facilities available to the Company.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be incurred should the Company not continue as a going concern.

(a) Adoption of new and revised accounting standards

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have a significant impact on the financial performance or position of the Company.

No other new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have been early adopted.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Annually, the directors assess inventory balances for impairment.

(c) Financial instruments

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

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

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets. Trade and other receivables of the Company fall into this category.

Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Trade and other payables of the Company fall into this category.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Profit or Loss.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are debited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(d) Property, plant and equipment

Property, plant and equipment are brought to account at cost or at independent or directors' valuation, less, where applicable, any accumulated depreciation or amortisation and impairment losses.

Land

Freehold land is shown at fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on an annual valuation by external independent valuers. Land is not depreciated.

Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of land and decreases to the extent such decreases relate to an increase on the same asset previously recognised in equity.

Plant and equipment/Leasehold improvements

Plant and equipment and leasehold improvements are measured at cost less depreciation and impairment losses.

The depreciable amounts of all fixed assets including leasehold improvements, but excluding freehold land, are 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	4.2% - 10%
Plant & equipment	10% - 33.3%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in values.

(f) Impairment of assets

At each reporting date, the Company reviews the carrying values of its 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.

Any excess of the asset's carrying value over its recoverable amount is expensed to Profit or Loss.

(g) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled within one year (benefits arising from wages and salaries and annual leave) have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows. Probabilities have been applied in the calculation of long service leave entitlements in order to estimate the likelihood of an employee remaining with the Company until they are entitled to long service leave. These probabilities are based on historical trends and patterns. Employees with long service leave entitlements in excess of 7 years have been included as a current liability as the Company does not have an unconditional right of deferral at balance date.

Contributions are made by the Company to complying superannuation funds and are charged as expenses when incurred.

(h) Income received in advance

Income is brought to account in the period to which it relates. Income received prior to 31 October 2013 which relates to future periods has been recorded as income received in advance.

(i) 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.

(j) Football expenses

Football expenses include football department related costs including total player payments, coaching and support staff remuneration, recruiting costs and costs in respect of our standalone VFL team.

(k) Revenue

Revenue is measured as the fair value of the consideration received/receivable. All amounts are net of returns, discounts, allowances and rebates.

Revenue is recognised when the amount can be reliably measured and it is probable that the future economic benefits will flow to the Company and the following additional criteria have been met:

- Revenue from the sale of goods is recognised upon the delivery of goods to customers which is the date of the transfer of risks.
- Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
- Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.
- Fundraising donations which have been directly received by the Club are recognised on receipt.
- Grant income from the Australian Sports Foundation is recognised when the approved grant has been received by the Company.
- Grant income from government and AFL special distributions are recognised where there is a reasonable assurance that the grant will be received and all the attached conditions will be complied with.

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

(l) 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 the item of 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, is classified as operating cash flows.

(m) Leases

Leases where a significant portion of the risks and rewards of ownership are not transferred to the Company are classified as operating leases.

Payments made under operating leases are recognised in Profit or Loss on a straight line basis over the term of the lease.

(n) Intangible assets

Gaming entitlements

Gaming entitlements acquired are recorded at fair value less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over the estimated useful economic lives of the assets. The useful lives of intangible assets can be either finite or indefinite.

Gaming entitlements have a finite useful life of 10 years commencing 16 August 2012. The gaming entitlements are amortised over a 10 year period.

(o) Financial Liabilities

Gaming liabilities

Gaming liabilities relate to instalment payments for the acquisition of gaming entitlements for the Windy Hill Venue and Melton Country Club. Gaming liabilities are included as non-current liabilities except those with maturities less than 12 months from the reporting date, which are classified as current.

Gaming liabilities are measured at amortised cost, using the effective interest method.

2. ESSENDON FOOTBALL CLUB

Essendon Football Club is an unlisted public company limited by guarantee with a registered office and principal place of business at 275 Melrose Drive, Melbourne Airport, Victoria 3045. The liability of each member of the Company is limited to $20.

NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2013

3. PROFITS FROM OPERATIONS

	2013	2012
	$	$
(a) Revenue from ordinary activities		
(i) Operating revenue		
AFL annual distribution	8,396,244	7,956,876
AFL prizemonies	30,000	-
Marketing revenues	16,837,899	15,920,153
Membership revenues	10,347,024	9,367,066
Merchandise - sale of goods	3,249,850	3,226,302
Match receipts	637,773	726,504
Windy Hill Fitness Centre	4,682,196	4,450,081
Venues revenue - sales of food and liquor	5,119,229	5,119,522
Venues revenue - other	8,664,331	5,838,661
Total operating revenue	57,964,546	52,605,165
(ii) Non-operating revenue		
Australian Sports Foundation grants	1,240,093	3,079,185
Donations received	138,154	374,182
Government grants	640,000	7,115,740
AFL future fund distribution	3,325,000	1,425,000
Interest received	366,753	398,077
Rental income	15,643	14,898
Total non-operating revenue	5,725,643	12,407,082
Total revenue from ordinary activities	63,690,189	65,012,247
(b) Expenses from operations		
Administration	2,453,762	2,228,612
AFL/ASADA investigation fine, legal and consulting expenses	3,939,710	-
Football expenses	20,824,236	19,200,704
IT expenses	690,404	455,226
Marketing expenses	10,342,245	9,778,601
Membership expenses	4,227,785	3,660,889
Merchandise - cost of sales	1,652,903	1,846,638
Rental expenses	269,709	262,899
Site expenses	1,623,196	1,833,516
Loss on disposable assets	235,467	22,544
Windy Hill Fitness Centre	3,555,960	3,425,969
Venue expenses	11,460,031	9,825,270
Financing costs	266,289	125,843
Total expenses from ordinary activities	61,541,697	52,666,711
Profit from ordinary activities	2,148,492	12,345,536
(c) Profit from operations above has been:		
Charging as expenses (revenue):		
Depreciation of:		
- Plant and equipment	960,218	816,777
Amortisation of:		
- Leasehold improvements	1,146,826	1,143,046
- Intangibles	367,304	76,028
Doubtful debts provided for or written off	248,552	29,235
Venue cost of sales - food and liquor	1,686,438	1,683,955
Employee expenses	16,939,941	15,496,075

4. TRADE AND OTHER RECEIVABLES

	2013	2012
	$	$
Current		
Trade and sundry debtors	3,753,776	1,307,683
Less allowance for impairments	(252,484)	(52,130)
	3,501,292	1,255,553

Allowance for impairment of receivables

An allowance for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in administration expenses. A reconciliation of the movement in the allowance for impairment of trade receivables is shown below.

	2013	2012
	$	$
Opening balance	52,130	67,197
Additional allowance	248,552	29,235
Amounts recovered	(48,198)	(44,302)
Closing balance	252,484	52,130

5. INVENTORIES

	2013	2012
	$	$
Merchandise - at cost	754,669	559,129
Less allowance for obsolescence	(28,561)	(52,043)
Food and liquor - at cost	165,396	118,970
	891,504	626,056

6. OTHER ASSETS

	2013	2012
	$	$
Prepaid expenses	354,369	378,258

7. PROPERTY, PLANT AND EQUIPMENT

		2013	2012
		$	$
Land - at independent valuation	(a)	5,350,000	4,864,438
Plant and equipment - at cost		5,328,320	5,375,477
Accumulation depreciation		(2,645,417)	(2,637,884)
		2,682,903	2,737,593
Leasehold improvements - at cost		43,158,902	22,599,554
Accumulation amortisation		(6,528,666)	(5,847,762)
		36,630,236	16,751,792
Total property, plant and equipment		44,663,139	24,353,823

(a) An independent valuation of freehold land in Napier Street, Essendon, was undertaken on 18 October 2013 by P.W. Stokes CEA FAPI FREI. This valuation was booked in the financial report at 31 October 2013.

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and end of the financial year:

2013	Land	Plant & equipment	Leasehold improvements	Total
	$	$	$	$
Beginning of the year	4,864,438	2,737,593	16,751,792	24,353,823
Additions	-	991,466	21,174,800	22,166,266
Disposals	-	(85,938)	(149,530)	(235,468)
Revaluations	485,562	-	-	485,562
Depreciation expense	-	(960,218)	(1,146,826)	(2,107,044)
End of financial year	5,350,000	2,682,903	36,630,236	44,663,139

2012	Land	Plant & equipment	Leasehold improvements	Total
	$	$	$	$
Beginning of the year	4,650,000	1,745,985	12,940,044	19,336,029
Additions	-	1,808,385	5,194,049	7,002,434
Transfers in/(out)	214,438	-	(214,438)	-
Disposals	-	-	(24,817)	(24,817)
Depreciation expense	-	(816,777)	(1,143,046)	(1,959,823)
End of financial year	4,864,438	2,737,593	16,751,792	24,353,823

Prior to the end of the financial year the Company moved its football and administrative operations to the High Performance Centre and Administration Facility at Melbourne Airport. Included in leasehold improvements is the approximately $1.4m (2012: $1.8m) in respect of the vacated space at Windy Hill which were previously used by the football and administrative departments. A decision has not yet been made on the future use of this space.
The carrying value of these assets is greater than their estimated recoverable amount (depreciated replacement cost) on the basis that these assets are currently held for community purposes.

8. INTANGIBLES

	2013	2012
	$	$
Gaming entitlements	3,673,038	3,673,038
Accumulated amortisation	(443,332)	(76,028)
	3,229,706	3,597,010
Opening balance	3,597,010	229,721
Additions	-	3,443,317
Amortisation	(367,304)	(76,028)
Closing balance	3,229,706	3,597,010

9. TRADE AND OTHER PAYABLES

	2013	2012
	$	$
Current		
Current trade creditors	829,788	832,197
Accruals and other liabilities	4,658,145	1,511,687
	5,487,933	2,343,884
Non-current		
Other liabilities	1,600,000	-

10. EMPLOYEE BENEFITS

	2013	2012
	$	$
Current		
Annual leave	711,234	618,144
Long service leave	413,287	390,031
	1,124,521	1,008,175
Non-current		
Long service leave	93,437	79,008

11. INCOME RECEIVED IN ADVANCE

	2013	2012
	$	$
Trading income received in advance	1,057,258	515,707

12. FINANCIAL LIABILITIES

	2013	2012
	$	$
Current		
Borrowings	5,000,000	-
Gaming entitlement instalments	706,150	658,809
	5,706,150	658,809
Non-current		
Gaming entitlement instalments	1,995,426	2,701,576

13. BANK FACILITIES

Unused limits/facilities	Amount of facility	Unused
	$	$
Westpac finance facility	5,000,000	-
Bendigo Bank finance facility	2,000,000	2,000,000
	7,000,000	2,000,000

Covenants
The Bendigo Bank facility requires the Company to maintain specific financial covenants and is secured by the freehold land assets of the Company.

14. 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 Cash Flows is reconciled to the Statement of Financial Position as follows:

	2013	2012
	$	$
Cash on hand	355,483	330,903
Cash at bank	956,292	923,821
Short term deposits	806,751	10,901,492
Total cash	2,118,526	12,156,216

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

	2013	2012
	$	$
Profit for the year	2,148,492	12,345,536
Adjustments for:		
Loss from disposal of fixed assets	235,467	22,544
Financing costs	218,183	125,843
Depreciation and amortisation	2,474,348	2,035,851
Changes in assets and liabilities:		
(Increase)/decrease in receivables and other assets	(2,422,204)	755,902
Increase/(decrease) in provision for doubtful debts	200,360	(15,068)
(Increase)/decrease in inventory	(241,966)	14,355
Increase/(decrease) in provision for obsolete stock	(23,482)	369
(Decrease)/increase in payables and income in advance	5,285,600	(2,048,263)
Increase in provision for employee entitlements	130,775	9,688
	8,005,573	13,246,757

15. CAPITAL AND LEASING COMMITMENTS

	2013	2012
	$	$
(a) Operating lease commitments		
Payable:		
- not later than one year	411,000	251,000
- later than one year but not later than 5 years	1,536,872	990,654
- later than 5 years	4,174,416	3,851,634
	6,122,288	5,093,288

Operating lease commitments relate to the lease of Windy Hill precinct, Melton Country Club and High Performance Centre, along with an annual distribution to EFCSC Limited.

(b) Capital expenditure commitments		
Capital expenditure contracted for at reporting date but not recognised as a liability in the accounts.		
Payable:		
- not later than one year	1,021,162	16,442,088

Capital expenditure commitments relate to the development of the new High Performance Centre at Melbourne Airport.

16. FUTURE FUNDING

The Company secured funding for the development of the High Performance Centre. At balance date the funds have been substantially received.

17. CONTINGENT LIABILITIES

The Company is in discussions with external and internal stakeholders in relation to claims or disputes arising in the course of business. At this point in time, the amount of liability, if any, cannot be quantified.

18. KEY MANAGEMENT PERSONNEL

Transactions with key management personnel

	2013	2012
	$	$
The key management personnel compensation included in employee expenses are:	2,206,946	1,939,919

19. SUBSEQUENT EVENTS

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.

Essendon Football Club
275 Melrose Drive,
Melbourne Airport, VIC, 3045
PO Box 17, Essendon 3040
Telephone: 03 8340 2000
Facsimile: 03 8340 2001
essendonfc.com.au
ABN 22 004 286 373