



**RICHMOND**  
EST 1885

# **Richmond Football Club Concise Report**

**31 October 2011**



## Directors' Report

The Directors present their report on the consolidated entity consisting of Richmond Football Club Limited ("the Company") and the entity it controlled at the end of, and during, the year ended 31 October 2011.

### Directors

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

<b>Gary March (President)</b>
Gary March was appointed President in November 2005. Mr March was appointed to the board on 1 October 2002, and holds an ex-officio position on all board Sub-Committees. Mr March is currently the Managing Director of Hopgreen Pty Ltd and MAK Retail Ltd.
<b>Garry Cameron PSM, B.Bus(Acc), M.Eco, FAICD, FCPA</b>
Garry Cameron was appointed to the board on 16 December 1999. Mr Cameron is a member of the Audit and Redevelopment Sub-Committees. Mr Cameron holds various company Directorships including ANZ Specialist Asset Management Ltd and ANZ Business Equity Fund Ltd. Mr Cameron is also a Director of the Coburg Football Club. Mr Cameron resigned from the board on 28 October 2011.
<b>Rex Chadwick</b>
Rex Chadwick was appointed to the board on 16 December 2009. Mr Chadwick is a member of the Innovations Sub-Committee. Mr Chadwick has a background in advertising agencies and is Managing Director of Chadwick Merchandising Services Pty Ltd.
<b>Robert Dalton BA, FCPA, CA</b>
Robert Dalton was appointed to the board on 9 November 2004. Mr Dalton is a member of the Risk and Compliance, Audit and Finance Sub-Committees and was appointed Treasurer in 2008. Mr Dalton is a Senior Partner at Ernst & Young.
<b>Tony Free</b>
Tony Free is a Life Member and former captain of the Richmond Football Club. Mr Free was appointed as a Director on 10 June 2008. Mr Free is a member of the Innovations and Football Sub-Committees.
<b>Peggy Haines BA, JD, FAICD</b>
Peggy Haines joined the board on 12 November 2005. Ms Haines is a member of the Risk and Compliance and Finance Sub-Committees. Ms Haines is a fellow of the Australian Institute of Company Directors and a consultant to Landers & Rogers. Ms Haines is also a Director of the Tigers in Community Foundation.
<b>Don Lord B.Com, FAICD</b>
Don Lord was appointed to the board on 23 October 2001. Mr Lord is a member of the Risk and Compliance and Redevelopment Sub-Committees. Mr Lord is also a Director of the Coburg Football Club. Mr Lord resigned from the board on 28 October 2011.
<b>John Matthies</b>
John Matthies was appointed to the board on 29 January 2004. Mr Matthies is a member of the Finance Sub-Committee and a member of the Museum & Historical Committee. Mr Matthies is the Managing Director of Australian Aged Care Pty Ltd and Chairman of Victorian Mortgage Investments Ltd.
<b>Maurice O'Shannassy B.Sc</b>
Maurice O'Shannassy has been a Director of the Company since 22 December 2004. Mr O'Shannassy is a member of the Human Resource Management and Innovations Sub-Committees. Mr O'Shannassy is a former CEO of Blackrock Investments and currently sits on a number of Boards.
<b>Malcolm Speed</b>
Malcolm Speed was appointed to the board on 28 October 2011. Mr Speed is widely regarded as one of Australia's leading sports' administrators. Mr Speed is a former Chief Executive of Cricket Australia and the International Cricket Council. Mr Speed currently acts as Executive Director of the Coalition of Major Professional and Participation Sports (COMPPS).
<b>Carl Walsh BCL, PDA, FCA</b>
Carl Walsh was appointed to the board on 28 October 2011. Mr Walsh has over 18 years experience as a business leader both domestically and internationally. Mr Walsh is currently Chief Executive of international accounting firm WHK Melbourne and has held leadership roles in companies such as Deloitte, Microsoft and General Electric.



#### **Principal activities**

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

#### **Consolidated results**

The net profit of the consolidated entity for the year ended 31 October 2011 was \$2,752,801 (2010: \$2,846,065). This profit includes income from contributions relating to the redevelopment of Punt Road Oval.

The profit relating to operations excluding the impact of the redevelopment grants and one-off items is \$1,332,801 (2010: \$759,142).

Each year the Company undertakes fundraising initiatives. In 2011 these activities were undertaken as part of the Fighting Tiger Fund. The operation of the Fighting Tiger Fund will continue in 2012.

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

#### **Dividends**

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

#### **Review of operations**

An outline of the key events and their impact on the Company's operations during 2011 is set out in the President and Treasurer's reports.

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

No matter or circumstance has arisen since 31 October 2011 that has significantly affected, or may significantly affect:

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

#### **Likely developments and expected results**

Information on the likely developments and expected results of the Company's operations are detailed in the Company's Annual Report.

#### **Environmental regulation**

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

#### **Indemnification and insurance of Directors**

The Company entered into insurance arrangements concerning all the Directors, but not the auditor, of the Company. The Company paid insurance premiums of \$9,800 in respect of a contract insuring each of the Directors against liabilities and expenses arising as a result of work performed by them to the extent permitted by law.

#### **Proceedings on behalf of the Company**

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

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



**Directors' meetings**

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

	Directors' meetings	Risk & Compliance	Finance	Audit	HR Management	Redevelopment	Innovations
<b>Number of meetings held:</b>	11	3	8	2	2	8	3
<b>Number of meetings attended:</b>							
G Cameron	11	-	-	2	-	8	-
R Chadwick	10	-	-	-	-	-	3
R Dalton	11	3	7	2	-	-	-
T Free	11	-	-	-	-	-	2
P Haines	9	3	6	-	-	-	-
D Lord	10	3	-	-	-	7	-
J Matthies	10	-	6	-	-	-	-
G March	10	-	2	-	-	-	-
M O'Shannassy	10	-	-	-	2	-	3

**Committee membership**

At the date of this report, the Company has a Risk & Compliance, Finance, Audit, HR Management, Redevelopment and an Innovations Sub-committee of the Board of Directors.

Members acting on the committees of the Board during the year were:

Risk & Compliance	Finance	Audit	HR Management	Redevelopment	Innovations
P Haines (c)	R Dalton (c)	L Littlefield (c) @	B Gale (c) #	D Lord (c)	M O'Shannassy (c)
D Lord	T De Young @	G Cameron	M O'Shannassy	G Cameron	R Chadwick
R Dalton	P Haines	R Dalton	C Cameron #	M Stahl #	T Free
M Stahl #	J Matthies	C Dodd @	S Derrick #	R Smith @	C Cameron #
I Lancaster @	S Gordon #	S Gordon #	C Liddle #		S Derrick #
	M Stahl #	M Stahl #	S Matthews #		S Matthews #
			M Stahl #		G Mamone #
			M Polglaze @		A Steel #

Notes - (c) Designates chairman of the committee  
@ Independent consultant and non-Director  
# Invited staff member and non-Director

G March and B Gale hold an ex-officio position on all Sub-Committees.

**Auditor**

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

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

Gary March (Director)

Robert Dalton (Director)

Dated this 15<sup>th</sup> day of November 2011



## Auditor's Independence Declaration

As lead auditor for the audit of Richmond Football Club Limited for the year ended 31 October 2011, 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.

This declaration is in respect of Richmond Football Club Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Chris Dodd', written in a cursive style.

Chris Dodd  
Partner

Melbourne  
15 November 2011



## **Directors' Declaration**

The Directors declare that in their opinion, the concise financial report of the consolidated entity for the year end 31 October 2011 as set out on pages 9 to 14 complies with Accounting Standard AASB 1039: Concise Financial Reports.


The concise financial report is an extract from the full financial report for the year ended 31 October 2011. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report, which is available on request.

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



**Gary March  
President**



**Robert Dalton  
Director**

Melbourne  
15<sup>th</sup> November 2011



**Statement of comprehensive income for the year ended 31 October 2011**

	Notes	2011 \$	2010 \$
Revenue from continuing activities	4	33,403,202	31,548,552
Revenue from redevelopment grants	4	900,000	1,926,923
Employee benefits expense		(16,961,757)	(15,950,796)
Depreciation and amortisation expense		(636,311)	(369,085)
Marketing and promotional expense		(2,229,273)	(3,248,931)
Materials, purchases and match day hospitality		(2,812,563)	(2,293,906)
Administration expense		(761,503)	(699,510)
Finance costs		(299,445)	(291,097)
Property maintenance expense		(694,454)	(638,904)
Football support expense		(3,466,748)	(3,136,904)
Membership expense		(1,743,815)	(1,323,826)
Property lease expense		(956,758)	(1,305,296)
Other expenses		(1,507,774)	(1,531,155)
(Provision)/release for Wantirna Club onerous lease		520,000	160,000
<b>Profit for the year</b>		<b>2,752,801</b>	<b>2,846,065</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>2,752,801</b>	<b>2,846,065</b>

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



**Statement of financial position as at 31 October 2011**

	2011 \$	2010 \$
<b>Current assets</b>		
Cash and cash equivalents	2,629,827	7,735,074
Trade and other receivables	661,451	1,678,118
Prepayments	482,651	480,791
Inventories	244,880	181,255
<b>Total current assets</b>	<u>4,018,809</u>	<u>10,075,238</u>
<b>Non-current assets</b>		
Trade and other receivables	339,509	498,582
Property, plant & equipment	20,241,712	13,188,955
<b>Total non-current assets</b>	<u>20,581,221</u>	<u>13,687,537</u>
<b>Total assets</b>	<u>24,600,030</u>	<u>23,762,775</u>
<b>Current liabilities</b>		
Trade and other payables	3,330,036	3,519,310
Provisions	1,132,976	936,804
Interest bearing liabilities	3,500,000	4,500,000
Income received in advance	358,517	688,862
<b>Total current liabilities</b>	<u>8,321,529</u>	<u>9,644,976</u>
<b>Non-current liabilities</b>		
Provisions	230,436	822,535
<b>Total non-current liabilities</b>	<u>230,436</u>	<u>822,535</u>
<b>Total liabilities</b>	<u>8,551,965</u>	<u>10,467,511</u>
<b>Net assets</b>	<u>16,048,065</u>	<u>13,295,264</u>
<b>Equity</b>		
Retained profits	16,048,016	13,295,215
Minority interest in controlled entities	49	49
<b>Total equity</b>	<u>16,048,065</u>	<u>13,295,264</u>

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





**Statement of changes in equity for the year ended 31 October 2011**

	2011	2010
	\$	\$
Total equity at the beginning of the financial year	13,295,264	10,449,199
Total comprehensive income for the year	2,752,801	2,846,065
<b>Total equity at the end of the financial year</b>	<b>16,048,065</b>	<b>13,295,264</b>

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



**Statement of cash flow for the year ended 31 October 2011**

	2011	2010
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from football operations	12,477,714	10,768,532
Receipts from marketing operations	17,067,886	14,131,068
Receipts from gaming and social operations	3,410,144	5,371,647
Payments to suppliers and employees	(30,712,176)	(30,115,051)
Interest received	211,017	472,560
Interest paid	(299,445)	(291,097)
Jack Dyer Foundation contributions	587,302	250,884
Net cash inflow / (outflow) from operating activities	<u>2,742,442</u>	<u>588,543</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(7,747,689)	(8,640,375)
Receipts from redevelopment grants	900,000	1,626,923
Net cash inflow / (outflow) from investing activities	<u>(6,847,689)</u>	<u>(7,013,452)</u>
<b>Cash flows from financing activities</b>		
Proceeds from commercial bills	3,500,000	4,500,000
Repayment of commercial bills	(4,500,000)	(4,900,000)
Net cash inflow / (outflow) from financing activities	<u>(1,000,000)</u>	<u>(400,000)</u>
Net increase / (decrease) in cash held	<u>(5,105,247)</u>	<u>(6,824,909)</u>
Cash at the beginning of the year	7,735,074	14,559,983
<b>Cash and cash equivalents at the end of the year</b>	<u>2,629,827</u>	<u>7,735,074</u>

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



**Income tax**

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

**Richmond Cricket Club Limited**

The Richmond Football Club Limited owns 51% of the Richmond Cricket Club Limited and includes any surplus or deficit of the cricket operations in its results. The operations of the Cricket Club are to hold the lease of the Punt Road Oval from the Melbourne Cricket Club, and to be an accredited member of Cricket Victoria. The lease of Punt Road Oval is currently in the process of being transferred to the Richmond Football Club Ltd.

**Notes to the Consolidated Financial Statements for the Year Ended 31 October 2011**

The concise financial report relates to the consolidated entity consisting of Richmond Football Club Limited and the entity it controlled at the end of, and during, the year ended 31 October 2011. The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

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

**1. Presentation currency**

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

**2. Segment information**

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

**3. Dividends**

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

**4. Revenue**

	2011 \$	2010 \$
<b>Revenue from continuing activities</b>		
- Football	11,992,714	11,253,533
- Sponsorship and marketing	17,252,886	14,131,068
- Gaming and social	3,410,144	5,371,647
- Interest received	149,956	533,620
- Jack Dyer Foundation contributions	597,502	258,684
<b>Total revenue from operating activities</b>	<b>33,403,202</b>	<b>31,548,552</b>
<b>Revenue from redevelopment grants</b>		
- Punt Road Oval redevelopment	900,000	1,926,923
<b>Total Revenue</b>	<b>34,303,202</b>	<b>33,475,475</b>

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

No matter or circumstance has arisen since 31 October 2011 that has significantly affected, or may significantly affect:

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



**6. Full Financial Report**

The concise financial report is an extract from the full financial report for the year ended 31 October 2011. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

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

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



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

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

We have audited the accompanying concise financial report of Richmond Football Club Limited (the company), which comprises the statement of financial position as at 31 October 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and related notes, derived from the audited financial report of Richmond Football Club Limited (the consolidated entity) for the year ended 31 October 2011. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

### ***Directors' responsibility for the concise financial report***

The directors are responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 Concise Financial Reports, and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the concise financial report.

### ***Auditor's responsibility***

Our responsibility is to express an opinion on the concise financial report based on our audit procedures which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of the Richmond Football Club Limited for the year ended 31 October 2011. We expressed an unmodified audit opinion on that financial report in our report dated 15 November 2011. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

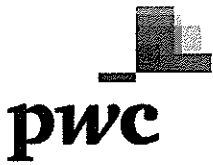
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Our procedures include testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with AASB 1039 Concise Financial Reports.

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

---

**PricewaterhouseCoopers, ABN 52 780 433 757**  
Freshwater Place, 2 Southbank Boulevard, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)



*Independence*

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

*Auditor's opinion*

In our opinion, the concise financial report of Richmond Football Club Limited for the year ended 31 October 2011 complies with Australian Accounting Standard AASB 1039 Concise Financial Reports.

A large, stylized handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'Chris Dodd'.

Chris Dodd  
Partner

Melbourne  
15 November 2011