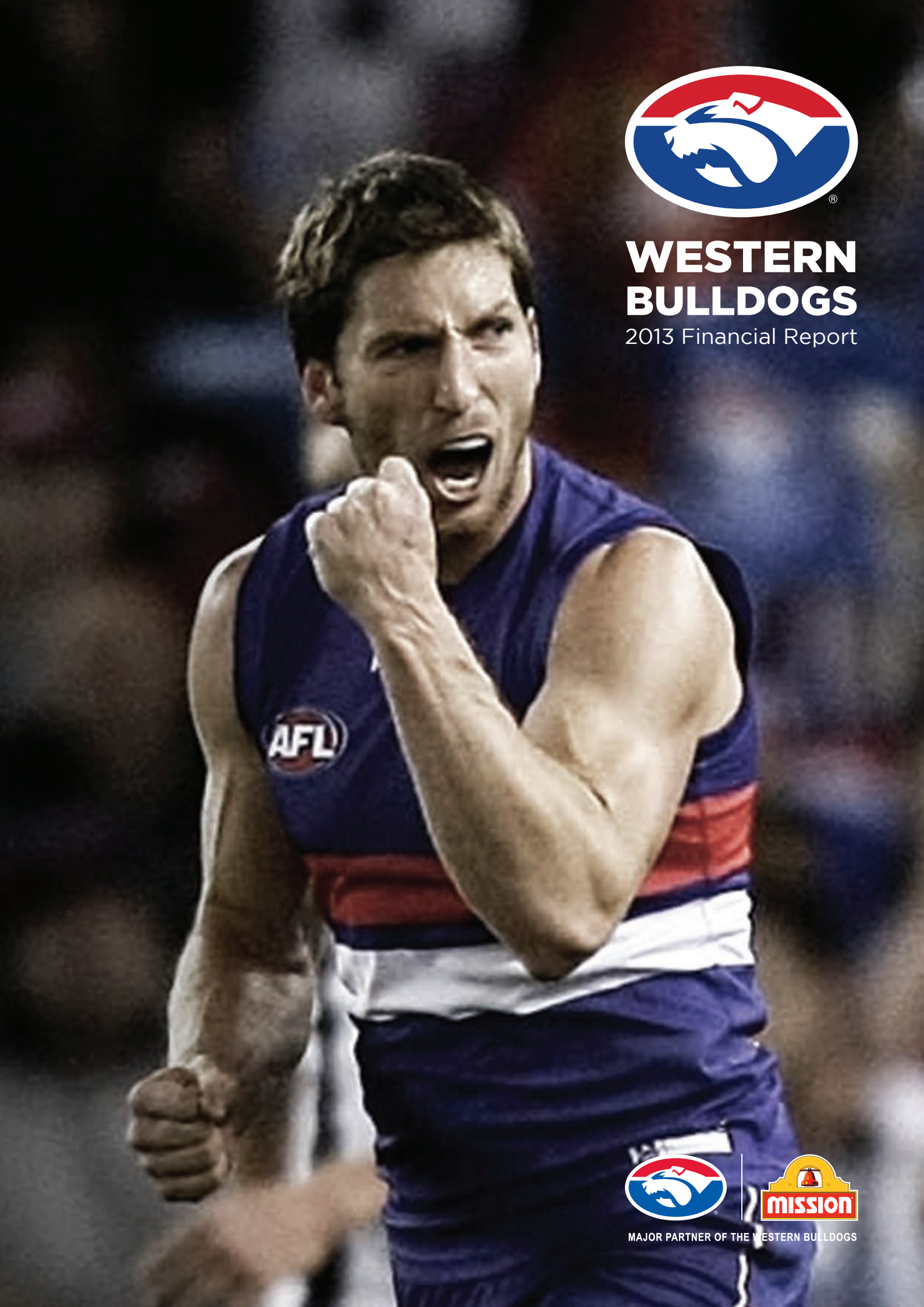

WESTERN BULLDOGS

2013 Financial Report

MAJOR PARTNER OF THE WESTERN BULLDOGS

BRENDAN
McCARTNEY
MACCA
FOR
TASKMAS

Footscray Football Club Ltd trading as Western Bulldogs

ABN 68 005 226 595

Financial report
For the year ended 31 October 2013

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FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
ABN 68 005 226 595

DIRECTORS' REPORT

The directors present their report together with the financial report of Footscray Football Club Ltd trading as Western Bulldogs for the year ended 31 October 2013 and auditor's report thereon. This financial report has been prepared in accordance with Australian Accounting Standards.

Directors names

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

Peter Gordon (Appointed 20 December 2012)

Dr Susan Alberti AO HonLLD

Chris Grant

Barry Hall

Gaye Hamilton

Gary Kent

George Pappas

Geoffrey Walsh AO

David Smorgon (Resigned 20 December 2012)

Ian Veal (Resigned 20 December 2012)

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

Results

The operating result for the company for the year ended 31 October 2013 was a loss of $143,090 (2012: loss of $136,679).

In the current financial year, the company received distributions from the AFL Club Future Fund of $2,995,000 (2012: $2,870,000).

Review of operations

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
ABN 68 005 226 595

DIRECTORS' REPORT

Principal activities

The Footscray Football Club Limited trading as Western Bulldogs is a member of the the Australian Football League. The principal activity of the Company is the encouragement of sport and the playing of Australian Rules Football by competing in the Australian Football League competition and preserving and fostering the ideals, and community spirit of the Club.

Company Performance

Season 2013 has seen the Western Bulldogs produce an operating loss of $143,090 compared to an operating loss of $136,659 in 2012.

Football

After a challenging start to 2013, the Western Bulldogs ended the season with a run of strong performances in the back end of the year — winning four of the final six matches.

While finishing 15th in the competition, the second half of the season demonstrated the team's improvement after the Club injected an extra $1.2 million into resources and key personnel in the football department.

During the year, the Club appointed Graham Lowe to the senior executive role of General Manager of Football – after 12 months at the Kennel in the capacity of High Performance Manager. Lowe has 15 years experience in a range of international sporting organisations including Scottish Rugby, BMW Oracle Racing and New Zealand Rugby Union.

In his capacity as General Manager of Football, Lowe oversees a settled and experienced team supported by Senior Coach Brendan McCartney, List Manager Jason McCartney, Recruiting Manager Simon Dalrymple and High Performance Manager Justin Cordy. The department is also supported by a diverse panel of assistant and specialty coaches and a professional support team. It is the biggest and most credentialed football department the club has ever presented.

Next year the Club is expected to invest up to $1.5 million more in football, looking to have the capacity to pay the full salary cap if strategically required. This will represent a $2.9 million increase in football department spending since 2012 despite which the Club expects to remain in the bottom quartile of AFL Club football department spend in 2014.

In 2014, the Club's new VFL team, the Footscray Bulldogs, will play at the Victoria University Whitten Oval, coached by Bulldogs Development Manager Chris Maple. This is an exciting opportunity to not only develop future generations of Bulldogs players, but also presents a fantastic opportunity to return community football to Whitten Oval.

Company Performance (Continued)

Membership

The Western Bulldogs membership base remained static in 2013, at just over 30,000 members. While an extraordinarily large number by reference to every other club in other sporting codes around the country and the world, the membership remains in the bottom quartile of Victorian-based AFL Clubs..

A poor on field end to the 2012 season provided a challenging marketing environment for membership in 2013 and membership growth remains impeded by the Club's disadvantageous allocation of free-to-air television access for its games and the restricted funding available for a planned and integrated membership growth strategy in its western region heartland.

Further, a higher than normal number of members chose not to renew their membership. Membership decline was particularly prevalent in the higher-value membership categories and the early season loss of reserved seat and social club members meant that revenue levels across all these key areas dipped across 2013. The Club needs all of its members to be prepared to support the team even through cyclical downturns in performance like in 2012.

A promising beginning and end to the 2013 AFL season, combined with some structured, targeted and proactive marketing, kept membership numbers to levels seen in the previous season with an increase in the number of low value, entry products and some junior products. Equally, we completed 2013 with a significantly higher percentage of our membership base on payment plans – the automatic membership renewal program that has had significant success in reducing member churn.

Each year, an independent survey report is commissioned for each AFL Club by the AFL. In 2013, the Western Bulldogs membership satisfaction reported by this survey showed;

- An increase in member satisfaction of 21 percent over 2012;
- Western Bulldogs member satisfaction exceeded the league average for the previous year;
- Significant increases in all areas measured from 2012 to 2013.

Regular communication, specific member events, and a commitment to industry-best practice customer service have been the foundation for these results.

These results, and the increase in positivity surrounding the team's continued development means that 2014 is expected to produce more positive results with growth targeted across a number of membership categories. An online rewards platform and member recognition program should continue to strengthen our relationship with members, while a commercial partnership with VIP Cleaning Services, who have joined as the official membership sponsor, shows the Club is dedicated to growing revenue to support the increased ambition of the football department.

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
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DIRECTORS' REPORT

Company Performance (Continued)

Fan Development

Supporter growth remains the foundation of the Club's long-term strategy, and the key priority is growth in the western region of Melbourne. This objective is endorsed and supported by key stakeholders including the AFL, the five local government authorities of the region, and it is also the region of the highest concentration of Bulldog members and supporters.

Supporter growth objectives are being pursued by a combination of online and offline activities including;

• The Bulldogs' Schools and Clubs program; a range of programs to 87 western region primary schools, including a structured two week football and nutrition curriculum, Whitten Oval tours, player appearances and, new to this year, after school care program, early years program and video conferencing.

• Our relationship with the Western Region Football League which has been strengthened with the Club expanding its junior partnership.

• A Western Bulldogs "Heartland Award" was presented at the end of every junior WRFL game with over 1260 winners receiving the award.

• The maintenance of the Club's "Our Heartland" campaign with its strong focus on the Western Region.

• Continued investment in community services in the Western Region through the SpiritWest Foundation including such programs as Fresh, Disability Training and Multicultural & Settlement Programs and our local Koori youth initiative, Nallei Jerring.

• The re-establishment of the Footscray Bulldogs team playing at the Whitten Oval in the VFL.

• The partnership with Victoria University and the integration of the University's 'Footscray – University Town' concept and the development of the Footscray team as a 'college team.'

While the Western Region is a predominant focus, it is not the Club's only focus.

The Club has again continued to implement more activities aimed at improving the match day experience for fans and members at Etihad Stadium. Increasing the amount of entertainment for families at the "Footscray End", the volume of videos and live production on the stadium big screens and the number of sponsor-led fan activations has been at the centre of the match-day programs.

In addition, the Bulldogs this year took the lead in developing new fan experiences at two of the AFL's themed rounds. Working with Melbourne Football Club the Western Bulldogs proudly participated in the first ever AFL women's game, drafting, hosting and managing the team of female participants that adorned the red, white and blue. Holding the flagship game of AFL Multicultural Round, the Bulldogs implemented a dedicated multicultural marketing campaign that included multi-lingual tweets and articles, 750 game day tickets given to new migrants and a number of dance and music performers on game day that created a unique experience for attendees.

Online, the Club has implemented initiatives that have assisted in the growth of our social media networks and database contacts. This channel remains a key priority going forward as the Club continues its pursuit of capturing the hearts and minds of the future generation of Bulldogs fans.

Company Performance (Continued)

Events

In 2013, the Club delivered a number of outstanding Club events which were well supported by members, fans and corporates. Developments of Bulldogs Events will be a key focus for the Club in coming years as opportunities to develop Victoria University Whitten Oval and to present a consistently competitive AFL team (due to revised and enlightened revenue sharing policies of the AFL) mature.

The Club started the year with the annual Western Bulldogs Family Day at Victoria University Whitten Oval attracting a crowd of over 5000 members and fans who had the chance to meet their favourite Bulldogs players and hear from key Club identities.

Following Family Day, the Club hosted the 2013 Season Launch at Crown Palladium. In excess of 800 people attend to witness each player be presented with their playing jumper by Club Legend John Schultz.

After a successful debut in 2012, the Club once again hosted the Central Bulldogs District (CBD) Lunch at the RACV Club. This year attendance grew to over 350 people who were entertained by MC Gerard Whateley, along with key note speaker, AFL Chief Executive Andrew Demetriou. The Club introduced a second intimate CBD Lunch where 70 guests were treated to insight by key Bulldogs identities at Maha Restaurant where the menu was designed by celebrity chef and Bulldogs member Shane Delia.

For the first time the Charles Sutton Medal (Best and Fairest) dinner was held in early September immediately following the conclusion of season 2013 with the event returning to Crown Palladium. In front of over 850 guests the Club thanked Daniel Cross for the service he gave to the Club and crowned Ryan Griffen the Charles Sutton Medallist for the second time.

Usage of the Club's state of the art conference facilities at Victoria University Whitten Oval continued to develop in 2013. Building on strong foundations, the occupancy rate increased, with the Club able to attract new clients to utilise the facility — including Melbourne Water, Pow Wow Training and Johnson & Johnson. Now seen as a premier conference venue in Melbourne's west, the Club plans to build on this in 2014.

SpiritWest Services

Building on the success of previous years, SpiritWest implemented a range of new initiatives in 2013 to expand its reach and social inclusion portfolio.

In addition to its core programs in Community Education (Fresh), Disability Training and Multicultural & Settlement Programs, SpiritWest implemented a successful pilot culture & identity program for local Koori youth, Nallei Jerring (join and unite). The project was awarded the Western Region's Koori Community Justice Award from the Department of Justice.

The Club's commitment to female participation in football was highlighted this year by two AFL firsts – the inaugural women's AFL match with Melbourne Football Club and the MUJU (Muslim-Jewish) female football team who took out the inaugural Female Unity Cup title.

In early 2013 the Club was successful in its re-tender to deliver Settlement Services through the Department of Immigration and Citizenship. The grant enabled the Club to continue its ground breaking work in engaging with newly arrived refugees and migrants through sport, health and recreation for another two years.

This year has seen Community Training support an additional 46 students over four new class groups, including an exciting new pathway. Community Training, under the auspice of Victoria University offered the Certificate II in General Education for Adults as an additional career boost aimed at strengthening

Company Performance (Continued)

employability of people with disabilities in the western region. With two new sites in Werribee, supported by disability service providers Mambourin and Annecto, SpiritWest has become industry recognised for generating valuable outcomes for people with disabilities.

Community Training has added a sport and recreation focus to its program in 2013. With the aim of increasing health and wellbeing of people with disabilities in the western region, the pilot program Bulldogs Total Footy was launched. This program aims to promote healthy living habits and encourage physical activity as well as offering participants a glimpse into the lifestyle of a professional athlete.

This year the Fresh Program gave more than 40 young people full-time education. Fresh is now recognised as one of the most valuable and respected education alternatives for disengaged young people in Victoria. Through the delivery of the Victorian Certificate of Learning (VCAL) and other vocational certificates, the Fresh Program offers a broad range of curriculum options to its students - promoting personal development, social connection and positive vocational pathways. These learning opportunities are provided to students at no cost, in line with the Club's policy of contributing to community development and capacity building within its region.

The Western Bulldogs acknowledge its education and training auspice partnership with Victoria University and thank it for its outstanding support in the delivery of crucial education initiatives in the community as well as its funding partners the Department of Immigration & Citizenship, Federal Attorney General's Department, Adult Community Further Education and AFL Multicultural Program.

The Club also acknowledges its community partners Nexans Olex, Programmed, Melbourne Airport, Macquarie Sports and Qenos for their invaluable financial and in-kind support, as well as a broad range of grassroots community agencies who remain an integral part of the Western Bulldogs' reputation as the Community Club of the AFL.

Finally, it is pleasing to report that the Club has formed and constituted the Spirit West Services Foundation to oversee the delivery of all of the Club's Community programs. Chaired by Club Director, Gaye Hamilton, the foundation has achieved DGR status and is made up of a number of current staff as well as being fortunate enough to secure the expertise and experience of four Directors of Community partner, Unity Link. The Club formed a partnership with Unity Link, a like-minded organisation focused on achieving positive community outcomes in Melbourne's West, at the start of 2013. The advice and counsel gained through this partnership will be extremely beneficial to Spirit West Services. We wish to acknowledge UnityLink for their commitment to out Community Programs and look forward to partnering with them in support of our SpiritWest Foundation in 2014.

Company Performance (Continued)
Commercial Partnerships

In 2013 the Club welcomed a number of new sponsors including Slater & Gordon, CLF, Sting Boxing, Eynesbury, Lend Lease and Mack Boots, while also negotiating an extension to the KooGa Apparel agreement for a further three years, and significantly increased support from Gordon Legal.

The highlight of the year was the signing of a five year partnership agreement with Victoria University including the naming rights to Victoria University Whitten Oval and a significant sports science and research element.

Corporate hospitality numbers were stable and above market average. A reduced number of President's Club were well attended with the final round above expectations on the back of improved on-field performance.

Coterie groups were a real success in 2013. This was an area of significant risk for the Club but the work put in to not only maintain coterie support, but also grow it following a season of five wins in 2012, was significant.

This season saw the Club's match ball agreement with Mission come to an end. This is the first significant branding asset that has become available for a number of years and a lot of work went into securing White King as the Club's new ball partner for the next two seasons.

Next year is building as a critical year for Commercial Partnerships. Both Mission and Worksafe agreements conclude at the end of the season with renewal and extension discussions either underway or about to begin. The improvement in on-field performance in the back half of 2013 has solicited more interest in our commercial properties and positions the Club well in this area moving forward. A focus will be on creating new products to sell outside our branded assets, with a particular emphasis on the digital space.

Entertainment Venues

The Club's entertainment venues, Club Leeds in Footscray and the Peninsula Club in Dromana, continued to provide members with access to a range of social and entertainment facilities. Again in 2013, the Government's Community Benefits Statement issued by the Club, confirmed that we provided over $2.9 million of community benefits (71.29 percent of revenue) – far in excess of the minimum requirement of 8.3 percent.

The Club owns the freehold land and buildings at the Peninsula Club which continues to grow its food and beverage offering to a wider group of members and fans. Planning approval for an extension to the front decking which was received in 2012 will be completed in early 2014 and will provide a significant increase in the Peninsula Club's capability to hold conferences as well as a great location to enjoy meals under the stars.

The Club's Edgewater Development has faced a range of challenges in 2013. The Club is pleased to have resolved a range of difficult issues this year, as a result of which the construction phase has been substantially de-risked for the Club. Construction continues on the site and the Club expects that the project will be completed in time for season 2015. This important venture will provide members with a contemporary and vibrant social venue that will feature top-notch dining, entertainment, gaming, conference and accommodation facilities.

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
ABN 68 005 226 595

DIRECTORS' REPORT

Company Performance (Continued)
Communications

The Club continues to make strides in expanding and improving Club communications with members and stakeholders.

As mentioned, each year a comprehensive member satisfaction benchmarking survey is conducted by an external agency appointed by the AFL. Satisfaction scores from this survey indicate that the Club is an industry leader when it comes to effectively communicating with members across all our diverse communications platforms.

The Club's digital platforms continue to strengthen, setting record monthly highs for unique browsers (101,501), page impressions (790,811) and video views (110,020) across the Club's digital channels in 2013. Average monthly website audience (unique browsers) has increased 19.31 percent across the past 12 months, with the AFL ranking westernbulldogs.com.au consistently in the league's top-six for website engagement in 2013.

The Club's social media platforms have also continued their steady growth in 2013, Facebook increasing 25 percent to 58,197 fans and Twitter increasing 67 percent on the Club's main account to 19,298 followers as of 31 October 2013.

The Club's relationship with the media continued to remain strong in 2013 with the aim to further build on this strength by expanding the promotion of the Club's highly regarded community and multicultural initiatives through the development of a comprehensive community and ethnic media strategy.

Consumer Products

The Club's merchandise department has undergone some big changes throughout the 2013 Season. By engaging several external resources, the Club has been able to implement some innovative strategic plans into Western Bulldogs retail. This has been a key development in the procurement area of the business and has aided the accomplishment of hitting our stock targets.

The online e-Commerce business continues to be a growth area for the Club with sales up over 20 percent on last year. We also saw more purchases through mobile phones and Facebook retail channels noting that this is an area to develop in 2014. The department regularly engages social media running weekly competitions on our Twitter handle @bulldogsshop, managing a Pinterest account and working with the Communications team to promote through Facebook when necessary.

Merchandise outlets traded at Etihad Stadium home & away games and at various Club events. Game days in particular showed some success with the "We Score, You Score" offer selling out at nearly every home game. The focus for 2014 is to continue to encourage fans to purchase from the Official Western Bulldogs Club merchandise outlets on game day — located at Etihad Stadium Aisle 23 and on the Bourke Street Footbridge outside the venue — helping to spread the message that by shopping there all profits go directly back to the Club.

The Through and Through Guernsey was a reasonably successful campaign in 2013. Over 400 names were represented on the Guernsey worn by players in the round 23 win over Melbourne.

The biggest event held this year for merchandise was the Mid-Season Mega Sale, held for the first time in the Mission Elite Learning Centre at Whitten Oval in July. Members and fans had the opportunity to shop in a unique location with some never before seen deals on offer. The turnout was the biggest the Club had ever seen for a merchandise sale and was extremely well attended for its five hour duration.

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
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DIRECTORS' REPORT

After balance date events

Particulars of matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years are as follows:

- Subsequent to year end the Western Bulldogs have received confirmation that they will receive total assistance from the AFL of $2.81 million from the Club Future Fund which is partially tagged to specific initiatives. This is to be paid during the 2014 financial year subject to certain criteria being met.

Likely developments

The likely developments in the operations of the company and the expected results of those operations in subsequent financial years are as follows:

- The Club's Edgewater Development has faced a range of challenges in 2013. Construction continues on the site and the company expects that the project will be completed in time for season 2015 which will see the company operate the venue for period of 10 years upon completion.

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on directors

Peter Gordon	President and Chairman
Qualifications	Bachelor of Laws, Melbourne University Admitted as a barrister and solicitor of the Supreme Court of Victoria, New South Wales and Western Australia Admitted as a barrister and solicitor to the High Court of Australia and previously admitted in various jurisdictions in the United States.
Experience	Chairman and Senior Partner, Slater & Gordon (1980-2009) Director, Gordon Legal (2009 to date) 2010 to date – Director of Comprehensive Legal Funding LLC; Board member of VicHealth (since 2006-2011) Deputy Chair of VicHealth 2008-2011; and from 2012 to date President of Footscray (Western Bulldogs) Football Club 1989-1996 Directors, Australian Football League1989-1993 Chair of Victoria Walks 2009-2011 Founding Co-Chair of the McCabe centre for Law and Cancer

Information on directors (Continued)

Dr Susan Alberti AO HonLLD	Vice President/Forever Foundation
Qualifications	Graduate of Doctor of Laws honoris causa of Monash University - 2006
Experience	Director, Western Bulldogs Forever Foundation Managing Director, DANSU Group and associated companies Chair of the Susan Alberti Medical Research Foundation Former National President, Juvenile Diabetes Research Foundation Former Director, Juvenile Diabetes Research Foundation International Board of Chancellors Life Governor, Walter Eliza Hall Research Institute Australia Life Governor. International Diabetes Institute Life Governor, Juvenile Diabetes Research Foundation Australia Chair of the Melbourne Dinner Committee for almost 29 years Director, GoldAge Pty Ltd Chair of St. Vincent's Institute of Medical Research Board Member of the Australian Centre for Health Research Member of the Advisory Group for the Australian Community Centre for Diabetes Director, Victoria University Foundation Retired Director of The Click Foundation (Epilepsy) Member of the Australia Day Committee (Victoria) Australia Day Ambassador (Victoria) Director Western Health Foundation
Chris Grant	Football Director
Experience	Former player for the Western Bulldogs (1990 to 2007) Winner of two Western Bulldogs best and fairest awards (1994, 1996) Three times All-Australian honours (1997, 1998, 1999) Western Bulldogs Hall of Fame 2010 Australian Football Hall of Fame inductee 2012 Club Captain (2000–2004) Club games record holder (2006–2009)
Barry Hall	Whitten Oval Redevelopment
Experience	Director, W.J Drever Pty Ltd Director, Hall Management Services Pty Ltd Director, Hanleigh Pines Pty Ltd Director Proclam Pty Ltd Director, Sundance Land Holdings Pty Ltd Director, River Gum on the Murray Pty Ltd Director, BRH Nominees Pty Ltd Director, AMT Resort Pty Ltd Director, Langford Property Group Pty Ltd

Information on directors (Continued)

Gaye Hamilton	SpiritWest Services
Qualifications	Bachelor of Science Education (Melbourne)
Experience	Director, Queen Victoria Women's Trust Centre Director, State Sports Centre Trust Director, People & Parks Foundation Director, Western Chances Council Member, Victoria University
Gary Kent	Finance
Qualifications	Bachelor of Economics Harvard Business School Advanced Management Program Graduate of the Institute of Company Directors Associate of the Institute of Charted Accountants
Experience	Chief Financial Officer Skilled Group (May 2012 to current) Chief Financial Officer Healthscope (August 2008 to November 2010) Chief Financial Officer Coles Group (July 2007 to February 2008) Deputy CFO and Group Financial Controller - ColesMyer (December 2005 to June 2007) General Manager Finance - Kmart (April 2002 to December 2005)
George Pappas	Planning and Strategy
Qualifications	Bachelor of Economics (Monash University) MBA (Harvard Business School)
Experience	Senior Advisor, The Boston Consulting Group Chairman, Committee for Melbourne Chairman, Energy Matters Pty Ltd Chancellor, Victoria University
Geoffrey Walsh AO	Government Relations
Qualifications	Bachelor of Arts (La Trobe University)
Experience	Special Advisor, BHP Billiton National Secretary, Australian Labour Party 2000-2003 Former Chief of Staff to Premier Steve Bracks & Prime Minister Paul Keating Australian Consul-General, Hong Kong 1995-1998 Board Member, Andrology Australia Board Member, Obesity Australia Officer of the Order of Australia (2005)

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
ABN 68 005 226 595

DIRECTORS' REPORT

Meetings of directors

Directors	Directors' meetings	
	Number eligible to attend	Number attended
Peter Gordon	8	8
Dr Susan Alberti AO HonLLD	10	10
Chris Grant	10	9
Barry Hall	10	10
Gaye Hamilton	10	10
Gary Kent	10	8
George Pappas	10	8
Geoffrey Walsh AO	10	9
David Smorgon	2	2
Ian Veal	2	2

Members guarantee

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of $2 each towards meeting any outstandings and obligations of the company.

Indemnification of officers

During or since the end of the year, the company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums in order to indemnify the directors of the company against a liability incurred as such a director or employee to the extent permitted by the Corporations Act 2001.

Further disclosure required under section 300(9) of the corporations law is prohibited under the terms of the contract.

Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

Auditor's independence declaration

A copy of the auditor's independence declaration under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
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DIRECTORS' REPORT

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or 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 any part of those proceedings.

Signed on behalf of the board of directors.

Director: _____

Peter Gordon

Director: _____

Gary Kent

Dated this 25th day of November 2013

PITCHER PARTNERS

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
ABN 68 005 226 595

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS

In relation to the independent audit for the year ended 31 October 2013, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of any applicable code of professional conduct.

P A JOSE

Partner

PITCHER PARTNERS

Melbourne

25 November 2013

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FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013 $	2012 $
Revenue			
Revenue from Operating Activities	3	34,052,817	32,777,251
	3	34,052,817	32,777,251
Less: expenses			
Administration expenses		(4,435,815)	(4,371,328)
Borrowing costs	4	(533,389)	(613,292)
Business Development Expense		(2,134,741)	(2,195,725)
Membership Expense		(2,808,510)	(3,086,996)
Hospitality Expense		(4,176,835)	(2,479,989)
Event Expenses		(659,836)	(1,508,120)
Consumer Products Expense		(1,057,946)	(1,286,851)
SpiritWest Expense		(795,841)	(1,188,991)
Communication Expense		(658,772)	(433,602)
Football Department Expense		(16,934,222)	(15,749,036)
		(34,195,907)	(32,913,930)
Net loss from continuing operations		(143,090)	(136,679)
Total comprehensive income		(143,090)	(136,679)

The accompanying notes form part of these financial statements.

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
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STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2013

	Note	2013 $	2012 $
Current assets			
Cash and cash equivalents	6	2,995,962	1,605,858
Receivables	7	1,054,013	955,720
Inventories	8	351,861	514,181
Other assets	9	234,336	463,857
Total current assets		4,636,172	3,539,616
Non-current assets			
Intangible assets	10	5,303,851	5,539,177
Property, plant and equipment	11	31,618,569	32,288,341
Total non-current assets		36,922,420	37,827,518
Total assets		41,558,592	41,367,134
Current liabilities			
Payables	12	7,179,653	7,071,007
Borrowings	13	4,198,669	3,794,601
Provisions	14	366,628	409,512
Other liabilities	15	994,770	471,136
Total current liabilities		12,739,720	11,746,256
Non-current liabilities			
Payables	12	3,234,589	4,558,096
Borrowings	13	2,351,319	1,688,426
Provisions	14	148,540	146,842
Total non-current liabilities		5,734,448	6,393,364
Total liabilities		18,474,168	18,139,620
Net assets		23,084,424	23,227,514
Equity			
Retained earnings	16	23,084,424	23,227,514
Total equity		23,084,424	23,227,514

The accompanying notes form part of these financial statements.

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2013

	Retained earnings $	Total equity $
Balance as at 1 November 2011	23,364,193	23,364,193
Loss for the year	(136,679)	(136,679)
Total comprehensive income for the year	(136,679)	(136,679)
Balance as at 1 November 2012	23,227,514	23,227,514
Loss for the year	(143,090)	(143,090)
Total comprehensive income for the year	(143,090)	(143,090)
Balance as at 31 October 2013	23,084,424	23,084,424

The accompanying notes form part of these financial statements.

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
ABN 68 005 226 595

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2013

	Note	2013 $	2012 $
Cash flow from operating activities			
Receipts from customers		37,846,949	35,751,930
Payments to suppliers and employees		(35,684,230)	(33,584,796)
Interest received		48,078	44,940
Interest paid		(332,067)	(613,292)
Net cash provided by operating activities		1,878,730	1,598,782
Cash flow from investing activities			
Payment for gaming entitlements		(968,267)	(242,067)
Proceeds from sale of plant and equipment		-	400
Payment for property, plant and equipment		(585,998)	(361,268)
Net cash used in investing activities		(1,554,265)	(602,935)
Cash flow from financing activities			
Repayment of other loan		(360,361)	(32,736)
Proceeds/(repayment) of commerical bill		426,000	(594,000)
Proceeds from related party loan		1,000,000	-
Net cash provided by / (used in) financing activities		1,065,639	(626,736)
Reconciliation of cash			
Cash at beginning of the financial year		1,605,858	1,236,747
Net increase in cash held		1,390,104	369,111
Cash at end of financial year		2,995,962	1,605,858

The accompanying notes form part of these financial statements.

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

NOTE 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, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report was approved by the directors as at the date of the directors' report.

The financial report is for the entity Footscray Football Club Ltd trading as Western Bulldogs as an individual entity. Footscray Football Club Ltd trading as Western Bulldogs is a company limited by guarantee, incorporated and domiciled in Australia. Footscray Football Club Ltd trading as Western Bulldogs is a not-for-profit entity for the purpose of preparing the financial statements.

The following is a summary of the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Going concern

As at 31 October 2013, the Western Bulldogs has a current asset deficiency of $8,103,548 (2012: $8,206,640). This gives rise to significant uncertainty about the ability of the company to continue to operate as a going concern.

The directors of the company are satisfied that the going concern basis is appropriate due to the following:

- The company has continued to receive ongoing financial support from the AFL. Subsequent to year end the Western Bulldogs have received confirmation that they will receive total assistance from the AFL of $2.81 million from the New Club Future Fund which is predominately tagged to specific initiatives. This is to be paid during the 2014 financial year subject to certain criteria being met.

- The AFL have provided a bank guarantee totalling $4.55 million to the company's bankers as security for the current borrowing facilities. This guarantee has been provided through to the next review date and the directors have the expectation that this guarantee will be extended by the AFL.

The appropriateness of adopting the going concern basis of accounting is dependent on the company being able to generate sufficient funds through membership, gate receipts, sponsorship, fundraising, hospitality and other revenue streams to continue to funds it operations, in addition to receiving financial support from the AFL.

If the going concern basis is found to no longer be appropriate, the recoverable amount of assets shown in the Statement of Financial Position are likely to be significantly less than the amounts disclosed and the extent of liabilities may differ significantly from those reflected in the Statement of Financial Position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Revenue

Sale of goods
Revenue from sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

AFL Distribution and prize money
AFL distributions and prize money revenue is recognised as it is received.

Membership and match day revenue
Membership income is recognised in the relevant AFL season. Match day revenue is recognised at the conclusion of each AFL home game.

Sponsorship
Marketing and sponsorship income is recognised when amounts are due and payable in accordance with the terms and conditions of the sponsorship contract.

Donations
Revenue from donations is recognised when received.

Gaming and function revenue
Sales comprise revenue earned from gaming machines and provide of food and beverages and is recognised on an accruals basis.

Grants
Grant revenue is recognised in the statement of comprehensive income when it is controlled. When there are conditions attached to grant revenue relating to the use of those grants for specific purpose, it is recognised in the statement of financial position as a liability until such conditions are met or services provided.

Rental
Rent revenue is recognised on a straight-line basis over the rental term.

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

(d) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Net realisable value is the estimate selling price in the ordinary course of business less the estimated costs of completion and selling expenses.

(f) Financial instruments

Classification

The company classifies its financial assets into the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Non-derivative financial instruments

Non-derivative financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit and loss. After initial recognition, non-derivative financial instruments are measured as described below.

Loans and receivables

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Property

Property is measured on a cost basis.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of fixed asset	Depreciation rates	Depreciation basis
Land and buildings at cost	2.5%	Straight line
Leasehold improvements at cost	2.5%-20%	Straight line
Plant and equipment at cost	5%-40%	Straight line
Leased plant and equipment at cost	20%	Straight line

(h) Intangibles

Goodwill

Goodwill is recognised initially at the excess over the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition), less the fair value of the identifiable assets acquired and liabilities assumed.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Intangibles (Continued)

Goodwill is not amortised, but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Gaming Entitlements
Gaming entitlements acquired are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful economic lives.

Lease acquisition costs
Lease acquisition costs are recognised at cost of acquisition. Lease acquisition costs have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Lease acquisition costs are amortised over the initial term of the lease.

(i) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

(j) Provisions

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an out flow of economic benefits will result and that outflow can be reliably measured.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(l) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(o) Club Future Fund Distributions

The AFL has committed to supporting the company in the 2014 financial year with a payment of $2.81 million from the Club Future Fund (2013: $2.95million).

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

(a) Impairment of goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management. Management's determination of cash flow projections are based on past performance and its expectation for the future.

	2013 $	2012 $
NOTE 3: REVENUE		
(a) Revenue from operating activities		
AFL sourced income	7,911,240	7,456,872
AFL - Club Future Fund	2,995,000	2,870,000
Gate receipts/match returns	1,240,180	1,374,525
Communications	727,024	649,324
Business Development	7,298,579	6,610,323
Membership	5,094,512	5,136,543
Hospitality	5,153,153	3,171,177
Events and fundraising	1,383,784	2,289,666
Consumer products	884,451	1,261,583
SpiritWest services	822,721	1,400,930
Other income	342,173	556,308
Loan forgiveness	200,000	-
	34,052,817	32,777,251

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

	2013 $	2012 $
NOTE 4: OPERATING PROFIT		
Loss for the year has been determined after:		
Depreciation	1,255,770	1,220,198
Amortisation	235,326	53,399
Bad debts	33,455	-
Impairment losses - trade and other receivables	-	11,195
Employee benefits	17,856,594	17,399,967
Gain on disposal of non current assets	-	(121)
Interest expense	533,389	613,234
Rental expense on operating leases	376,305	366,894
NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION		
Compensation received by key management personnel of the company	1,150,299	1,201,469
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	94,943	92,324
Cash at bank	2,901,019	1,513,534
	2,995,962	1,605,858
NOTE 7: RECEIVABLES		
CURRENT		
Trade debtors	1,038,688	966,794
Impairment loss	(3,601)	(14,601)
	1,035,087	952,193
Other receivables	18,926	3,527
	1,054,013	955,720

	2013 $	2012 $

NOTE 7: RECEIVABLES (CONTINUED)

Impairment of trade receivables

Trade receivables are non interest bearing with 30 days terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. The impairment losses have been included within administration expenses in the statement of comprehensive income. All trade receivables that are not impaired are expected to be received within trading terms.

Movements in the accumulated impairment losses were:

	2013 $	2012 $
Opening balance at 1 November	14,601	12,211
Charge for the year	-	11,195
Amounts written off	(11,000)	(8,805)
Closing balance at 31 October	3,601	14,601

NOTE 8: INVENTORIES

CURRENT		
At net realisable value		
Bulldogs Shop Merchandise	329,466	490,858
Food and liquor	22,395	23,323
	351,861	514,181
Write downs of inventories to net realisable value recognised as an expense during the year	30,000	9,458

NOTE 9: OTHER ASSETS

CURRENT		
Prepayments	190,270	380,176
Unexpired Contra Services	44,066	83,681
	234,336	463,857

	2013 $	2012 $
NOTE 10: INTANGIBLE ASSETS		
Goodwill at cost	735,493	735,493
Provision for impairment loss	(20,571)	(20,571)
	714,922	714,922
Gaming Entitlements	4,841,330	4,841,330
Accumulated amortisation	(280,905)	(48,849)
	4,560,425	4,792,481
Lease acquisition costs	80,000	80,000
Accumulated amortisation	(51,496)	(48,226)
	28,504	31,774
Total intangible assets	5,303,851	5,539,177

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Goodwill at cost		
Opening balance	714,922	573,223
Additions	-	141,699
Closing balance	714,922	714,922
Gaming Entitlements		
Opening balance	4,792,481	242,067
Additions	-	4,599,263
Amortisation expense	(232,062)	(48,849)
Closing balance	4,560,419	4,792,481
Lease acquisition costs		
Opening balance	31,774	35,044
Amortisation expense	(3,270)	(3,270)
Closing balance	28,504	31,774

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

	2013 $	2012 $
NOTE 11: PROPERTY, PLANT AND EQUIPMENT		
Land and buildings		
At cost	542,695	542,695
Accumulated depreciation	(39,029)	(25,462)
	503,666	517,233
Whitten Oval and Leasehold Improvements		
At cost	32,962,225	32,876,548
Accumulated depreciation	(3,785,247)	(2,858,938)
Whitten Oval and Leasehold Improvements	29,176,978	30,017,610
Plant and equipment		
Plant and equipment at cost	3,306,126	3,020,667
Accumulated depreciation	(1,869,168)	(1,598,413)
	1,436,958	1,422,254
Leased plant and equipment at cost	-	95,649
Accumulated depreciation	-	(95,649)
	-	-
Capitalised leasehold costs	507,834	338,111
Accumulated amortisation	(6,867)	(6,867)
	500,967	331,244
Total plant and equipment	1,937,925	1,753,498
Total property, plant and equipment	31,618,569	32,288,341
(a) Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
Land and buildings		
Opening carrying amount	517,233	530,800
Depreciation expense	(13,567)	(13,567)
Closing carrying amount	503,666	517,233
Whitten Oval and leasehold improvements		
Opening carrying amount	30,017,610	30,821,204
Additions	85,677	5,282
Depreciation expense	(926,309)	(808,876)
Closing carrying amount	29,176,978	30,017,610

	2013 $	2012 $
NOTE 11: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
Plant and equipment		
Opening carrying amount	1,422,254	1,493,738
Additions	330,598	323,269
Disposals	-	(279)
Depreciation expense	(315,894)	(394,474)
Closing carrying amount	1,436,958	1,422,254
Leased plant and equipment		
Opening carrying amount	-	4,957
Depreciation expense	-	(4,957)
Closing carrying amount	-	-
Capitalised leasehold costs		
Opening carrying amount	331,244	298,900
Additions	169,723	32,717
Depreciation expense	-	(373)
Closing carrying amount	500,967	331,244
Total property, plant and equipment		
Carrying amount at 1 November	32,288,341	33,149,599
Additions	585,998	361,268
Disposals	-	(279)
Depreciation expense	(1,255,770)	(1,222,247)
Carrying amount at 31 October	31,618,569	32,288,341
NOTE 12: PAYABLES		
CURRENT		
Unsecured liabilities		
Trade creditors	4,925,686	5,278,147
Sundry creditors and accrued expenses	1,285,700	824,593
Payable for gaming machine entitlements	968,267	968,267
	7,179,653	7,071,007

		2013 $	2012 $
NOTE 12: PAYABLES (CONTINUED)			
NON CURRENT			
Unsecured liabilities			
Other payables		813,926	1,169,166
Payable for gaming machine entitlements		2,420,663	3,388,930
		3,234,589	4,558,096
NOTE 13: BORROWINGS			
CURRENT			
Secured liabilities			
Commercial bill		4,082,000	3,656,000
Other loan		116,669	138,601
		4,198,669	3,794,601
NON CURRENT			
Unsecured liabilities			
Loan from related party	17	800,000	-
Secured liabilities			
Other loan		1,551,319	1,688,426
		2,351,319	1,688,426

(a) Terms and conditions and assets pledging as security relating to the above financial instruments

The above financial instruments are secured by:
a) A second ranking registered company charge by Westpac Banking Corporation (with a deed of priority to rank first) over the assets of Footscray Football Club Limited to the amount of $5,000,000 and;
b) A standard guarantee and indemnity limited to $4,550,000 by the Australian Football League in favour of the Westpac Banking Corporation.
c) A fixed and floating charge in favour of Tabcorp Investments No. 6 Pty Ltd over the assets of The Peninsula Club operated at the former Dromana-Red Hill RSL.

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2013

		2013 $	2012 $
NOTE 14: PROVISIONS			
CURRENT			
Employee benefits	(a)	366,628	409,512
NON CURRENT			
Employee benefits	(a)	148,540	146,842
(a) Aggregate employee benefits liability		515,168	556,354
NOTE 15: OTHER LIABILITIES			
CURRENT			
Income in Advance		994,770	471,136
NOTE 16: RETAINED EARNINGS			
Retained earnings at beginning of year		23,227,514	23,364,193
Net loss		(143,090)	(136,679)
		23,084,424	23,227,514

NOTE 17: RELATED PARTY TRANSACTIONS

The company has a related party relationship with its key management personnel and their associated entities.

The company has a related party relationship with the Western Bulldogs Forever Foundation, an entity for which Dr Susan Alberti HonLLD is a director, and Gordon Legal and Comprehensive Legal Funding, entities for which Peter Gordon is a director.

A number of key management personnel of the company, or their related parties, hold positions in other entities that result in them having control of significant influence over the financial reporting policies of these entities.

Two of these entities transacted with the company in the reporting period. The terms and conditions of the transaction with directors and their related parties were no more favourable than those available, or which might reasonably be expected to be available on an arms length basis.

NOTE 17: RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with directors of the entity and their personally related entities

Amounts due to related parties
During the 2013 financial year, the club received a loan from a director or his related entities. This loan totalled $1million of which $800,000 is outstanding at 31 October 2013. The director or his related entities agreed to forgive repayment of $200,000 of the loan during the 2013 financial year. The loan is interest free and unsecured, and the director or his related entities have given undertakings this loan will not be called on for a period of 19 months from financial year end.

Corporate Sponsorship
The below corporate sponsorship transactions are in relation to Dr Susan Alberti HonLLD as Director of GoldAge Pty Ltd and Peter Gordon as Director of Gordon Legal and Comprehensive Legal Funding.

	2013	2012
	$	$
Amounts due to related parties	800,000	-
Corporate Sponsorship	381,414	159,500

(b) Each director is a fully paid up member of the Club and from time to time may purchase tickets to Club events and functions at normal member rates.

NOTE 18: CONTINGENT LIABILITIES

(a) Non-cancellable operating lease commitments contracted for but not capitalised in the financial statements		
Not later than one year	291,675	289,442
Later than one year but not later than five years	417,403	533,186
Later than five years	586,739	929,243
	1,295,817	1,751,871

Operating lease commitments include the lease of the property located at Whitten Oval, 417 Barkly Street, Footscray West, venues operated by the club and plant and equipment used in the operations of the club.

(b) Gaming Machine Commitments		
Not later than one year	696,140	675,864
Later than one year but not later than five years	7,666,058	7,442,775
Later than five years	10,458,444	11,377,867
	18,820,642	19,496,506

	2013	2012
	$	$

NOTE 18: CONTINGENT LIABILITIES (CONTINUED)

(c) Player Payments

Due to the contract terms varying considerably amongst players, it is not practicable to reliably measure the future commitments under player contracts.

(d) Whitten Oval Redevelopment

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

The fit-out contribution of $1,750,000 reduces by $175,000 per annum over a 10 year period, whilst the premises contribution reduces over a period of 18 years.

Total amounts payable at 31 October 2013 in the event of termination are $4,934,541 for the premises contribution and $1,225,000 for the fit-out contribution.

NOTE 19: EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to year end the Western Bulldogs have received confirmation that they will receive total assistance from the AFL of $2.81 million from the New Club Future Fund which is predominantly tagged to specific initiatives. This is to be paid during the 2014 financial year subject to certain criteria being met.

NOTE 20: MEMBERS' GUARANTEE

The company is incorporated under the *Corporations Act 2001* and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute to a maximum of $2 each towards meeting any outstandings and obligations of the company.

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DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 15 - 34, are in accordance with the *Corporations Act 2001*: and

   (a) comply with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and

   (b) give a true and fair view of the financial position as at 31 October 2013 and performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director: _____

Peter Gordon

Director: _____

Gary Kent

Dated this 25th day of November 2013

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS

We have audited the accompanying financial report of Footscray Football Club Ltd trading as Western Bulldogs, which comprises the statement of financial position as at 31 October 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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* and for 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 that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 in 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*.

PITCHER PARTNERS

FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS
ABN 68 005 226 595

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FOOTSCRAY FOOTBALL CLUB LTD TRADING AS WESTERN BULLDOGS

Opinion

In our opinion, the financial report of Footscray Football Club Ltd trading as Western Bulldogs 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*.

P A JOSE

Partner

PITCHER PARTNERS

Melbourne

25 November 2013

An independent Victorian Partnership ABN 27 975 255 196

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MAJOR PARTNER OF THE WESTERN BULLDOGS